

# Driving Innovation

Kimberly-Clark Saves Millions With JDA Solutions



**W**ith a 140-year history of providing high-quality family and personal care products, Kimberly-Clark is an established leader in the global consumer products industry. The company has maintained this long history of leadership through continuous improvement and innovation. Several years ago, the company challenged its business support groups, including transportation, to drive additional savings across the organization.

“When the leadership of Kimberly-Clark challenged us to deliver more bottom-line value, we were running a legacy transportation management system [TMS],” said Tony Poole, ITS business partner, corporate transportation at Kimberly-Clark. “We recognized quickly that we required a more robust system to deliver the type of savings we needed to achieve.”

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*– Tony Poole,  
ITS Business Partner, Corporate Transportation,  
Kimberly-Clark Corporation*

Transportation executives at Kimberly-Clark considered a number of software vendors to solve these challenges before ultimately choosing JDA Software's transportation planning and management solutions. "It was really all about the optimization," said Poole. "JDA's solutions are best in class. We knew that JDA's optimization capabilities could drive the type of freight savings we needed in the transportation organization at Kimberly-Clark."

According to Poole, the company quickly achieved a significant return on its investment. "By using JDA solutions instead of our legacy TMS, we are saving an incremental \$12 million to \$14 million a year in freight charges, including \$8 million in the first year of implementation. We realized a full payback on our JDA investment within one year," said Poole.

Today, the company's centralized planning staff for its North American operations uses the TMS to manage approximately 2,500 shipments, originating from 40 separate locations, on a daily basis. "JDA's powerful optimization capabilities have enabled us to create real-time constraints around service that we could not define with our legacy TMS," said Poole. "Now, we can create an optimal plan that realizes the freight savings we were looking for when we began the JDA implementation."

### Leveraging JDA's Platform for Continuous Improvement

Recently, Kimberly-Clark embarked on a lean initiative to extract even more value from JDA's TMS. The company configured the JDA Agile Business Process Platform to incorporate a hierarchy of rules specific to Kimberly-Clark. These rules dictate which loads can be automatically processed, eliminating much of the manual work of reviewing and approving daily transportation loads. "The JDA platform enabled us to represent our own internal business rules and processes, delivering greater benefits from JDA's transportation solutions," noted Poole.



### Kimberly-Clark at a Glance

With \$19.6 billion in annual sales, Kimberly-Clark Corporation is one of the world's leading manufacturers of family and personal care products. With numerous well-known brands — including Kleenex, Scott and Huggies — Kimberly-Clark holds the No. 1 or No. 2 brand share in more than 80 countries. Founded in 1870, today the company employs 57,000 people across its operations in 36 countries.

### Objective

Continuously improve the company's transportation management process in order to reduce overall freight costs, improve service and gain efficiency.

### Solutions

- JDA® Transportation Manager
- JDA® Transportation Modeler
- JDA® Transportation Planner
- JDA® Agile Business Process Platform

### Services

- JDA Education Services
- JDA Implementation Services
- JDA Support Services

### Real Results

- Achieved \$8 million in freight savings in first year of implementation
- Continued realizing incremental savings of \$12 million to \$14 million each year
- Saved planning team an aggregate of 35 hours per day

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Loads that are not particularly complex — for example, those shipments with one pick-up and one drop-off location — are automatically processed by the solution, without being touched by a planner. All loads that are more complex in nature — because they exceed a certain cube size or require special handling, for example — must be personally approved by a planner. When business rules are violated, loads are flagged and designated with a specific reason, so that planners can respond appropriately.

As a result of the lean initiative, Kimberly-Clark can automatically process close to 80 percent of its daily transportation loads using JDA solutions. Planners estimate that their end-of-day close-out process has been reduced from 60-90 minutes to less than 30 minutes.

Additionally, an aggregate of 35 hours of daily manual labor has been eliminated across the company’s planning team, enabling planners to focus on more strategic activities, while remaining confident that all daily loads are being managed in the most effective manner possible. Today, loads are reaching Kimberly-Clark’s distribution centers faster, and its carriers are receiving their tenders much earlier.

### Exploring New Opportunities

In addition to load planning, today Kimberly-Clark is applying JDA solutions to automate other functions within its transportation organization, leading to incremental savings.

For example, the company’s centralized freight approval staff is currently automating the payment of approximately 80 percent of its invoices — and is planning to further apply JDA solutions to optimize this process by eliminating duplicate invoices, flagging overdue invoices and reducing the number of manual mouse clicks in the invoice approval process. By improving visibility into this two-way, collaborative process with vendors, Kimberly-Clark is already seeing significant productivity improvements.

Looking toward the future, Kimberly-Clark intends to continue its innovation and close partnership with JDA. “We’re evaluating the benefits we could gain through future upgrades, as well as benefits from additional JDA solutions,” said Poole. ■

