

# ENGAGED EXPERIENCE



**GlobalTranz will manage truckload and LTL shipments for TW Metals.**

Specialty metals distributor partners with third party to map a strategy covering the last mile toward superior service

BY CORINNA PETRY

**T**he integration of the best resources in any given market can be achieved in many different ways. One of the most powerful ways is to partner with an expert that will not only deliver what you ask but also help you to make your organization better. It's a give and take.

In June, Exton, Pennsylvania-based TW Metals, an operating company of O'Neal Industries, signed a long-term partnership agreement with Phoenix-based GlobalTranz Enterprises LLC, a third-party logistics solutions provider, to manage a substantial portion of its transportation needs.

"Proprietary technology is pivotal in our platform," says Ross Spanier, head of operations at GlobalTranz Enterprises. "How we engage with customers can be highly transactional on the one hand—managing rates and service in a commodified manner—if that is the level of service they desire. But with TW Metals, this is a more integrated offering. That engagement includes process and technology. We are an extension of their business."

According to Spanier, TW hired GlobalTranz to manage about half of its freight activity.

"Our people, dedicated to the program, understand the customers' goals and ex-



**TW Metals has 18 service centers in North America alone.**

ecute their shipments. Our executive team has a range of expertise. I have worked in the third-party logistics (3PL) industry for more than 15 years. We have leaders with technology backgrounds, finance backgrounds and experience with asset-based carriers. Others have consulting backgrounds or were entrepreneurs."

That broad knowledge base—plus a network that encompasses 25,000 customers and 35,000 carrier contacts—helped the company reach revenues of \$1.5 billion last year.

"We have the people, the process, the technology platform and the relationships to match and marry customers with outside carriers," Spanier says.

## Data moves decisions

GlobalTranz has technology "that can play to a number of different audiences. Customers can use our technology to make decisions and move their shipments and view shipment activity," Spanier says. The technology is configurable. "Customers can create functions for different



Included in the 3PL firm's technological prowess is the ability to "leverage machine learning and advanced analytics," says Spanier. For example, "if customers have repetitive loads, these can be automated, as they have fewer steps to go through to get a load booked."

Another feature included with the partnership is "reverse logistics." When companies have damaged products, or freight on recall, "there must be controls in terms of how that freight is returned and refurbished due to damage," Spanier explains. "We have the ability to assign authorization and coding to shipments to make sure it's accounted for and included in any network outside the traditional supply chain network."

"This means there is a highly controlled environment. Maybe certain widgets are being recalled. We have to account for every piece," he says.

### Metals vertical

TW Metals stocks and processes tube, pipe, bar, extrusions, sheet and plate in stainless, aluminum, nickel, titanium and carbon alloy. From over 30 branches across North America, Europe and Asia, the company supplies such industries as aerospace, petroleum, chemical, power utilities, defense, fabricators, service centers and motorsports.

TW Metals is a top 20 customer within GlobalTranz's managed transportation portfolio, according to Spanier. "We have a three-year roadmap. During year one, we must establish relationships with customers, including internal customers. We must hit service levels and pricing. During years two and three, we must further [TW Metals'] supply chain optimization and network design. We must improve on delivering customer satisfaction and bring savings to the bottom line."

In the metals vertical supply chain, participants want to expand into new markets, tackle acquisitions and just do more, he says. That requires "a stable, scalable transportation platform."

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**ROSS SPANIER, GLOBALTRANZ ENTERPRISES LLC**

people in different parts of their organization—finance, sales, etc.

"We manage carrier contracts and all of our compliance with carriers. We help customers make decisions and eliminate risk. We must have certain carriers that know how to strap plate on a flatbed trailer, for example. We cannot put just any carrier on a high-value load of titanium," he says.

"We must have the right liability insurance. We hire only those carriers with no prior FMCSA [Federal Motor Carrier Safety Administration] restrictions or service failures or claims for damages. Many variables are weighed."

That is all work that TW Metals now does not have to perform on the shipments it has shifted to GlobalTranz.



## Make or break

Brian Hurst, TW Metals' director for contracts and transportation, notes that his company's "supply chain is long, sometimes years long" in the case of delivering processed materials for highly complex aerospace components.

