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Railcar Management System

Overview

Country or Region

United States

Industry

Manufacturing

Customer Profile

Johns Manville is a leading manufacturer and marketer of premium-quality products for building insulation, mechanical insulation, commercial roofing, and roof insulation.

Business Situation

Johns Manville wanted a more efficient way to track its rail cars containing raw materials needed for its products.

Solution

Johns Manville chose Railcar Tracking Company's Railcar Management System (RMS) to provide it with single and multi-user rail shipment tracking across all railroad lines.

Benefits

- Simplified management of its rail car fleet
- Improved flexibility for troubleshooting problems
- Automatic downloading of waybills and tracking of cars
- Improved fleet optimization

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Situation

A Denver, Colorado-based building products manufacturer produces premium-quality building insulation, commercial roofing, roof insulation, and specialty products for commercial, industrial, and residential applications. Johns Manville, a Berkshire Hathaway company, employs approximately 6,500 people and operates 41 manufacturing facilities in North America, Europe, and China.

Founded in 1858, the company relies on rail cars to deliver raw materials such as clay, lime, and soda ash to 18 of their North American facilities. The fleet of rail cars comes from a combination of leased cars, supplier leased cars and system cars. Although tracking these cars is a vital component to the production process, it often proved a challenging endeavor. "The railroad companies provide a fragmented solution," says Scott Mercer, Corporate Inbound Logistics Manager for the company. "When a supplier would send a shipment out, the only way for the company to track it was to manually enter a rail trace. This proved time consuming".

Another challenge was inventory management. At certain times, the company found itself running dangerously low on materials. This led to emergency freight costs in order to prevent a curtailment in production. Some of the costs proved excessive, especially if the materials were coming from far away.

In 2007, the manufacturer began actively searching for an accurate and easy-to-use tracking system that could provide daily information on all the inbound rail shipments to their multiple facilities. This type of solution would not only help to simplify tracking management, but could also provide valuable insight on trip cycles and overall costs for inbound materials. "We wanted better visibility to maximize our productivity and minimize our costs," says Mercer.

Solution

After looking into different solutions and data sources, the manufacturer chose the Railcar Management System (RMS) provided by Railcar Tracking Co. RMS provides single or multi-user rail shipment tracking across all railroad lines. The tracking utilizes enhanced estimated times of arrival (ETAs) based on actual transit time from a car's current location and historical traffic movements. It can also identify non-movement, bad orders, demurrage, or delays as well as notify companies when a car is back in active status.

Johns Manville's IT staff already had experience using RMS, albeit for a limited number of cars. They now wanted to take advantage of the software's full functionality. "We knew the system and knew it was reliable and could be deployed cost effectively," says Mercer. "After discussions with IT and Railcar Tracking Co., we determined we could get what we needed through the system."

RMS handles two types of data; CLM (car location messages) and waybills. CLMs come from railroad scanners. When a car travels past a scanner, a radio frequency identification device (RFID), riveted into the side of the rail car, identifies the car. The information then gets uploaded to the railroad's mainframe where it is subsequently consolidated and sent to a central repository. RMS downloads CLM information three times a day, helping create a cycle record.

Waybills provide information about the shipper, consignee and material being transported. Each shipment comes with a single waybill. RMS automatically captures and imports the waybills without any manual intervention. The system then automatically starts tracking each rail car, building a history that summarizes how long it takes a car to get from one point to another. It also builds a historical record about the customer receiving the product and the product being shipped.

RMS detailed reports can be filtered, sorted, and grouped according to specific needs. The solution uses Microsoft® SQL Server™ to store data and can publish reports to PDF, Microsoft Excel®, Rich Text, and HTML.

Johns Manville opted to incorporate the tracking information from RMS into its own inventory system. Railcar Tracking Co. helped customize the solution to fit the manufacturer's specific needs. "They wanted to use the information to better manage inventory at their facilities," says Jim Dalrymple, Director of Product Development of Railcar Tracking Co. "We provided the bridge between RMS and their system."

Benefits

RMS data delivers more reliable ETAs to the manufacturer. This information, in and of itself, is crucial to the manufacturing process. By integrating RMS with its inventory system, Johns Manville has seen a significant improvement in inventory management.

Because some of the company's plants use high volumes of materials, it's vital to production that adequate raw materials are on site. The company can now use RMS data to help track and plan inventory levels at its plants. "We establish minimum and maximum inventory levels for each raw material and use the predicted ETAs to graphically project and manage future inventory levels," says Mercer.

With RMS, the company has been able to significantly reduce emergency freight and demurrage costs. "Emergency freight is no longer an issue," says Mercer. "Best of all, RMS ensures we have the information we need to do our jobs without waste or unproductive time spent manually searching for and entering data". Johns Manville can also monitor inventory levels to see if they're trending too low or too high, and make adjustments in advance to secure production and optimize costs.

Simplified management

There are approximately 500 railroads in North America with more than 1.9 million railcars running on them. With its previous solution, Johns Manville relied heavily on staff to manually look up information about cars. RMS automates most of the processes now for them. "It's so much easier using RMS to look up tracking information than the systems provided by the railroads," says Mercer. "The full functionality of RMS gives us visibility into all of the cars we use."

With RMS, Mercer can look up single cars from any railroad in one location. The features within the solution help him more efficiently do his job. "I bring RMS up on my computer in morning and don't shut it down until the end of day," says Mercer. "That way it's there when I need it."

Improved flexibility

RMS also helps the company troubleshoot problems with vendors. For example, natural disasters such as tornados and flooding can wreak havoc on shipments. But with RMS, the company can drill down to problems with a particular vendor or specific part of the country. "RMS helps us quickly look up all of our shipments and routes to see what's held up so we can plan accordingly," says Mercer. "Sorting information in multiple ways is a big time saver and gives us the flexibility we need to query cars coming to us."

Cost savings

One of the key benefits for Johns Manville comes from cost savings. While improved functionality is desirable, it often comes with a high price tag. For this company, the data feeds within the solution proved inexpensive. Because RMS is able to interface with a number of different data sources the company didn't have to accrue additional costs for gathering CLM and waybill data from a third party.

The solution also saves the company money by minimizing manual labor. "If we had to manually track all of our inbound rail shipments, we would need to increase staff to accomplish it," says Mercer. "The time savings by having RMS automatically download waybills and track cars is tremendous."

Improved Fleet Optimization

Another benefit for the company is that RMS helps identify bottlenecks. Because of the available level of reports, the company can figure out details such as why a shipment is having problems and what segment of that shipment is the primary culprit. Is it loading delays, the loaded transit, the unloading, or the empty return? "We can focus on very specific events such as the interchange from one railroad to another," says Mercer. "It helps us better optimize our fleets."

While the solution focuses on loaded cars, the company also monitors empty cars as they return to the supplier to ensure they're not getting hung up or misrouted. "We have 550 active cars being traced," says Mercer. "RMS helps us keep them moving and productive."