



C.H. ROBINSON



Manufacturing Solutions

CASE STUDY

Generac meets rapid growth with global supply chain visibility

GENERAC®

CHALLENGE

- Generac experienced a period of rapid growth post-IPO, acquiring companies around the world. They needed to revamp their global supply chain and integrate operations as rapidly as possible.

SOLUTION

Generac and C.H. Robinson collaborated to develop a comprehensive, global supply chain solution. The solution incorporated trucking, ocean, air, customs brokerage, port services, and data management, and provided full visibility.

RESULT

- Reduced inbound international expenses by 9% and containerized freight expenses by 14%
- Neutralized pricing increases, despite an FSC change from 18.7% to 22% in 2016
- Reduced containerized freight from LA Long Beach to Whitewater, WI, by 33%
- Multimillion dollar reduction in global freight spend

Founded in 1959, Generac Power Systems (“Generac”) was the first to engineer affordable home standby generators and is now the #1 manufacturer of home backup generators. They take pride in protecting the things that power our lives by providing quality, affordable power solutions.

With Generac issuing their IPO in 2010, it further facilitated the company’s growth from \$588 million to nearly \$1.5 billion in sales, enabling acquisitions both domestically and overseas. Extremely rapid growth can provide great rewards, along with some challenges. Generac saw the opportunity to review their global supply chain and identify new efficiencies to enable the next stage of growth.

When Alan Rowlett Jr. joined Generac as director of logistics in early 2016, the company had selected SAP to be its new Enterprise Resource Planning (ERP) system. Connecting the newly acquired companies to SAP was underway, but current transportation management system (TMS) functionality needed a boost to support the company’s growing logistical demand. Generac had a goal of better understanding their overall transportation spend across a multitude of transportation providers and identifying potential efficiencies.

To help address the goals and potential solutions, Rowlett leveraged the relationship the company had with C.H. Robinson. Over years of working together, Generac and C.H. Robinson had developed a strong collaboration

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TOM HAWKINS
GENERAL MANAGER,
C.H. ROBINSON

in North America. The two teams sat down to discuss the opportunity ahead, and the options that could give Generac the maximum market leverage and flexibility. “It quickly became apparent that Generac had an opportunity to innovate and capture efficiencies,” said Tom Hawkins, General Manager, C.H. Robinson. “Generac’s leadership and focus on improving their supply chain while facilitating unprecedented growth was both smart and balanced and an approach that is often overlooked as companies experience such growth.”

SUPPLY CHAIN VISIBILITY: AN IMPERATIVE FOR SUCCESS

The most impactful decision Generac made was to integrate their ERP with Navisphere®, C.H. Robinson’s single global TMS platform. In addition to handling EDI transactions, implementing Navisphere helped Generac standardize operations across business lines and geographies and obtain shipment visibility across multiple languages, regions, and modes.

Generac worked with TMC, a division of C.H. Robinson, to automate processes through Navisphere. Rowlett said, “We were comfortable with TMC’s solutions, as they implement processes for some of the biggest organizations in the world.” Today, Generac uses Navisphere to manage their complex and robust supply chain that serves thousands of customers. The technology enables the company to optimize shipments, select the best mode, and experience near real time visibility across the globe.

Vendors communicate with Generac using a variety of methods, including EDI, online order entry, phone calls, and emails in multiple languages. Vendors realize the benefit of not being constrained by fixed intervals for delivery or method or language of interaction. As new vendors come into the system, the information streams through one system with the same tracking—aspects that give Rowlett confidence in his operations. “It used to be cumbersome to provide guarantees of information to our vendors; now, it’s a single call. In fact, many of them reach out to C.H. Robinson directly, saving my team time.”

Generac worked with C.H. Robinson to identify key metrics of success and actionable reporting that enables continuous improvement. In addition to having substantial support for their supply chains today, Generac is keeping their eye on leveraging Navisphere’s API capabilities in the future for logistics and procurement departments.

Reliability plays a large role in Generac's freight awards to C.H. Robinson. Most input between the company and its vendors and customers now routes through Navisphere, and is directly connected to Generac's ERP. As Rowlett says, "That is not as common as you would think, regardless of what people might say. But we can see updates on some of our intermodal shipments down to the mile marker. It is a completely different level of understanding."

Increased visibility not only provides the logistics team at Generac with the information they need to execute effectively. It also informs deeper discussions and understanding across the organization. "Global visibility provides a common framework to dive into the details," Rowlett said. "That kind of visibility enables different and more profound dialogue about our supply chain overall and how we can use it to our advantage."

TRANSPORTATION IMPROVEMENTS: COST SAVING OPPORTUNITIES

Generac also had a goal of improving efficiencies, reducing costs, and improving service flexibility within the company's transportation department.

When analyzing the operations, an opportunity emerged for moving containerized freight from the West Coast to Chicago and beyond. By leveraging C.H. Robinson's expertise in global forwarding, Generac is able to integrate the ocean, port, and domestic legs of transporting 40' containers. The containers are moved to a C.H. Robinson-managed warehouse and consolidated onto 53' intermodal containers. This solution reduces the number of containers required to move the products across the United States, while not sacrificing time. Generac has reduced their inland containerized freight by nearly 33 percent and reduced costs by implementing this solution.

"Having our freight unloaded from the container near the port gave us massive flexibility," Rowlett explains. "If buyers need their shipments expedited, the freight is already on the floor. It can go over the road, and it can be expedited. Our purchasing team takes advantage of that flexibility when needed."

“[The C.H. Robinson and TMC teams] don’t say it can’t be done. They bring in the right people because they want us to succeed as much as we do.”

ALAN ROWLETT JR.
DIRECTOR OF LOGISTICS,
GENERAC

A SOLID FOUNDATION FOR THE NEXT STAGE OF GROWTH

Rowlett sees the collaboration with C.H. Robinson as just the beginning. In 2016, Generac connected SAP with Navisphere, optimized shipments across modes, and built new efficiencies into the global supply chain. The entire company is moving forward with an operational model that can keep pace with their growth.

Generac relies on and appreciates the ability to collaborate with C.H. Robinson to develop global supply chain solutions, review analytics and recommendations, and support the implementation of new processes. Ultimately, the companies work together to improve Generac’s operations in North America and throughout the world.

Rowlett says, “The group from C.H. Robinson that supports Generac is exceptional. We ask questions and get a timely response—good information that comes from a position of experience. The C.H. Robinson and TMC teams have brought new and innovative ideas to the table. They don’t say it can’t be done. They bring in the right people because they want us to succeed as much as we do.”

To learn more about Generac, visit their website [here](#).

To learn more about C.H. Robinson, watch [our video](#), visit [our website](#), call 800-323-7587, or email solutions@chrobinson.com.

For more information about TMC, a division of C.H. Robinson, [click here](#).



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