



THE CHALLENGE

Celestica, a global electronics manufacturer, sought a Transportation Management System (TMS) to reduce global transportation costs and improve visibility across its end-to-end supply chain.

THE SOLUTION

MercuryGate TMS provides Celestica with the visibility, flexibility and automation it required to manage its global transportation requirements. MercuryGate's Mojo solution enables Celestica to model scenarios to determine the optimal freight network setups.

THE RESULTS

The MercuryGate TMS gives Celestica better visibility into its freight in transit and supplier inventory, enabling the company to reduce the number of expedited orders and improve transportation costs.



Celestica

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— Ryan Bloor, Logistics Service Provider

GLOBAL MANUFACTURER REDUCES COSTS, GAINS EFFICIENCY AND PREPARES FOR CONTINUED GROWTH

Some companies select vendors for a specific challenge, and achieve positive results initially, but not on a consistent basis. For Celestica, its longstanding relationship with MercuryGate has evolved as the electronics manufacturing company has changed, adding value on a continuous basis.

"There are still untapped benefits to be gained from the existing programs we have in place with MercuryGate," said Ryan Bloor, Logistics Services Provider for the Toronto-based manufacturer.

As a global manufacturer of electronics, Celestica originally sought a Transportation Management System (TMS) as a means of reducing its global transportation costs and improving visibility across its end-to-end supply chain. With plants in the U.S., Asia, Mexico, and Europe, the company – which manages both inbound and outbound freight – also wanted a software solution that would

allow it to consolidate contracts on a single platform.

AUTOMATION PROVIDES CELESTICA WITH CONTROL, BOOSTS EFFICIENCY

"When tendering shipments, we wanted to be able to select the best cost option automatically," explained Mr. Bloor, "instead of having to call the carriers individually to arrange a quote and pickup." Celestica's transportation network was also experiencing a higher-than-expected level of "premium costs" being paid for shipments. This added to supply chain costs, and according to Mr. Bloor, the primary obstacle to cutting these costs was a lack of visibility.

In order to achieve goals, Celestica chose MercuryGate as their transportation software provider. By using a combination of MercuryGate TMS and Mojo, MercuryGate's transportation optimization solution,

Celestica has made improvements across its entire supply chain.

"MercuryGate is the backbone of our best-in-class process due to the visibility, flexibility and automation the software provides," said Mr. Bloor. "These attributes, coupled with the company's collaborative business model, have been very beneficial to Celestica."

VISIBILITY HELPS CELESTICA REDUCE TRANSPORTATION COSTS

Celestica uses MercuryGate TMS to view freight in transit – right down to the individual PO and part number level. The TMS also automatically identifies costs incurred on non-conforming transactions. Once a supplier has been selected and a routing guide submitted, the manufacturer can monitor whether that guide is being followed. All transportation contracts are loaded in Celestica's TMS, which in turn

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CASE STUDY



Celestica

lets logistics personnel know when those contracts are about to expire, what the current available rates are, and keeps the team well informed about transportation expenditures.

"By giving our business better visibility into what's in transit, what's available at the supplier, and what's in stock at our locations," Mr. Bloor said, "we are able to reduce the number of expedited orders and thereby improve transportation costs, which in turn, flow directly to the company's bottom line."

Celestica uses MercuryGate's optimization tool, Mojo, for modeling scenarios to determine the optimal freight network setups while the TMS drives down costs through improved cost control and manufacturing/supply base visibility – both domestically and internationally.

And because MercuryGate TMS integrated directly with Celestica's ERP, the company gained visibility right down to the PO number. "We now know whether a specific PO is in transit or not," said Mr. Bloor.

PARCEL CAPABILITIES DRIVE REAL-TIME EXECUTION

Beyond improving its planning capabilities, Celestica finds value in MercuryGate TMS at the execution level, using the software for near real-time tendering of shipments to parcel providers.

"Parcel plays a major role in our supply chain strategy," said Mr. Bloor. "Parcel providers tend to have the most advanced technology systems in the transportation industry, and we are pleased that MercuryGate

TMS integrates seamlessly with our parcel providers."

MercuryGate TMS is built with parcel as a native part of its infrastructure, not only making it easier to work with providers, but also facilitating optimization across multiple modes (parcel, less-than-truckload, truckload), ensuring the right mode at the right price point for each shipment.

With a large portion of its manufacturing and supply base located overseas, Celestica has seen some of the greatest TMS benefits within its inbound network. The company has gained cost control over that network (particularly the tendering process), and gained confidence in knowing that its suppliers are shipping via the best-cost option.

"Our business now has much better credibility within the broader scope of our organization because it's using a reliable, accurate software platform," said Mr. Bloor. Thanks to MercuryGate TMS' extensive reporting capabilities, for example, Celestica's executive management team now has a better understanding of how the firm's logistics expenditures are being optimized.

"They can see that we're not wasting money," said Mr. Bloor, "and that we're deploying the TMS to the right suppliers in an effort to control costs and reduce the number of premium shipments."

CLOUD-BASED SYSTEM OFFERS FLEXIBILITY, SUPPORTS GROWTH

Celestica values the flexibility that MercuryGate's system provides. It has been helpful in managing across a broad range

of suppliers and geographies. In addition, as Celestica has grown and expanded its global footprint, MercuryGate has supported these changes. During a recent acquisition, Celestica was able to quickly deploy MercuryGate TMS, ensuring compliance and connectivity across its enterprise, onboarding the new team rapidly and seamlessly.

"As we have grown, MercuryGate has grown with us," said Mr. Bloor. He views MercuryGate's in cloud offering as an important factor in the flexibility of its software.

"The fact that MercuryGate TMS is cloud based was one of the key decision points in our choosing their product," said Mr. Bloor. "With the flexibility of software maintained and deployed in the cloud, we are able to stay current as the industry changes."

MercuryGate also continues to evolve, with frequent product enhancements, a practice that Mr. Bloor commented is unique in his experiences with other software providers. One of MercuryGate's recent updates was the launch of ezVision, a new user interface designed for speed and ease of use. Mr. Bloor said his company is interested in ezVision as an alternative to the current MercuryGate workflow.

So what does the future hold for Celestica? According to Mr. Bloor, "We will continue to deploy MercuryGate TMS as our network continues to change. The software is an integral part of our process for transportation planning."

To learn more, email
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ABOUT MERCURYGATE MercuryGate provides powerful transportation management solutions proven to be a competitive advantage for today's most successful shippers, 3PLs, freight forwarders, brokers, and carriers. Through the continued release of innovative, results-driven technology and a commitment to making customers successful, MercuryGate delivers exceptional value for TMS users through improved productivity and operational efficiency.

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