# How Quality Distribution Grew 35% Year over Year and Doubled its Customer Base

After Automating Operations with Extensiv 3PL Warehouse Manager

| CASE STUDY

**$100k** Saved with a single integration

**40%** Reduction in labor across the logistics lifecycle

"Extensiv is at the forefront of our business. They provide the technology and hands-on support to help us be successful and grow year over year.

They're a great partner to work with!"

**Steve Bohin**
CEO, Quality Distribution

**extensiv**

**QUALITY**
**DISTRIBUTION**

Quality Distribution is a third-party warehouse and distribution business—and one of the largest providers of storage, distribution, and delivery services in the US's Intermountain West.

## Highlights

### Challenges

◤ Looking to grow their successful logistics business in a volatile market

◤ Struggling with onerous manual processes and an outdated, server-based WMS

◤ Facing significant overheads as they grew

◤ Looking to add automation and integrations to improve efficiency, protect margins, and stay competitive

### Solution

Quality Distribution engaged with Extensiv, who:

◤ Provided a trusted, cloudbased WMS and other automation technologies

◤ Coached them through setup to make business change less intimidating

◤ Moved them from sluggish manual operations to a fast, automated ecosystem

◤ Built integrations with customers' systems to simplify complex workflows

# Challenges
## Automating inefficient warehousing processes

Doing business as a third-party logistics provider has never been tougher. With increasing customer expectations, fierce competition, and rising input costs, even survival—let alone growth—can be a serious challenge.

In such a volatile industry, Quality Distribution is proud to be one of the winners. The company executes its services each day with 100% focus on building long-term customer partnerships!

Back in 2012, the company had 50 loyal customers on its books. They were determined to scale their customer base and revenue at speed.

**But there was a problem.**

As business boomed, the manual processes they used to manage daily operations were rapidly becoming unsustainable.

Their 20-year-old, on-site, server-based warehouse management system (WMS) was also holding them back. "Every company hits a ceiling and then you know you have to crack through it," says CEO Steve Bohin.

**"**

"What we do here is pretty straightforward—we bring product in, we store it, and then we ship it back out based on our customers' needs. But technology was evolving, and we needed to keep up with the curve."

## Solution (continued)

- Tied disparate internal systems together for a more integrated and efficient warehouse

- Provided high-touch personal service including day-to-day support and deeper consultancy

- Ensured 100% warehouse accuracy with SmartScan

## Results

- Customer base explodes from 50 to over 100

- 35% revenue growth year over year

- 60% reduction in staff hours across logistics ecosystem

- $100k a year saved just by integrating new WMS with TMS

- Warehouse space doubles in five years

- Proactive support from 3PL keeps them at forefront of efficiency and productivity

# Unscalable Warehouse Operations

As things stood, warehouse staff were doing most routine tasks by hand: recording inbound shipments on clipboards, adjusting inventory manually, and processing often complex customer orders with multiple SKUs key by key.

The more customers they won, the more time consuming those processes became.

Manual processes created operational risk, too. Business critical tasks were prone to human error, communication with customers was slow, and the company had to hire more staff—and absorb the associated costs—for every new customer.

# Growth Stalled By Aging WMS

Relying on an outdated, server-based WMS caused even more problems:

- Quality Distribution faced disruptive downtime whenever there were server issues or power outages.

- Significant time and investment was needed to keep the system updated and secure.

- The WMS wasn't compatible with customers' systems, so they had no way of automating workflows.

Steve knew the WMS should function like the company's central nervous system—and simplify the complexity of managing a warehouse. But it was doing the opposite. It was hurting them operationally and financially, and putting the brakes on growth.

"The WMS is an integral part of what we do, day in and day out. So it's part of our success or failure," says Steve.

> **Our customers were constantly improving their own technology and would be looking for a particular integration, and our WMS wasn't compatible.**

Inaction wasn't an option. Steve knew that updating to a cloud-based WMS, capable of integrating with customers' systems and automating warehouse processes was critical to their future success.

> **What we do is pretty straightfor-ward-we bring product in, we store it, and then we ship it back out based on the customer's needs.**
>
> **But the technology was evolving, and we needed to keep up with the curve.**

# Solution
## Integrating automation and technology without disrupting the business

When Quality Distribution connected with Extensiv, they were impressed on two fronts. First, the company's software promised to automate onerous tasks and make the business more efficient. Secondly, Extensiv provided a dedicated customer success team that made business transformation less intimidating.

With Extensiv's support, Quality Distribution hoped to:

◥ Support their customers better.

◥ Make their workforce, warehouse and workflows more efficient.

◥ Accelerate growth and improve their bottom line.

# Hands-on Implementation Support

Quality Distribution implemented two of Extensiv's products: **3PL Warehouse Manager and SmartScan.**

To make this pivotal business change seamless—and ensure business continuity—Extensiv coached Quality Distribution through the software set-up. This ensured they got the best from the solutions and maximized their ROI.

# 3PL Warehouse Manager

With cloud-based 3PL Warehouse Manager, Quality Distribution moved from sluggish, manual operations to a more automated and efficient ecosystem.

Problems such as lost inventory and manual errors were about to be eliminated—and performance radically improved—because now they could confidently:

◥ Track the time and number of inbound and outbound shipments.

◥ Automate orders and fulfill them faster by integrating with customers' systems.

◥ Get real-time visibility of inventory.

