



Domtar saves millions of dollars and improves customer delivery service with solution from IBM and TransWorks



Overview

The Challenge

Large manufacturer needed a better way to handle freight arrangements with its transportation partners

The Solution

TransWorks developed its Transportation Management System by using IBM Rational® PurifyPlus™ powered by IBM System p® and System x® servers and IBM Informix® databases in a Software as a Service model

The Benefit

- *Spending on freight was reduced by 18.7 percent in the first year*
- *On-time deliveries from connected sites improved*

Freight operations are a vital but costly part of the business for Domtar Corporation, one of the largest manufacturers of paper and other forest products in North America. So in place of traditional, largely manual methods of managing round-the-clock freight needs, Domtar in 2006 opted to automate that process at several of its mill sites and distribution centers in the United States and Canada. As a result, Domtar realized millions of dollars in annual savings.

To accomplish this, Domtar didn't have to add to investments to in-house information technology. Instead it signed up for an on-demand transportation management system (TMS) from TransWorks, an Advanced IBM Business Partner, based in Fort Wayne, Indiana, using the Software as a Service (SaaS) model.

The SaaS business model provides application functionality through a subscription model over the Internet. A customer does not own the software but instead rents a total solution that is delivered remotely. With a SaaS model-based offering, a customer eliminates the cost of developing, buying and maintaining an in-house technology solution. A customer no longer needs to support multiple platforms or versions.

Continual access through the Web

TransWorks, a wholly-owned subsidiary of Norfolk Southern Corp., hosts its on-demand TMS at its data center in Fort Wayne. Shippers, such as Domtar, which is headquartered in Montreal, Canada, along with their transportation providers, have continual access to the service through Web interfaces, each one customized for the individual shipper. And customer charges are "success



"Today, we have clear, real-time control over deliveries" because of the TransWorks and IBM solution.

David White,
director of transportation,
Domtar Corp.

based,” which means the customer is billed only for successful outcomes.

The application is a rules-based logistics tool that automatically tenders load offerings to the carriers, schedules pickups and deliveries and tracks the progress of each load while maintaining constant integrated communications between carrier and shippers.

At the Domtar operational headquarters in Fort Mill, South Carolina, TransWorks’ TMS lifted a large daily workload from both the sales-services and truck-services groups there and freed them to focus more on their customers.

In the first year following implementation, and with fewer than a quarter of Domtar mills and distribution centers using the TransWorks solution, the company realized an 18.7 percent drop — amounting to millions of dollars annually — in spending on freight among those sites, said David White, the company director of transportation.

Even more important was the improvement in supply-chain visibility, White said. “Before this, there was a lot of hope involved in the timing of our deliveries, and you can’t run a successful business on hope. Today, we have clear, real-time control over deliveries, which have improved,” White explained.

Strong leverage with IBM

Bruce Cox, vice president of sales, marketing and strategic planning for TransWorks, said its use of IBM technology has enabled TransWorks “to adhere to open-source standards

while also having the assurance of 99.8 percent system availability in the service we provide to our customers.” Additionally, “there’s the strong sales and marketing leverage we derive from our IBM partnership,” he noted.

The database underlying the TransWorks’ offerings is the IBM Informix® Dynamic Server, which Cox credited for “great performance and being very easy to manage.” He also lauded IBM Rational PurifyPlus middleware for helping TransWorks with fast and accurate code development.

The key hardware at the Fort Wayne datacenter consists of IBM System p and System x servers and three IBM System Storage DS4800 installations, Cox said. “And we have all of our infrastructure virtualized for increased speed and flexibility in delivering our services,” he said.

SaaS: Delivery assistance, plus solution design and development

The relationship between TransWorks and IBM is an example of how IBM Business Partners can benefit from working with IBM to deliver SaaS solutions.

In addition to delivery assistance, IBM offers help with solution design and development. It provides a range of systems that give business the choice of technology, performance, scalability and operating systems. IBM offers its business partners’ customers hosting services for applications and Web sites. But its SaaS offerings go much further to include managed services and application services.

More information:

To learn more about IBM SaaS, visit ibm.com/partnerworld/saas

To learn more about TransWorks, visit trnswrks.com

To learn more about Domtar, visit domtar.com



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Somers, NY 10589
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