

J.B. Hunt's business process transformation enables cost reductions, improved efficiency and increased revenue

Overview

■ Business Challenge

Cost, inefficiency and risk of physically managing a rapidly increasing volume of documents associated with business transactions

Complexity, costs and inaccuracy of the billing process

Capture "lost" revenues caused by the inability to accurately track and bill for charges

■ Solution

IBM ECM, including content, image, email and electronic forms management integrated with business process management leveraged existing information systems and new technologies to reduce costs, increase revenue and improve customer satisfaction

■ Key Benefits

Company expects to net more than \$1 million by driving customer supply chain solutions through real-time visibility to delay information, eliminating repetitive work, and encouraging better driver utilization by faster throughput at shipping facilities

Reduced staffing requirements for billing operations by 83%



J.B. Hunt, one of the largest transportation logistics companies in North America, focuses on the safe and reliable transport of full truckload freight to a diverse group of customers throughout the continental United States, Canada and Mexico.

Business Challenges

The challenges of manually managing tens of thousands of documents associated with the daily shipment transactions included an increasing amount of physical space devoted to document storage, delays in finding and accessing specific documents held in storage, risk of misplacing or losing a document, as well as costs and delays in making and forwarding copies. In 2000, J.B. Hunt made an initial investment in IBM ECM (Enterprise Content Management) to address these problems.

Based on the success of the initial application, J.B. Hunt applied its

“The success of the HAWK Power Detention System has demonstrated the value and potential of IBM FileNet P8 for J.B. Hunt. As a result, other divisions within the company are exploring business process management as a way to remove non value-added work and add dollars to the bottom line.”

– Tarek Taha
Engineering Manager
JB Hunt

J.B. Hunt

Headquarters

- Lowell, AR

Industry

- Transportation and Logistics

Applications

- Archiving, Billing, Dray Carrier Management, Driver Delay Management

Products

- IBM FileNet Business Process Manager
- IBM FileNet Content Manager
- IBM FileNet Email Manager
- IBM FileNet Forms Manager
- IBM FileNet Image Manager

Key Benefits

- HAWK Power Detention System expected to net more than \$1 million annually
 - Reduced staffing requirements for billing operations from six billing clerks to one; expertise of the impacted staff was applied to new positions in other areas where value can be added
 - Automatically-generated billing moved from sixty to ninety five percent
 - Complete billing process visibility permits rapid identification of bottlenecks
 - Eliminated cost and inefficiency of manually processing dray work assignments and payments
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experience and additional IBM ECM capabilities to address more complex business challenges, attacking three problematic areas - billing, dray carrier management and driver delay management.

Billing

The existing billing process was complex, labor intensive and time consuming. Data was being entered manually. Customer service agreements required invoices to be generated using different rules for each customer, yet there were no means to centralize and coordinate the numerous billing rules. It became increasingly difficult to produce timely and accurate billing at month's end, requiring additional customer service efforts. Billing issues threatened to affect J.B. Hunt's customer service reputation and cash flow.

Dray Carrier Management

J.B. Hunt often relies on independent carriers to transport rail containers to the nearest railway terminal. Coordinating shipment assignments and payments for independent carriers - known as dray carrier management - was primarily a manual processes, dependant upon knowledgeable staff to coordinate hundreds of independent carriers transporting thousands of containers annually. J.B. Hunt realized ECM could be leveraged to significantly improve dray carrier management by replacing manual work with automated processes.

Driver Delays

Upon pickup or delivery, carriers allot a certain amount of wait time – typically one to three hours, depending on the service level contract. When a driver is detained longer than the allotted time, charges accrue. Tracking and reporting “detention” time was primarily the responsibility of a large administrative staff. In reality, accurate tracking and reporting was difficult to obtain. When delays were reported, the process of accurately applying these customer charges required extensive searches through data-intensive mainframe screens, e-mail documents and printed customer agreements. Legitimate charges were sometimes missed due to interpretation errors, time constraints and volumes of information requiring manual processing.

