

PELCO CASE STUDY

Introduction

Pelco is a world leader in the design, development and manufacture of video and security systems for a broad range of industries. With a long and prestigious history of offering high-quality products and exceptional customer service, Pelco has become the most sought-after product supplier in the security industry. Pelco operates from the largest manufacturing complex in the security industry, located in Clovis, California. With a global network of sales professionals and unsurpassed customer service programs, Pelco maintains its position as the premier security systems and equipment manufacturer in the market.

Objective

Pelco ships an average of 50,000 packages a week to destinations around the world using small-package carriers, including Fedex, DHL, and most often, UPS. Pelco needed to reduce costs associated with manifesting and shipping, and determined its primary objectives to be:

1. Avoid shipping "charge-backs" for un-declared or inaccurate package dimensions (audited and later assessed by the carrier) that were adding up to thousands of dollars a month.
2. Eliminate the need for shipping audits, improving Pelco's credibility and efficiency in providing accurate, declared dimensional and weight information at the time of shipment.
3. Streamline the dimensioning process with interface software that would communicate directly with Kewill (a third-party shipping software package commonly used by UPS, DHL and Fedex shippers), as well as Pelco's existing data processing systems.

The Application

Pelco was using a chain device provided to them by UPS, which they manually wrapped around each outgoing package to obtain and declare length and girth dimensions. This manual system of dimensioning thousands of products proved to be both time and manpower consuming, and extremely error prone. Because of consistent errors in recognizing and calculating shipping charges for oversized packages, Pelco was subjected to monthly audits from UPS, its preferred carrier, resulting in frequent and costly charge-backs.



Pelco looked at several automated dimensioning scales on the market, and determined the CubiScan systems to be the most economical and efficient products available. Together, Pelco and Quantronix, determined that the CubiScan 100 and 150 systems were the best solutions to automating Pelco's manifesting and shipping processes.

Pelco initially purchased a CubiScan 100, and the results were tremendous, leading them to purchase an additional six CubiScan 150 systems. Pelco then contracted with a third-party logistics provider, UPS Supply Chain Solutions, for outsourced fulfillment services, thereby eliminating two of its distribution facilities. UPS currently operates three of Pelco's CubiScan 150 systems at these locations.

The Solution

A CubiScan is a static dimension scanning and weighing system that automates the process of measuring and weighing packaged material. It then electronically transfers all captured data to a host data processing system. CubiScans are quick, accurate and consistent—measuring and weighing without damaging a package or its contents. They are also built tough, for rugged industrial environments.

Quantronix' proprietary Qbit™ software is powerful yet seamless, often running unobtrusively in the background. Qbit buffers and then transfers the captured dimensional and weight data directly to a Kewill manifesting system—the internationally recognized software used by many DHL, UPS and Fedex customers. Quantronix provides software upgrades as needed to address changes in carrier-required data and formatting.

Initial installation of the CubiScan systems, overseen by Quantronix, included extensive product testing to ensure optimum equipment operation and compatibility with Pelco's manifesting and warehouse management software.

With the CubiScan 100 and 150 systems Pelco has eliminated the human error factor from the equation. According to Rey Lopez, Pelco's Warehouse Project Coordinator, "The CubiScan's have closed the gap completely. With technology that communicates directly with the Kewill system, there is no room for error, which means no more audits and no more freight back-charges."



The Benefits

Utilizing CubiScan systems to manifest and ship its products, Pelco is recognizing measurable shipping and handling cost savings and product distribution efficiencies. Specifically:

- Pelco has accurate, documented freight charges at the time of shipment, reducing shipping back- charges.
- Using CubiScan products has completely eliminated audits by freight companies, reducing costs and saving money not only for Pelco, but the freight companies as well.
- Reliable declarations have increased Pelco's leverage to negotiate better rates and more favorable terms with its freight carriers.
- Pelco is saving significant time and product "touches" with the automated CubiScan systems.

Pelco is ISO 9001 Certified, which is the global standard in manufacturing for quality assurance. ISO certification requires manufacturers to set measurable goals, adhere to documented processes and procedures, and attain reasonable quality control standards. The use of CubiScan equipment in Pelco's manifesting and shipping processes is an integral component of its ISO certification.

