

The Bekins Company moves into the future with e-business on demand.

Overview

■ Challenge

Retake the initiative in their industry by refining and automating processes

■ Solution

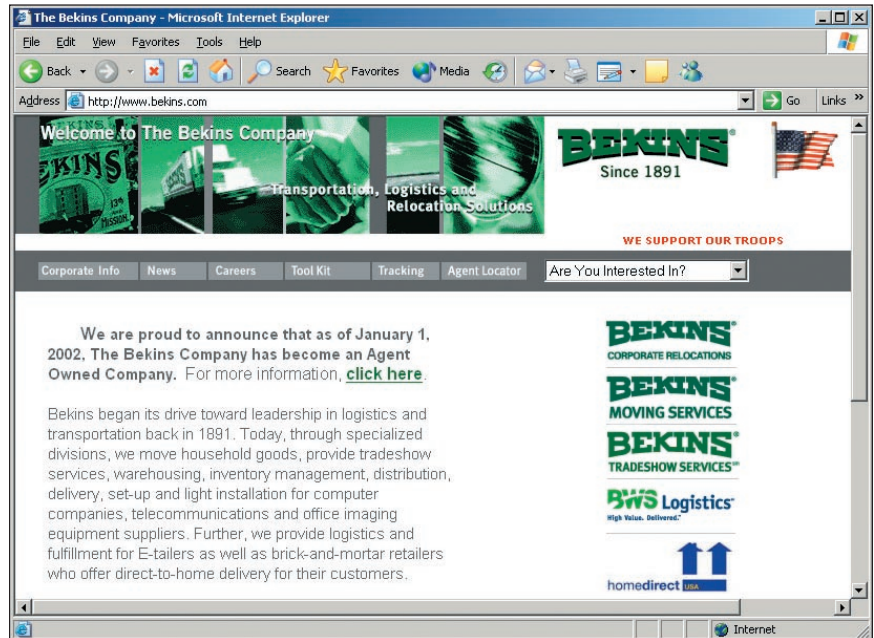
The industry's first end-to-end solution that permits seamless integration with partners while providing a solid infrastructure for future growth

■ Why IBM?

IBM had the expertise and core middleware products—such as IBM WebSphere—to help Bekins build a robust, open e-business on demand environment that leveraged existing corporate data and the superior reliability of IBM @server zSeries

■ Key Benefits

12-month ROI; \$75 million revenue increase; \$1 million reduction in operating costs; 25% reduction in cycle time; increased satisfaction among customers and agents



Founded in 1891, The Bekins Company performed the first transcontinental move by motorized van and introduced motor trucks to the moving and storage business on the West Coast.

Sometimes, to take advantage of a great opportunity, you have to move fast.

That was the situation facing The Bekins Company, one of the best known names in the moving industry for over 100 years. But to regain traction in a changing marketplace, Bekins needed to find a more responsive way to match shipping opportunities with available delivery vehicles.

Bekins (www.bekins.com), with headquarters in Hillside, Illinois, includes Bekins Van Lines, for moving household goods, and Bekins Worldwide

“The new process is revolutionizing our business, opening up a major area of opportunity to improve our operating margins and continues to provide outstanding customer service.”

—Randy Mowen, Director of Data Management and e-business Architecture, The Bekins Company

Responding in realtime to variable capacity needs

Key Components

Software

- IBM WebSphere® Application Server
- IBM WebSphere Studio Application Developer
- IBM WebSphere Portal Server
- IBM Web Services toolkit

Servers

- IBM @server zSeries®

Solutions, an integrated logistics network. Bekins Van Lines operates through a nationwide network of agents with a combined fleet of more than 1,600 operators. Bekins Worldwide Services has a dedicated agency network of more than 60 distribution centers with a combined Bekins fleet of more than 2,100 tractor/trailers and straight trucks. Bekins, which since early 2002 has been owned by its agents, also includes a variety of specialized divisions.

Among the newest of these is HomeDirectUSA, a business unit developed to focus on inventory management and home delivery of high-value consumer goods for e-tailers and brick-and-mortar retailers. These large items—such as big-screen TVs, mattresses and appliances—frequently require installation and setup, as well. HomeDirectUSA's customers include some of the largest manufacturers and distributors of consumer goods in the country.

Like the moving business, the delivery business has peaks and valleys of demand. It was impossible for Bekins to predict when it would be able to handle a delivery with its centrally managed fleet and when it would have to tender the opportunity to an agent.

Unfortunately, the process for tendering shipments required faxing and calling agents one-by-one; Bekins had to wait for a response before moving down the list. This process was so slow that it threatened the delivery guarantees retailers were making to their customers. Agents found the process unfair and cumbersome, since they needed someone to field the faxes and phone calls.

