



Kenco Logistics LoadProof Rollout – Case Study

1. Introduction

LoadProof (<https://loadproof.com/features>) is a Centralized Cloud based Enterprise Photo Documentation System for Supply Chain. It is built on the premise that photos and videos are vital documentation serving as compelling proof of important operations performed in the supply chain within and across organizations. These operations may be related to fulfilling customer orders, meeting contractual obligations, or while transferring merchandise across different parties partaking in the Supply Chain functions and operations.

Photo and video data are too important to be left stored in someone's smartphone, inbox or computer. They should be carefully collected and saved in a professional Centralized Enterprise system, where data can be pushed into super-fast, stored securely, and be accessible to all stakeholders, while facilitating super-fast and secure retrieval and sharing.

LoadProof is as important for your organization as an ERP (Enterprise Resource Planning) which is an enterprise system of record for critical documents such as Purchase Orders, Sales Orders, Contracts between parties etc. that have tremendous legal ramifications, or a WMS (Warehouse Management System), that holds indispensable information related to orders shipment/fulfillment data.

Just like Instagram, Facebook or Snapchat have evolved into platforms that enable individuals to showcase how pretty they or their clothes are, LoadProof is a similar Enterprise system that holds photos, but for a different reason, not so much for show off, but to serve as proof, even in the court of law when there is a dispute between organizations while they perform many facets of their functions and operations, as well as for increased visibility within the Supply Chain.

Recently, Kenco Logistics sought the support of LoadProof in improving its supply chain processes. This document describes the deployment of LoadProof across the entire Supply Chain Network of Kenco Logistics, the dollar savings gained from its implementation, and other benefits Kenco accrued as a result.

2. Kenco Logistics - Company Background

Kenco Logistics is a privately held company based in Chattanooga, Tennessee, offering integrated logistics solutions, distribution and eCommerce fulfillment, transportation management, material handling equipment services, engineering and innovation consulting, and information technology. It is the largest woman-owned third-party logistics (3PL) company in the United States.

Since their first logistics contract in 1969, Kenco has grown into a fully integrated logistics provider managing 90 distribution facilities comprising 30 million square feet of space. Kenco currently serves over 200 clients with diverse logistics needs across a wide range of industries. They are proud of their history of 70 years of dedicated service to clients, spanning decades and strongly believe that principles matter in the logistics world. They live by those values: location, experience, and financial elements are important, but entering into a long-term partnership that has such impact requires attributes that go far beyond experience, capabilities, and price. That's why their motto is: Be Honest. Serve. Get Better.

3. Kenco Logistics Supply Chain – Macro Picture

Kenco carter for a wide variety of clients: with the experience and expertise to create customized solutions that drive business needs. They offer a broad range of logistics services across the industrial, durable consumer goods, fast moving consumer goods and healthcare fields. Thanks to their extensive expertise, they are able to personalize their approach to each client to offer tailor made offers, regardless of the industry. Kenco helps their clients in many ways, some of which are:

1. Reverse logistics and asset recovery management
2. Expert material handling and inventory visibility through our WMS
3. Light pre-assembly and repair





Kenco Logistics LoadProof Rollout – Case Study

4. Packaging & kitting solutions
5. Raw materials storage at a customizable warehouse

Their customized supply chain solutions are tailored to meet the challenges that face **service parts manufacturers and transporters**. Kenco boasts with years of experience in warehousing and logistics for **the large equipment and construction industry**, specializing in inventory management, container management, and lineside delivery.

They offer a variety of logistics services for **building materials clients**, including warehousing, inventory control, and freight brokerage.

In the **durable consumer goods sector**, they help efficiently and effectively manage distribution and warehousing, by customized, scalable, turnkey strategies and IT solutions that provide shared and value-added services.

For the **FMCG industry**, Kenco offers logistics solutions with established experience in handling perishables throughout the entire supply chain. They focus on short lead times, allowing for strict sales and advertising schedules to be met. They are fully FDA-compliant and AIB certified food and beverage logistics partner. Kenco also offers **health related logistics services** such as temperature-controlled warehousing, transportation, recall support, or hazardous material management.