"From TW's perspective, as a distribution company, transportation is critical. The last mile is critical and the last mile can make or break us with the customer," Hurst says.

The company was working with other 3PLs while pursuing continuous improvement in "how we distribute products throughout our transportation network. We looked at multiple solutions providers, shortlisted six and had them out to Exton," he says.

"As large as we are, many don't know us well. We explained our products and services, and employees and customers. GlobalTranz went through a couple [internal] studies" before presenting a strategy.

What cinched the deal, says Hurst, is that "they share our core competencies and they share our philosophies about employee retention and communications. They matched us at a core values level." The upshot is that GlobalTranz is already "engaging parties on our behalf."

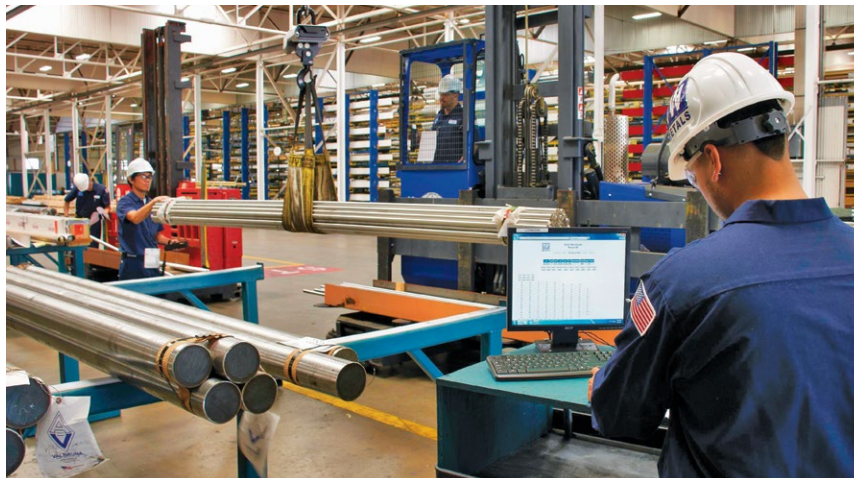
## People power

Among the values shared by the two parties is employee retention. According to Hurst, "There is a younger market coming into commercial driving at lower costs. We wanted to know whether the company's employees are happy and want to stay, and whether the company incentivizes workers enough to want them to be engaged."

It's the same for TW, he continues. Years of service at the metals service center chain averages 13 years, even with new starts. "When people join our company, they tend to stay. Some are here 45 years. I am here 15 years. At GlobalTranz, they also have high retention. It's how the person is motivated and committed to the relationship."

## Stretching boundaries

TW Metals will continue to manage a



great deal of its transportation and logistics activities internally. For its full truckload deliveries, the company manages its own assets.

"We have trucks moving in a 250-mile radius from 18 locations," Hurst says. "We also have trucks in a hub-and-spoke network between our service centers. Outside that radius, we use LTL and truckload volumes, and that is about 65,000 shipments a year. That takes a great amount of organization. We are looking at aggregation, commingling and we want efficiency."

GlobalTranz will move loads outside TW Metals' local radii, which is "about 50 percent of all of our freight," Hurst says. "With GlobalTranz, we want to stretch the boundaries and determine whether we should keep a load or give the load up to them. We assess routes, costs, etc., and they may have the advantage in terms of lead time."

## TW Metals and GlobalTranz share core competencies, philosophies and values.

Within the partnership, Hurst says, "we can manage the distribution model for LTL and truckload more efficiently."

The quality of service is paramount. "Some of our customers—aerospace and others—have certain expectations, like 100 percent on-time delivery. If we fail, there can be penalties. These customers want us to have skin in the game." He expects GlobalTranz to live up to its commitment and "perform for our customers."

If the 3PL performs well, its contract may be extended. Meanwhile, TW Metals will perform monthly business reviews and seek out continuous improvement to keep up with the market. Hurst says customers being served by GlobalTranz should expect "a completely seamless transition."

## Delivering value

As manufacturing companies continue to evaluate supply chains as a core competency and take their businesses to the next level, they should have the right partner, GlobalTranz's Spanier advises. "One way is to develop a strategic partnership for making decisions is to manage not one step but many. Take the benefits from the backroom to the boardroom and have them realize the value." ■

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