“We were at risk of dissatisfying major customers and business partners if we didn't fix our telephone/fax-based brokerage process,” according to Randy Mowen, director of data management and e-business architecture for Bekins. This was clearly a case where the company needed to streamline its processes to become more responsive or risk losing business now and missing opportunities in the future.

“We chose tools and technologies that would help us deliver an open, high-performance Web Services solution.”

—Randy Mowen

Moving quickly

Solving the problem would require transforming the tendering process in order to achieve greater levels of integration with agents. Streamlining the process and extending it to business partners would reduce the cost of tendering shipments, enhance the ability of Bekins and its agents to plan and maximize their profits on shipments and—perhaps most important—assure Bekins' customers that their shipments would reach their destinations on time.

To accomplish this, Bekins decided to create an automated system—known as the Tonnage Broadcast Exchange (TBE)—for tendered shipments. The system's design would permit Bekins to tender orders online simultaneously to all potential agents; allow the agents to view these tenders based on criteria they selected; enable agents to accept tenders; and support online payments.

To power TBE, the company selected an IBM **@server** zSeries mainframe. Leveraging existing, proven enterprise zSeries data and business logic would mean faster deployment with fewer risks. It also meant that TBE would benefit from the system's extremely high reliability and performance as a server. But the company needed to develop a frontend that would permit agents to access this information no matter what kind of system they used.

Knowing that the initiative depended on seamless integration for success, Bekins made the critical decision to develop TBE as a Web Services application. "Web Services provides the open standards integration needed to bring any business partner into our online brokerage environment almost instantly, no matter what systems they use internally," Mowen says. Based on previous experience, the company also quickly decided to develop and deploy TBE using the IBM WebSphere family of products.

"Our main business purpose was to build an online brokerage system quickly for our business partners," Mowen points out. "To achieve this goal, we chose tools and technologies that would help us deliver an open, high-performance Web Services solution."

In particular, Bekins felt that WebSphere provided an integrated development environment offering strong productivity support and a robust, open environment for e-business combined with extensive integrated functionality to support the use of Web Services.

To market, to market

It took a team of seven full- and part-time developers just five months to build TBE, thanks in part to the productivity support available in IBM WebSphere Application Server, IBM WebSphere Studio Application Developer and an IBM Web Services toolkit, according to Mowen. "They provided a framework, together with sample code, that we were able to leverage and adapt to our specific needs. We merely had to overlay our business logic and methods, and the work was done." Bekins estimated that these tools helped to cut development time by two-thirds, saving the company \$100,000.

On Demand Business Benefits

- 25 percent cycle time reduction, 12-month ROI and \$1 million cost savings due to on demand model that automates the brokerage process
- Customer and partner satisfaction increasing due to Bekins' responsive, Web-based capabilities
- Improved process permits aggressively pursuing additional business worth up to \$75 million annually

Technology Benefits

- An integrated development environment with strong productivity support cut development time by two-thirds
 - Robust, open-standards architecture permits quickly leveraging the solution to expand business in the future
 - Rapid integration with business partner systems because of open-standards based Web Services application
 - IBM **@server** zSeries permits leveraging existing enterprise data and business logic and provides superior reliability, scalability and flexibility
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Bekins deployed TBE late in 2001. It can be accessed via a Web portal application, built on IBM WebSphere Portal Server and hosted on the Bekins Web site, or through a Web Services application that interfaces seamlessly with the agents' internal transportation management systems.

The tender appears as a tentative order in these systems, which can then be acknowledged in order to accept the tender.

Either way, TBE permits agents to sort and view the tenders according to their business requirements: all tenders or only those in their region or that meet certain weight requirements. In other words, each business partner can eliminate requests it can't or doesn't wish to fill.

Acceptance changes the status of a tender. It is no longer accessible by other agents, and it becomes an order in Bekins's system, where it can be tracked like any other order.

A moving experience

Reaction to TBE has been positive, and so have the results. By September, 2002, 10 percent of Bekins agents were on the system—a number that was growing rapidly. Agents find they benefit from the system because it is fairer, faster and it permits them to plan their operations better in terms of what business will be most profitable for them to pursue.

Customers are happy, too, knowing that items will be delivered in their customers' homes on time.

For Bekins, the system has reduced cycle time by 25 percent and delivered full ROI in only 12 months. The improved satisfaction, coupled with greater efficiency, means Bekins can pursue brokering lower-margin shipments. It's expected that will significantly increase volume, growing revenue as much as \$75 million annually.

The greater efficiency of the system also has reduced operating costs and helped improve profitability by \$1 million.

And it also gives Bekins room to grow. "Because TBE is based entirely on open standards technologies, it enables us to build a one-time solution that will work for all our business partners—both now and in the future," Mowen says.

"TBE represents a truly groundbreaking piece of work for Bekins and our industry," he adds. "We are first to market with a robust, secure, scalable and fully integrated brokerage solution incorporating a completely new Web Services architecture and a new development paradigm."

For more information

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