4. What was the problem?

Being one of the top 3PL companies in the United States, Kenco caters for many OEMs (Original Equipment Manufacturers) by providing distribution, transportation and logistics services. Part of this service includes delivery of OEM products to OEM's customers who could be other distributors, retailers, sellers and anybody else. While distributing and/or delivering such products, there were three major problems that Kenco was running into and those are listed below,

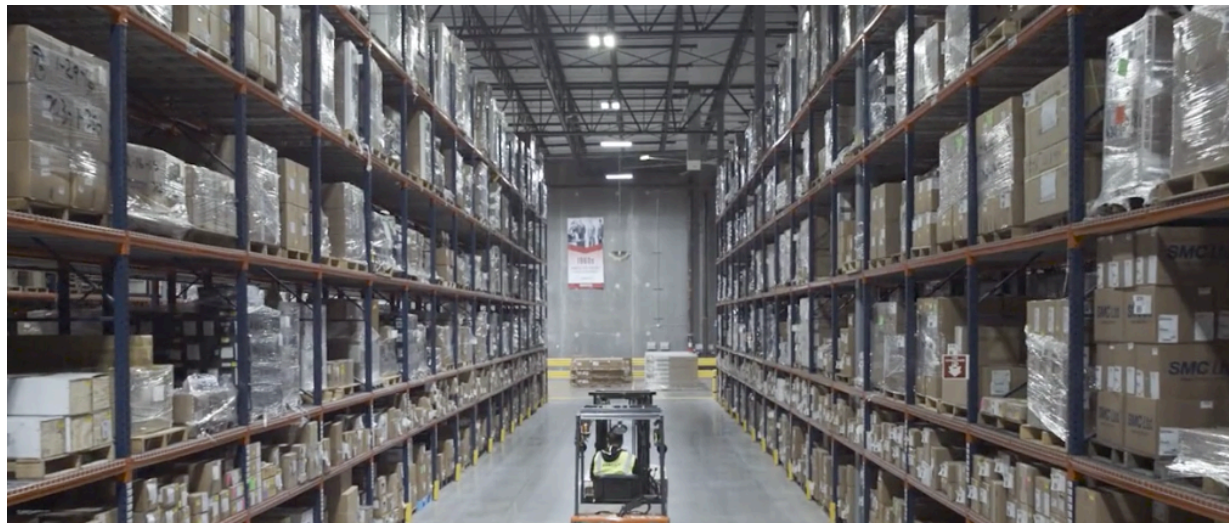
1. Chargebacks from Retailers
2. Damages during Transportation
3. Damages by Supply Chain partners

4.1 Chargebacks from Retailers

When shipping to Retailers, chargebacks are a frequent type of occurring cost. They usually arise in doing business with retailers, especially big box retailers, who are notorious for applying constant chargebacks to their suppliers. Some big box retailers even treat this as a revenue stream and try to apply a standard percentage as opposed to charging suppliers only for infractions. Since suppliers were at the mercy of the retailers, they did not have any way to dispute these charges. But now with the advent of mobile technology that is super easy to handle, it is very quickly possible to prove that you did your job right and hence it is not fair for you to pay for the chargebacks that were imposed on you. So, the problem here was that, without proper proof, Kenco was paying for chargebacks, which they technically did not owe.

4.2 Damages During Transportation – Freight Claims

Damages to the product you shipped often occur when a Carrier transports the product. It gets even trickier when your company or the supplier does not pay for transportation. Because retailers often pay for transportation taking advantage of the economies of scale due to the volume of the goods, they process through their Supply Chain. This leaves you not being in the position to question the carrier, even though you know clearly





Kenco Logistics LoadProof Rollout – Case Study

it is the mistake on the carrier's part. And the carriers underwrite insurance for all their transportation moves. In the event of a conflict, insurance companies require clear proof to demonstrate that it was not your mistake. So here the problem is that, without proper proof, as a 3PL Kenco had to bear the costs for damages even though they had nothing to do with those damages and did everything correctly to ensure the product was safely and securely delivered to the end consumer.

