



Integrated tracking system delivers **BARGE-size results**

To capture a competitive edge in a business with super-tight margins, you need to capture information....lots of information.

Background:

MEMCO Barge Line, Inc. is a full-service bulk carrier operating on U.S. inland rivers and the Gulf Intercoastal Waterways. The company sells both long-term contracts and spot capacity to transport coal, grain, cement and other bulk commodities.



Coordinating the daily activities of MEMCO's large fleet of towboats, tugboats and barges is a formidable logistical challenge. Dispatchers are in constant communications to

coordinate among customers, towboats and a significant number of third party subcontractors such as loading and unloading terminals and local tugboat and fleet operators.

MEMCO's different departments each had independent processes and operating systems, but they all relied on others for key data. Significant time was spent getting information from, or sharing information with other departments. Data often had to be re-keyed.

Situation:

MEMCO was growing rapidly and had ambitious plans to double the size of its fleet. But they wanted to grow freight capacity while becoming more administratively efficient and not have to add office staff.

MEMCO management also needed performance metrics to manage their business. Statistical information about contracts and barge/boat operations would allow them to identify and analyze areas of

the business that needed special attention. The old process of gathering raw data from different systems and entering it into separate spreadsheets was slow, labor intensive and not always accurate.

Solution:

Cornerstone listened to MEMCO's needs and took the time to understand their sophisticated processes. We designed an integrated Management System for MEMCO that manages contracts, logistics and billing, while providing timely and accurate information for decision making and responding to customer inquiries.

The system is comprised of a cohesive set of four unique applications working from a common database. Each application (Contracts, Equipment, Tracking and Billing) supports the distinct functional needs of a specific department. A Daily Reports applications and a new Report Wizard provide management with quick access to information about operations and performance trends.

Sales management uses the **Contract** application to document sales orders and capture detailed specifications about customer requirements.

The **Equipment** application maintains an up-to-date record of every boat and barge. This includes functional attributes such as size, capacity, construction and draft, a maintenance log showing both history and

"MMS has dramatically changed our business. There is one point of entry, it's very user friendly, you can usually get things done a couple of different ways and it generates a wealth of information."

John Johnson
Sr. Vice President
MEMCO

future requirements, and a record of past travels.

The **Tracking** application brings together information about customer requirements and the current status of boats and barges. Dispatchers have quick access to the wide range of information they need to coordinate the movement of the company's fleet. Because of the complexity and uncertainty of river transportation (fog delay, flooding, lock repair, etc.), the actual process of scheduling is still done manually, making use of the expert knowledge and experience of the dispatchers.

The **Billing** application works in the background to automatically identify any billable events, such as a barge being delivered, or a barge being held by a customer longer than allowed by contract. This event information is electronically sent to Accounting, where it is fully integrated into the company's Platinum general ledger system.

Benefits:

Key benefits that MEMCO has achieved with the system include:

Increased Throughput and Sales:

Since implementation, MEMCO has been able to grow its business dramatically and now has over twice the

number of barges in operation. As a result, they have also seen their revenue double. They have been able to attain this growth without adding dispatchers and with only a minimal increase in administrative personnel. With the MEMCO Management System, the company is well prepared for continued growth.

“Before, a majority of employee time was spent on processing the data, day in and day out. Today, a majority of time is spent on evaluating results and planning our business with an eye toward continuous improvement.”

John Johnson
Sr. Vice President

More Productive Employees:

Employees in all departments spend less time gathering information from other departments and re-keying data. Employees can focus much more of their time on planning, and making quality decisions that are aimed at improving operating performance and profitability.

Improved Customer Service:

The MEMCO system automatically generates faxes to keep customers informed of the changing status of their freight. That reduces call-ins. When customers do call, sales agents and dispatchers have immediate access to current information about the account.



Customers are impressed and MEMCO personnel can use the opportunity to proactively manage the account.

Smarter Management Decisions:

The new system gives MEMCO management better access to strategic business information. They can now identify the profitability of specific boats and barges on specific journeys. They can also evaluate individual customer contracts over the long-term to help manage profit margins. Importantly, the company has been able to set goals for new performance metrics. With the tools now in place to measure and report on these metrics, company efforts can be effectively directed at meeting goals.

Improved Financial Reporting:

Because of the integration with MEMCO's accounting system, there is now much greater consistency in financial reporting. This helps identify what parts of the business are most profitable. Invoicing and accounts payable ledger entries are all tied to documented operational events, providing greater control over billing and vendor payments.