Solutions

J.B. Hunt initially applied IBM ECM capture, imaging and business process management capabilities to deal effectively with the high volumes of documents – bills of lading, delivery receipts, claims documents, accounts receivable, accounts payable, and driver logs – associated with customer transactions. The application reduced, if not eliminated, the need for file cabinet storage, prevented the loss of documents, allowed employees to quickly and securely access the

necessary documents electronically, streamlined document processing, and set a precedent for the business value of ECM.

J.B. Hunt applied IBM ECM to improve its billing process by eliminating manual processes, establishing a central set of billing rules to improve billing accuracy, and utilized BPM (Business Process Management) to identify and rectify any bottlenecks in the automated process.

J.B. Hunt then focused on improving dray carrier management by creating a BPM application to automatically process work assignments and carrier payments. The application effectively eliminated the time-consuming, manual task of scheduling carriers and confirming deliveries previously coordinated by J.B. Hunt staff and transferred these responsibilities to the individual carriers who could remotely access the web-based portal, accept or reject pickup or delivery assignments and submit paperwork required for payment. The carrier electronically sends in paperwork once a job is complete, automatically triggering a payment from J.B. Hunt.

The most significant application of IBM ECM involved a sophisticated integration of multiple technologies and information sources – customer data, contracts, legacy systems, real-time monitoring and satellite-linked computers. The goal was a complete transformation in the way driver detention events are captured, administered and invoiced.

J.B. Hunt's HAWK Power Detention system is a BPM-driven workflow solution that captures and bills chargeable driver detention events using web-based GUI screens. Delays are automatically identified through satellite-linked computers installed on every J.B. Hunt truck. Once a delay is identified, an e-mail is generated and sent to the detaining facility, notifying the customer of possible charges. These notifications, built using IBM FileNet Content Manager and IBM FileNet Email Manager, are determined by the specific contractual agreement between J.B. Hunt and the detaining customer. Highest priority delays are funneled to the next available J.B. Hunt delay specialist, ensuring timely processing. For customers requiring authorization for delay charges, HAWK leverages IBM FileNet's Business Process Manager, Forms Manager, Email Manager and Content Manager to send an electronic form requesting approval. Once all contractual requirements have been met, charges are automatically processed and sent to the customer for payment.

As a result of the increasingly valuable benefits that IBM ECM applications have demonstrated, other operating segments within J.B. Hunt are considering business process management applications as a way to potentially increase process efficiency and improve service quality.

Key Benefits

Beginning with the initial application for managing the volumes of documents associated with shipment and customer transactions, J.B. Hunt was able to:

- Reduce cost, risk and inefficiency of paper document storage and retrieval
- Centrally and securely manage critical corporate documents
- Provide employees with instant and secure access to necessary documents

Applying IBM ECM capabilities to the billing process allowed J.B. Hunt to:

- Increase efficiency and accuracy by eliminating manual tasks in the billing processes
- Improve billing accuracy by establishing a central set of billing rules
- Improve automatic billing from sixty to ninety five percent
- Easily identify and rectify any bottlenecks in the automated process

The dray carrier management application enabled J.B. Hunt to:

- Eliminate cost and inefficiency of manually processing dray work assignments and payments
- Allow independent carriers to remotely accept pickup and delivery assignments, submit invoices, and automatically generate payment for services

The sophisticated HAWK Power Detention system allowed J.B. Hunt to transform the entire process, providing the specific benefits of:

- Automatically monitoring driver delays and applying the appropriate billing charges
- Improving driver morale, increased driver revenue potential as a result of the ability to promptly handle driver delays
- Eliminating errors, saving additional costs and time as a result of automating the process
- Netting the company more than \$1 million annually

J.B. Hunt's sophisticated and innovative enterprise content management and business process management applications have garnered industry recognition. J.B. Hunt was awarded the IBM "Best Information on Demand Solution" and the "Best Enterprise Content Management Solution" in 2007 and was chosen by AIIM's Emerging Technology Advisory Group (EmTAG) as a finalist of the 2008 Carl E. Nelson Best Practices award for the large company category.



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01-08

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