Damages by Supply Chain Partners

Supply Chain is a community of people that collectively deliver services to the end customer. Often, this community includes multiple players such as Distributors, Carriers, other Transportation service providers, Delivery personnel, Lumpers, Cross Dock sites and personnel, LTL hubs and personnel etc. The problem nowadays is that, when such products are handled, mishandling sometimes happens and damages arise due to these situations. Even though you and your team might have done a great job picking, packing, palletizing, shrink wrapping and, finally, loading the product, somebody else's carelessness might result in the customer or the receiver at the other end of the Supply Chain blaming you that the product that they received was damaged. So, the problem here is that even though as a 3PL you might have done everything correctly, you could still get the blame for somebody else's mistakes.

5. What was the solution?

LoadProof is a photo and video documentation SaaS (Software as a Service) solution that allows any enterprise to develop a catalog of easily searchable photos with contextual data to help warehouses and businesses reduce claims and chargebacks. LoadProof app runs on pre-approved Android devices, iPhone and iPad devices to take pictures and upload them to a portal that runs in a private cloud where users can review and search them at a later point of time. The user would be able to login using their credentials to view all the loads uploaded by them or their associates. On a simple note, LoadProof is a system of record for pictures and videos for any enterprise. To learn more about LoadProof click this link <https://loadproof.com/features>

Kenco implemented LoadProof in the first few facilities as part of an initial test. The feedback was phenomenal, and the savings were immense. Looking at the feedback Kenco decided to turn on the tool throughout their Supply Chain Network. As of 2018, there are 40 sites live under the Kenco Supply Chain Network. Before the implementation of LoadProof, Kenco, being a 3PL, would get blame from both sides, first from the OEM where they would turn around to Kenco and blame them for getting chargebacks, and secondly from the Retailer that would accuse them of not following their Routing Guide requirements, which is why they would issue a chargeback both to them and the OEM they were delivering. At that point Kenco's only option was to turn around and absorb that cost, but now with LoadProof, they don't need to do that anymore, as the photos Kenco owns are now easily shareable with both the OEM and the Retailer, explaining that the condition of the product when it left the facility, so we did our job right.

7. What are the capabilities that Kenco Logistics Obtained with LoadProof?

LoadProof is a centralized Enterprise Class Photo Documentation System for the entire Kenco Supply Chain Network. Kenco has LoadProof active in 40 sites across its Supply Chain Network. These are the capabilities that they acquired with the implementation of LoadProof:

7.1 Super-fast Photo Capture

After downloading the LoadProof app from the app store, Kenco Supply Chain users can take Photos using their mobile devices in a few seconds and then upload those Photos to the cloud tagging the Photos with appropriate contextual data elements. While uploading photos, their personnel can add notes, are is able to tag them with the following:

1. User that captured the photos
2. Data when the photos are captured
3. Time when the photos are captured



Kenco Logistics LoadProof Rollout – Case Study

4. GPS coordinates of the locations where the photos are captured
5. Devices that were used to capture the photos
6. Android OS version that was running in the device that was used to capture photos

The Photos are captured in multiple resolutions based on the plan, the different resolutions that are available are Low Resolution, Medium Resolution and High Resolution. Kenco Supply Chain uses high resolution Photos for to capture Photos of documents such as Packing Slip, Bill of Lading and Load Verification sheet.

7.2 Super-fast photo retrieval

So now the photos are uploaded to the LoadProof cloud, users can easily log on to the LoadProof cloud through the browser and look up photos from wherever they need to. Users log on to the cloud browser by providing their credentials, which includes a user ID and a password. Then users are able to input one or more of the contextual data that had tagged the Photos with and then perform a super-fast search. Now users can retrieve the Photos they need, drill down further and look at the Photos individually, zoom in, zoom out, save them locally if they need to (not recommended often) and also examine any notes that was entered and also look at the date stamp, time stamp, GPS coordinates etc. if there is a need to validate any of these data set for each Photo.

7.3 Super-fast photo sharing

After retrieving Photos users can share them with anybody - customers, vendors, partners, carriers, cross dock facilities, insurance companies, claims processors, retailers, consolidation facilities etc. in multiple ways as listed below:

1. By generating one PDF document for the entire load
2. By sending the entire load to a customer by inputting an email address
3. By setting up a customer as a user within LoadProof
4. By generating a LoadProof URL for each Photo and then sharing that URL in an email
5. By generating multiple LoadProof URLs for all Photos and then sharing those URLs in an email.

