Technicolor

technicolor

NOW PLAYING

THE CHALLENGE

As a provider of first-run movies and new releases of DVDs and games, Technicolor was challenged to manage high volumes of parcel shipments in reduced time windows efficiently and cost-effectively, never missing an important product launch or movie premiere.

THE SOLUTION

Technicolor selected MercuryGate Transportation Management. With parcel as a "native" part of the TMS, the software makes it easy for Technicolor to very quickly process parcel shipments, while also having the ability to analyze, compare, and make decisions across modes on a single platform.

THE RESULTS

Using MercuryGate Transportation Management and Transportation Planning, Technicolor is able to process up to 50,000 shipments an hour, while comparing cost and service across all transportation modes to identify profitable opportunities for consolidations, all while still meeting their customers' required delivery dates.

"We [Technicolor] chose MercuryGate's platform because of its agility, ease of startup, and its ability to add customers that need export/import as well as domestic transportation."

— Elaine Singleton, Global Logistics Vice President

Technicolor Ups Its Game with a Multimodal TMS

To many people, the name "Technicolor" is synonymous with the cinema. The 103-year-old company pioneered the development and production of color media for movie theaters, an industry segment where it remains a leader. But that's just a fraction of what the Paris, France-based company does today. Technicolor SA sees itself as a "digital innovator," providing advanced capabilities in visual and audio post-production services for television, movies, and games; production and assembly of physical media like DVDs, Blu-ray discs, and CDs; and providing new experiences for consumers in theaters and at home. Scientists at its research and innovation labs are making advances in such areas as "connected home" technology, artificial intelligence, imaging science, and immersive entertainment like virtual reality. Exploring Technicolor's website is like taking a trip to the future of media, data, and entertainment.

But even in an increasingly digital world, consumers still buy physical media and entertainment-related devices by the millions. Technicolor is a leader here, too. Technicolor Global Logistics (TGL), the company's third-party logistics (3PL) unit, launched in 2006 to provide fulfillment, distribution, and replenishment to retailers and theaters for four major Hollywood studios. In 2012, TGL began serving a separate, "non-core" business: video game developers, media publishers, and others within and outside the entertainment industry.

TGL today offers a comprehensive array of supply chain services, including manufacturing, inventory management, warehousing, distribution, order fulfillment, transportation, import/export management, and assembly and delivery of point-of-sale displays, among other services. The 3PL handles direct-to-consumer, business-to-business, direct-to-store, and bulk distribution-center shipments throughout North America and around the world. With some 9 million square feet of global distribution operations, Technicolor's logistics unit can pick, pack, and ship over 5 million units daily in peak periods; in fact, it shipped 1.3 billion CDs, DVDs, and Blu-ray discs last year, says Technicolor Global Logistics Vice President Elaine Singleton.

MERCURYGATE

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>
> — Doug Suddarth, Director of Supply Chain

And if that doesn't sound challenging enough, consider this: When movie or video game studios announce the release date for a new product, they often turn to Technicolor Global Logistics to ensure that the product is simultaneously delivered to more than 9,000 retail locations for sale on that day. "When you have a new release, it has to be there," Ms. Singleton says. "It's a disaster if a promotion has been advertised in the store and the product doesn't arrive on time. ... It simply cannot be allowed to happen."

THE LATE, LATE SHOW

For its Hollywood studio customers—Warner Bros., Universal Studios, The Walt Disney Co., and Paramount Pictures—TGL manages order flows to retailers, either shipping orders for an individual studio or consolidating them where it makes sense. This is a significant volume, Singleton says, noting that her company handles 100 percent of the DVDs the four studios ship to the U.S., Canada, and Mexico.

Technicolor had long used a transportation management system (TMS) for its core studio business, but in 2012, when the 3PL launched a transportation management service for its non-core customers, TGL adopted a TMS from a different provider, MercuryGate, for the new service. "We chose MercuryGate's platform because of its agility, ease of startup, and its ability to add customers that need export/import as well as domestic transportation," Singleton recalls. The TMS also was well suited to manage cross-border shipments to and from Mexico, Canada, and the United States, she says.

Another important consideration for Technicolor was that MercuryGate's platform manages parcel shipments in addition to other transportation modes, including truckload,

less-than-truckload, intermodal, air, and ocean. With a $50 million-plus annual parcel spend, some of it direct-to-consumer and some of it B2B, parcel is a huge part of Technicolor's transportation activities, says Director of Supply Chain Doug Suddarth. He said, "The fact that the parcel management software is "native" to the MercuryGate platform—it was built into the software from the start and is fully integrated with other transportation modes—is a critical differentiator."

This capability allows Technicolor for the first time to quickly analyze, compare, and make decisions across modes using a single platform. The emphasis is on *quickly*. "In the parcel space, we're seeing later and later cut-off requests, which compresses larger order volumes into the evening," Mr. Suddarth says. "Our customers are taking orders late into the night, so we have to be able to consolidate shipments and deliver them in a very limited time frame."

Ms. Singleton agrees that speed is increasingly important and that the parcel TMS lets Technicolor successfully manage "high-volume, high-velocity optimization." Typical order volume is about 18,000 per hour on average, but "on a big, big day in peak season, it could be 50,000 orders an hour—and probably 75 percent of them are parcel," she notes. With pressure to move that kind of volume later in the day, it's imperative that parcel orders be processed, rated, and shipped without delay. At the same time, Technicolor must be certain that it can meet customers' delivery requirements, and that it has access to the necessary capacity to meet those delivery deadlines, all at the most advantageous price.

To fill that tall order, Technicolor relies on MercuryGate's platform. Singleton highlights the Transportation Planning

software module, which compares cost and service across all transportation modes and identifies profitable opportunities for consolidations. Transportation Planning enables Technicolor to switch shipments to the most cost-effective mode while still meeting the customer's required delivery date. "We are tagging MercuryGate with the responsibility to process, route, and optimize parcels to make sure we have enough bandwidth to handle the volume," regardless of transport mode, she says.

SETTING A NEW STANDARD

As Technicolor's business has grown, both in terms of volume and through the addition of new customers, products, and services, the company's supply chain leaders recognized the need to harmonize transportation management for the core and non-core sides of the business. MercuryGate's platform, with its fully integrated parcel management capabilities, turned out to be the right tool for the job.

Technicolor Global Logistics has migrated the core studio business from its legacy TMS to MercuryGate, making it possible for transportation management for all customers to be handled on the same platform. This has opened the way for Technicolor to identify the most cost-effective transportation modes and consolidation opportunities for all of its customers, and to apply high-volume parcel optimization across the board.

"Not only does MercuryGate become the standard platform for us to work with all of our customers, but now we will also have standard work processes across business units," Mr. Suddarth says. "That will make us leaner, faster, and more agile to respond to customers' changing needs."

To learn more, email sales@mercurygate.com

ABOUT MERCURYGATE MercuryGate provides powerful transportation management solutions proven to be a competitive advantage for today's most successful shippers, 3PLs, freight forwarders, brokers, and carriers. Through the continued release of innovative, results-driven technology and a commitment to making customers successful, MercuryGate delivers exceptional value for TMS users through improved productivity and operational efficiency.