

INTERNATIONAL ENERGY SERVICES



Clients



Challenge

Improve the efficiency and profitability of its companies, ensure regulatory compliance and deliver the highest level of customer service

Solution

The Freight2020 Logistics Management Solution, based on the Progress® OpenEdge® platform

Benefit

Improved efficiency and profitability; enforced the highest level of compliance requirements while enabling the provision of outstanding customer service

Fueling Growth with Help from CMS Transport Systems

International Energy Services (IES) is Australia's leading transporter of oil, gas and bitumen for the petroleum, liquefied petroleum gas and aviation industries with a 30+ year history in hazardous chemicals distribution.

Established in January 2005 after a management buy-out lead by CHAMP Private Equity from troubled industrial conglomerate, ION Limited, IES has been reinvigorated and is now pursuing an aggressive growth strategy. The company originally implemented Freight2020 from Progress partner, CMS Transport Systems, back in 2005, replacing a legacy DOS-based system. Freight2020 delivers IES a powerful automation platform for its transport scheduling, financial management and overall logistics. Not only does Freight2020 improve the efficiency and profitability for IES companies, but the advanced business rules capabilities enforce the highest level of compliance to Occupational Health & Safety (OH&S) and environmental standards while enabling the provision of outstanding customer service. IES Group Process Development Manager, Brett Wilson, said the Progress-based solution provides greater functionality, is extremely robust and much easier to use, and offers a scalable platform for growth.

“We went to market looking for the best fit solution and Freight2020 not only had the capacity to address our current needs, but we could see the potential for it to grow and change with us,” he said. “It was a fairly big transition to go from a DOS-based environment to a completely new solution, but it was implemented quickly and has been very successful. This system allows us to do so much more in terms of streamlining and automating our various processes, and we are continuing to work closely with CMS on a range of enhancements to extend the functionality of the system over time.”

Today, IES comprises three business units engaged in energy distribution: Cootes Transport Group and recent acquisitions, Kiernans Transport and Watt Wah Petroleum (Singapore). All three companies now efficiently use the Freight2020 logistics management solution for their core operations and financials.

The Cootes Transport Group uses it to schedule and manage over 370 prime movers that deliver around 22 million litres of fuel and seven million litres of gas and bitumen around Australia each day.

Recently acquired Kiernans Transport operates 60 prime movers to minerals and mining output to quarries around Cloncurry in regional Queensland.

Another recent acquisition, Wat Wah Petroleum is a Singapore-based operation that operates a 40-strong fleet of automotive fuel delivery vehicles. Both companies now rely on Freight2020 for their scheduling, financials and communication.

As a result, IES has around 105 Freight2020 users spread across 18 sites throughout Australia and Singapore, managing revenues of more than A\$350 million.

Progress Supports Unique Business Rules

The distribution of petrol and gas involves complex rules measuring the weight of the different fuels, the geographical location of each outlet, the time and the running costs of the vehicle, with each service station having a different delivery cost rating.

If a tanker cannot deliver a full load to a particular service station and has to travel on to another station, this will affect the rate charged to both stations.

Freight2020 automatically calculates the impact of all the various factors to produce the invoice cost. It also encompasses a range of checks and measures so that if for some reason the final number does not include sufficient profit, this will set off an alarm within the system.

“We have a very complex billing system, but CMS has been able to tailor Freight2020 to our specific requirements, which was an important factor in our buying decision and has been a huge win for us,” said Wilson.

Introduction of PDAs Extends Functionality, Saves Time and Money

Cootes Transport Group has recently introduced handheld computers to enable drivers delivering LPG to receive and transmit data back to the central system and confirm delivery in real time.

The system communicates with an external mobility server which transmits the data to the handheld units. The drivers use the PDAs as a manifest, recording key tasks such as their pre-auxiliary check for the vehicle, and once they complete a delivery, they input the details into the handheld and send it back to Freight2020 for invoicing.

The handhelds enforce key business rules to prevent most data-entry errors, which has improved the accuracy of delivery records and timeliness of invoicing, with a direct impact on customer satisfaction levels. A natural consequence has been a significant reduction in disputes over invoices, saving time and money for both Cootes and its customers.

“Since the drivers are now handling all the data entry relating to invoicing, we have enjoyed substantial cost savings through the ability to free up other staff previously involved in this function and redeploy them into more strategic roles,” said Wilson.

“Our aim is to make this operation totally paperless and have a high degree of automation so that everything runs by itself in the background. We already have supply chain automation which allows us to receive orders from the customer and schedule deliveries, and with this handheld capability, our data is updated in real time and invoices are transmitted to customers via EDI for even greater efficiency gains.”

Improved Information Flow Enhances Safety

The handhelds have a range of benefits, such as giving Cootes the ability to include site maps to give the drivers information about where to enter and load, along with warnings about potential hazards such as low overhangs which can pose a problem for tall trucks.

“This ensures our drivers have all the information needed to comply with each customer’s various requirements, regardless of the location,” said Wilson.

“In our first five months with the handhelds, we had over 15,000 manifests processed back into the system, which represents a saving of more than 85% of administrative time. As we expand our use of handhelds and further extend the functionality of the Progress solution, the benefits and savings will continue to accrue.”

Brett Wilson
IES Group
Process Development Manager

Another key benefit of using PDAs has been the increased ability to enforce safety considerations on the road, such as ensuring that drivers take regular breaks on long hauls.

“At IES, it’s all about safety and we put no pressure on our drivers to make up time on the road, requiring them to log a break every five hours and feed that information back into Freight2020. Our customers love to hear about the innovations we’re making because, at the end of the day, we’re carrying their products and our service quality reflects on them.”

While the PDAs are currently in use by LPG drivers, Cootes plans to extend the units across its fuel operation by the end of 2007, further extending their value to the business.

Substantial Cost Savings

Wilson said the Progress database’s ability to transmit EDI files is a huge benefit to the organisation, since it replaces the previous use of mail or faxes.

“The speed of data flow with our customers has at least doubled, and the ability to use the handheld data within Progress has dramatically enhanced our invoicing

processes. All our contract managers, accounting and finance staff rely on the Freight2020 system for reporting and making entries while senior management use it for reporting and business analysis.

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About CMS Transport Systems

CMS Transport Systems, a 100% Australian owned company, developed its first fully integrated transport management system for one of Australia's largest transport and logistics groups in 1978. Then known as Commercial Management Systems specializing in Unix based mid ranged systems, CMS has evolved into a leading software company, supporting a large base of installations internationally, across all major platforms. Since those early days of technology in businesses, CMS has focussed on developing mission critical solutions that deliver tangible benefits to Australian Transport and Logistics Businesses. With all our development undertaken in Australia, we are now taking our knowledge and solutions to the world.

To find out more about CMS please visit: www.cmstransport.com.au

About Progress

Progress (NASDAQ: PRGS) is a global leader in application development, empowering the digital transformation organizations need to create and sustain engaging user experiences in today's evolving marketplace. With offerings spanning web, mobile and data for on-premise and cloud environments, Progress powers startups and industry titans worldwide, promoting success one customer at a time. Learn about Progress at www.progress.com or 1-781-280-4000.

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