7.4 Supply Chain Network Architecture

1. Kenco Logistics has corporate level users set up that have visibility to look at Photos across all the sites
 - a. These users could be Photo taker users or Photo viewer users or both
 - b. These users could also be Admin users or Non admin users
2. Kenco Logistics also has Network level users that have visibility to look at the Photos at the Supply Chain Network level
 - a. These users could be Photo taker users or Photo viewer users or both
 - b. These users could also be Admin users or Non admin users
3. Kenco Logistics has site level users that have visibility to look at the Photos at the site level
 - a. These users could be Photo taker users or Photo viewer users or both
 - b. These users could also be Admin users or Non admin users

Covering a very diverse client base, Kenco's supply chain infrastructure is complex and wide, to cater for all the different industries.

7.5 Integrations with other systems

1. LoadProof supports integration with other systems.
2. LoadProof is already integrated with Mercury Gate, MyEzClaims System.



Kenco Logistics LoadProof Rollout – Case Study

MyEzClaims is a Freight Claims Processing system that helps shippers process their Freight claims with multiple carriers faster and easier.

3. LoadProof can be integrated by setting up a field to look up from any other system using a hyperlink so that LoadProof data can be pulled into a browser directly by clicking a link in the external system.

8. What are the benefits?

There is a variety of benefits, both hard and soft that Kenco Logistics gains with LoadProof:

8.1 Measurable Hard Benefits

1. With one centralized place to get the Photos from, retrieval of Photos is super easy, the Kenco Logistics personnel can retrieve the Photos in seconds instead of spending hours and hours looking for them. All the time related to this activity is saved now.
2. With the centralized sharing of Photos is super easy, all Kenco Logistics personnel have to do is put in the email address and push a button, the person on the other end gets the Photo within minutes and there are no more back and forth conversations wasting time. All the time related to this activity is saved now.
3. Our operators are doing a much better job, when everyone knows the quality of the work we are doing is documented. This directly results in improved customer satisfaction rating, in our customer satisfaction surveys we can see the improved customer satisfaction ratings and hence the relationship with the customer has improved significantly.
4. We are setting up our both internal and external customers as users within LoadProof, basically it is a self-service model, which helps tremendously because now, instead of they calling me, they can look and download the Photos whenever they need, life is so much better, everything related to the Photos is super easy. All the time related to this activity is saved now.
5. Before customers will call us and say, hey there was damage to the product they received, we wouldn't have anything to show that we did our job right, so all we can tell is hey you know what, we will replace that part for free. But now with LoadProof, we can show the Photos and say, hey we did everything perfectly and look at the condition of the product when it left our facility, so it is not our fault, it is not fair for us to replace this free. All the free replacements we have been doing have reduced now
6. By providing Photos, freight claims are processed much faster; also, a smaller number of freight claims are rejected in the first place, as a result of increased accountability.
7. Without proof of condition, when a load gets rejected, the only option is to pull the load back, which means transportation cost doubles. With Photos available, Kenco Logistics are able to prove that they did their job right. It is much easier to have that difficult conversation with a client about a rejected load.

8.2 Intangible Soft Benefits

1. With one centralized place to get the photos from, retrieval of photos is super easy, Kenco Logistics personnel retrieve the photos in seconds instead of spending hours and hours looking for those photos. All the time related to this activity is saved now.
2. Everybody's job at the warehouse is made easier with the centralized picture documentation system. There is no more uneasy feeling in the stomach when a retail customer reports damage and submits a damage claim. Nobody is losing sleep over damage claims and rejected loads.
3. The visibility to the steps they take to ensure the product is shipped in excellent condition to all parties, customers, Carriers, internal stake holders such as the Salespeople, Customer Support people, Support Technicians, etc... is dramatically increased. If there is any complaint, they can immediately pull the photos and show them. The visibility enhances transparency, and the trust with partners improves significantly, the user's reputation in the industrial products supply improves as well.
4. Inbound Quality Process – Quality Audits with photos are now available in order to understand internal issues faster and better as photos are worth thousand words, these results in getting the quality issues addressed faster and better.
5. The ability to set up multiple facilities and multiple personnel at the facility level and at the corporate level is very helpful also. It eliminates unnecessary calls quite a bit; nobody has to wait for the other person to inspect loads.



