



Industrial/Wholesale

PPG Industries, Inc.

Customer Success Story

Facts at a glance:

Geographies:

Headquartered in Pittsburgh, Pennsylvania, the company operates 120 manufacturing facilities in 23 countries worldwide. It also operates approximately 250 paint retail centers in the southeastern United States.

Manhattan Associates Solutions:

Transportation Management solutions, including our Transportation Planning and Execution solution

"With Manhattan Associates' Transportation Management solutions, we are saving in excess of \$2M in transportation costs annually and we're shipping a greater volume in less time with fewer resources."

James L. Carr
Manager
Corporate Logistics Center
PPG Industries, Inc.

PPG Paints a Picture of Success with Manhattan Associates' Transportation Management Solutions

The Challenge

You won't catch PPG painting itself into a corner. Paints, stains and specialty coatings for commercial, maintenance and residential uses—produced under the Pittsburgh Paints, Olympic, Porter, Monarch, Lucite and Pittsburgh HPC (High Performance Coatings) brands—account for the majority of the company's sales. The remainder comes from a wide range of glass and chemical products.

Established in 1883, PPG has long been a technology leader introducing a multitude of product and process innovations, such as automotive safety glass, self-cleaning glass and flexible automotive finishes throughout its 120-year history. In addition to striving to be the leader in each of its major industries, the company consistently focuses on generating superior, consistent financial performance. It achieves this goal by continuing to develop breakthrough products and processes and investing in highly productive manufacturing and distribution operations.

In February of 2001, PPG determined that advanced Transportation Management solutions were required to manage its complex transportation operations, which globally account for a \$400 million annual spend. The company needed solutions to manage its rapid growth and high volume of transactions, as well as its daily shipping activity, which on average numbers more than 800 shipments per day. An increasing number of new PPG products also introduced new channels of distribution and each new channel represented a transportation challenge.

The Solution

After an extensive market survey the company chose Manhattan Associates' Transportation Management solutions to control transportation to and from its 35 manufacturing facilities and 16 distribution centers located across North America. The solutions' abilities to automate communication with PPG's extensive network of transportation providers enabled the company to streamline its tendering process and save a substantial amount of time and money.

The Implementation

Manhattan Associates' Transportation Management solutions automatically capture the vast majority of PPG's orders via interfaces to the company's multiple order management systems. In turn, the solutions consolidate PPG's orders into shipments and determine the best mode of transportation for each. From this point, the solutions enable PPG to collaborate with a range of carriers to determine the most suitable and cost-effective carrier for each shipment. The company utilizes this functionality to work with more than 100 motor carriers, including their primary motor carrier, which operates a dedicated fleet comprised of more than 300 vehicles. If an air carrier is required, Manhattan Associates' unique Capacity Finder functionality conducts a reverse auction to secure the most efficient route and carrier.

The Benefits

Manhattan Associates' Transportation Management solutions have enabled PPG to fully integrate its transportation planning and execution functions. The company can now adapt quickly and cost-effectively to its dynamic shipping network, which has resulted in more than \$2M in annual savings.

Consolidating loads across manufacturing plants and strengthening partnerships with carriers have been critical to PPG's

success. The company has been able to do this across 35 manufacturing plants throughout North America. Streamlining carrier communication and allowing carriers to easily select the loads most attractive to their businesses have helped PPG's preferred carriers maximize their assets. In fact, 85% of all loads receive automatic optimal carrier selection and next best recommendations are automatically made for rejected loads. As a result, PPG has experienced significantly lower transportation and administrative costs. The company cites savings as great as \$40-\$70 per load for motor freight, with a 10-15% savings on expedited ground shipments and a 20-25% savings on air freight. It is truly a win-win situation for both PPG and its transportation partners.

The Future

For PPG, having the lowest cost position in the supply chain is fundamental to success. To date, efficient management of the company's vast transportation network has resulted in substantial supply chain costs savings. As the company looks ahead at growing their earnings per share by 10% annually, they will continue to experiment with new ways to cut transportation costs. Manhattan Associates' Transportation Management solutions will be an integral tool to support the achievement of PPG's goal.