◥ Communicate with customers faster.

◥ Create repeatable and scalable workflows for every customer.

Extensiv's team worked closely with Quality Distribution to automate routine tasks and integrate 3PL Warehouse Manager with clients' own systems. They built out EDI and API connections that turned slow and repetitive processes into low-touch, automated tasks.

Even more valuable was Extensiv's expertise in developing custom integrations for customers with more complex needs.

> Being able to customize is priceless for us," says Steve. "We want to be our customers' most valued supply chain solution and the way to do that is to be flexible and connect seamlessly with their systems—which Extensiv helps us do."

In one example, Extensiv leapt to the rescue to facilitate an urgent integration with a customer that was changing its entire ERP.

> In short order, we had to reprogram how our system communicated with theirs and it put a lot of strain and pressure on us," says Project Manager Parker Balle, who uses 3PL Warehouse Manager every day. "With Extensiv's help, we were able to fully integrate. The speed that we were able to get things up and running and the support that we had along the way from Extensiv was huge."

## An Integrated and Efficient Warehouse

Extensiv then helped Quality Distribution tie their internal systems together to create a more consolidated and efficient warehouse.

"We have several other technology tools that we use, from our transport management system (TMS), to printing software and different pieces within accounting," says Steve.

> **Extensiv helped us build real-time connectivity between all those platforms, which reduces errors and boosts productivity across the business.**

## SmartScan Mobile Scanning

The business also implemented SmartScan, which ensures 100% accuracy across the warehouse through mobile scanning.

Instead of forklift drivers and order clerks wrestling with clipboards and clunky order systems, they just scan barcodes at each step of their journey. Inventory and transactional data is captured in real-time and sent directly to 3PL Warehouse Manager.

At any given moment, Quality Distribution has a clear picture of stock levels, locations, and order statuses. This improves accuracy, reduces overhead, and helps staff pick complex orders with different SKUs easier and faster.

"SmartScan is an absolutely vital piece to the future," says Parker. "Everyone wants to be as efficient as Amazon and SmartScan gives us some of the key tools to accomplish high levels of warehouse efficiency and give customers what they need."

## Making Life Easier for Customers

As more and more clients integrate with 3PL Warehouse Manager, they're unlocking their own efficiencies. Depending on the level of integration, customers can:

◥ Have visibility of their inventory in real time.

◥ Directly place orders.

◥ Get automatic notifications if stock's running low.

◥ Access reporting tools that support decision-making.

As technology—and the logistics market—continue to evolve, Quality Distribution feels confident they'll keep thriving with 3PL Warehouse Manager.

> **The speed that we were able to get things up and running and the support that we had along the way from Extensiv, was huge.**

## Results

Achieving explosive growth of 35% year over year and doubling their customer base

Since implementing 3PL Warehouse Manager, Quality Distribution has saved tremendous time and money, doubled its customers, and become more competitive and profitable.

Massive time savings and cost reductions include:

- ◤ **$100k a year saved** by integrating 3PL Warehouse Manager with their TMS—this replaces the workload of several full-time hires.

- ◤ **Thousands of dollars a month saved** by integrating key customers' ERPs into 3PL Warehouse Manager. Previously, warehouse staff spent several hours a day manually keying in a constant flow of emailed orders—now they receive an automated flow of EDIs that require no human input.

- ◤ **40% reduction in labor** across the logistics lifecycle thanks to SmartScan. This huge elimination of workload makes accounts more profitable and enables Quality Distribution to price more competitively.

With previously manual processes now integrated and automated, Quality Distribution is more productive, efficient, and competitive.

These operational gains have enabled Quality Distribution to dramatically scale up and serve more customers. The business has:

- Expanded from 50 customers to more than 100 customers.

- Grown revenue by 35% year over year.

- Increased warehouse space from 600,000 square feet to 1.2 million in five years.

"3PL Warehouse Manager has been a huge tool for helping us grow as much as we've been able to over the last few years," says Steve. "The efficiency gains we make through automation mean we can minimize our costs, protect our margins, and make our pricing more attractive."

Quality Distribution takes huge comfort in the high level of personal advice and service they consistently receive from Extensiv.

"What makes Extensiv different is they're so much more than a WMS software provider," says Steve "They're an expert, a partner, and an advocate for us.

> **We don't always know all the answers for our clients, so having an expert to rely on is a huge help. If anything comes up, I can quickly reach out to my Customer Success Manager and find a solution.**

"Our relationship with the Extensiv leadership and service teams are big factors in our loyalty. They treat us with the attitude that if we're successful, they're going to be successful—and that's how we treat our customers, too."

Looking to the future, Steve knows Extensiv will continue to proactively help them grow.

"Technology is ever-evolving and Extensiv is ahead of the curve," he says. "They constantly find out what we need to optimize the warehouse and our teams. Then they come back with solutions that make our life easier—and help us do things better."

Steve recommends Extensiv to any executive or operations manager in the third-party logistics industry looking to thrive in a tough market.

"Extensiv is really the forefront of our business," says Steve. "They're an easy company to work with, they develop software that's easy to understand, and they're the reason for our growth."

He concluded: "Extensiv has the tools, the team, and the resources so that as we grow and the demand increases in different areas with technology, they'll be there to point us in the right direction and make sure we keep improving our performance and delivering the values our customers care about."

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Are you ready to operate more efficiently and grow faster?

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