Kenco Logistics LoadProof Rollout – Case Study

6. LoadProof helps make everyone in the supply chain be accountable for whatever actions they do. This results in better discipline and work culture in their supply chain as a whole.
7. Less time spent on researching problems after they happen, instead the warehouse personnel were able to proactively prevent such problems
8. Improvement in Customer Satisfaction
9. Improvement in the Credibility and Reputation among the customer base and in the overall US & Global Supply Chain Community

9. What are cost savings?

The savings are summarized below under different sections as appropriate.

9.1 Savings due to implementing a Centralized Enterprise class Documentation System for Photos & Videos

# of Hours saver per facilities per week	25
# of facilities	40
Hourly rate of employees that manage these photos	\$20
Total Savings in a year per facility	$25 \times \$20 \times 54 = \$27,000$
Total Savings across 40 facilities per year	$\$27,000 \times 40 = \$1,080,000$
Total Savings per Year within the entire Supply Chain Network	\$1,080,000

9.2 Savings due to less Rejected Loads and Reduced Damage claim submitted by customers

Average # of the shipments in a month	400
# of facilities in supply chain network	40
Average value of a shipment	\$10,000
Average value of all shipments in one facility in one year	$\$10,000 \times 400 \times 12 = \$48,000,000$
Average \$ lost (0.5% damages) due to rejected and damages claims submitted by customers in one year in one site	240,000
Average value of all shipments in one year within the Supply Chain Network across 40 sites	$\$48,000,000 \times 40 = \$1,920,000,000$
Average \$ lost (0.5% damages) due to rejected and damages claims submitted by customers in one year in all sites	\$9,600,000
With LoadProof that dollars lost is reduced to 20%, hence the savings are 80%	\$7,680,000

The dollars lost due to rejected loads and damages claims submitted by customers results in \$9,600,000

With LoadProof, that is reduced by 80%. Hence the savings are 80% of the total expected loss, amounting to savings of \$7,680,000

9.3 Savings due to faster processing of Freight Claims

Average # of the shipments in one facility in one year => 400 shipments per month x 12 months	4800
# of Facilities	40
Hourly rate of employees that manage these photos	\$20
Estimated # of shipments (1% of the total shipments) that results in Freight Claims across one site	48
Hours saved with faster processing of freight claims within supply chain network (12 hours saved per freight claim)	$48 \times 12 = 576$



Kenco Logistics LoadProof Rollout – Case Study

Total dollars saved = 576 X \$20/hour per site	\$11,520
Total Savings/Year within Supply Chain Network due to faster Freight Claims process	\$460,800

The total savings with faster processing of Freight Claims results in \$460,800

Industry Numbers: Average number of Freight claims issued for Outbound shipments is approximately 1% of the number of shipments. Kenco is around 1% which results in savings of \$460,800 with faster processing of Freight claims.

9.4 Total Savings per Year

Savings due to Centralized Photo Documentation System	\$1,080,000
Savings due to reduced rejected loads and damages claims by customers	\$7,680,000
Savings per year due to faster processing of freight claims	\$460,800
Total Savings	\$9,106,080

10. Testimonials



Jaye Nardo – Regional Distribution Center General Manager – Kenco Logistics, Oil and Gas Segment

LinkedIn - <https://www.linkedin.com/in/jaye-nardo-48528914>

“Having the app on the phone, and being able to easily use it at any time was highly valuable for us. Service requests could be handled much faster now. Ease of retrieval is another great function. LoadProof was also used during the training sessions of new people on the floor. Thanks to it, we were able to assess the effectiveness of our clients’ guidelines, and streamline loading practices. LoadProof has helped us show we do our best for our clients. It is easy to use – if you can dial a phone you can use it. It saves you time, energy and money. It has given me and my customers peace of mind.”

For the full testimonial please visit:



Kenco Logistics LoadProof Rollout – Case Study

Josh Keeney – Business Improvement Manager – Kenco Logistics, Pharma products

LinkedIn - <https://www.linkedin.com/in/joshkeeney2016/>

“We utilize LoadProof to manage some of the risk that we do experience. It is a 200 sq foot facility, and there are a lot of possibilities for product deviation – temperature control, other customer requirements. Shipper damage or load damage. It allowed us to feel confident that we followed all documents and procedures, and when we filed that claim, there wouldn’t be any push back. LoadProof has definitely paid for itself”

For the full testimonial please visit:

<https://smartaladiator.wistia.com/medias/hz8enm6crx?wvideo=hz8enm6crx>



David Conover –Regional Operations Manager – Kenco Logistics, Consumer electronics, white glove delivery

LinkedIn - <https://www.linkedin.com/in/david-conover-1969b84b/>

“LoadProof is amazing. Being able to get the information in real-time, and not having to do a manual process related, is a big thing for us. We can even use LoadProof to track the driver. It wasn’t a good system we had before – sometimes we had to search for photos, or email each other photos – just pain. The app is really easy to store all the photos we take. The Miscellaneous tab also helps in case there’s damage during delivery – like scratching somebody’s wall. The ease of not having to capture that whole data in a different place is great. LoadProof has shortened our process, reduced the number of emails.”

For the full testimonial please visit:

<https://smartaladiator.wistia.com/medias/a1tpyqehvu?wvideo=a1tpyqehvu>

Luke Gendreau –Corporate Operations Manager at Kenco Group – Kenco Logistics, Construction products

LinkedIn - <https://www.linkedin.com/in/luke-gendreau-241bb860/>

“Our biggest issue was having the team buy in – to stop and take some photos. But, within a couple of weeks, we had it up and running. Now, LoadProof is an accepted culture, we capture every single load, and it is so much worth it. It helped improve the performance of the workers we have here. It captures how they performed as they were loading the product. It was able to hold our people accountable, and it is perfecting what they do on daily basis, and that’s what the customer expects. When [a claims] situation arises it’s nice to know that LoadProof is here for us.”



10. Insights

1. If you are 3PL and if you ship to a Retailer on behalf of an OEM or a brand manufacturer, and something goes wrong, you will immediately get hit by both sides. In order to handle such situations where you need to prove to both the OEM/brand manufacturer, which is your customer as well as the retailer, having photo proof helps a lot. And especially when that photo proof is from an enterprise system where in the photos are tagged with user, date stamp, time stamp, GPS stamp, it adds even more credibility. Also, when that is automated such that the receiver themselves can take a look at that without you even lifting a finger, that makes the 3PL's life so much easier. You are not constantly wondering when you are going to get that chargeback email, instead you are focused on doing your job well and documenting everything you do with the utmost sincerity, so you can serve your customers well.
2. If you are a 3PL and somehow your customer has lost trust in your services, LoadProof is a powerful way to show them that you are doing a great job and in the end you care. By documenting everything you do in the form of photos and making it available to them in a form where they can very quickly search and look at the photos over a period of time, helps win that trust back and hence better customer satisfaction rating a long-term relationship.
3. Another unexpected benefit has been, when the warehouse operators in your facility realize that the quality of the work they do is being documented, they do a better job, their quality of work improves and that results in better customer satisfaction and better long-term relationship with the customer.
4. When the warehouse operators realize that they are doing a great job and know that their work is being documented with photo proof, the overall operator morale improves, also the operators trust the systems, the operations, the leadership team, and the overall management, resulting in better trusting, truly collaborating culture and work environment.
5. Ran into this question, where the warehouse operators asked, why we have to do this one extra step now, that is documenting everything we do with photos, once they saw how helpful it was, it helped us find the cause of our issues quickly, and also it protected them, especially when they did a great job, they realized spending that few extra seconds was worth it, because somebody cannot just like that blame them when the fault is not theirs. Once they realized this benefit, they embraced the system whole heartedly.



Kenco Logistics LoadProof Rollout – Case Study

RESULTS:

1. 95% reduction in customer complaints
2. \$100K cost savings per site per year
3. One customer saved \$5 to \$10K in paperwork compliance
4. One customer saved \$5 to \$10K in documenting existing trailer damage
5. Across 40 sites the savings has been about \$4 Million

Kenco's Customer - Stryker - [Stryker LoadProof Testimonial and Other Important Information - Smart Gladiator – Smart Gladiator](#)

