

SIDE BY SIDE: RUAN TRANSPORTATION LOGISTICS CREATES EFFICIENT GROWTH FOR POLARIS



The Ruan Consolidation and Distribution Center (RCDC) in Brooklyn Park, Minn., was created to meet the needs of a Ruan client. Polaris, a manufacturer of snowmobiles, motorcycles and other recreational equipment, was already using Ruan to manage its transportation.

The story of the relationship between Polaris and Ruan is one of evolution and growth. As the needs of Polaris have changed over the years, Ruan has reacted to assist Polaris. When Polaris approached Ruan with a need for a holding and shipping facility for the Ranger side X side vehicles, Ruan created the RCDC.

“The RCDC is an example of the flexibility and adaptability of Ruan,” says Paul Borgen, corporate logistics manager for Polaris. “We had a need and they got the RCDC up and

running for us quickly. It’s an example of what Ruan is able to do to serve its customers.” Polaris has manufacturing facilities in Roseau, Minn., Wyoming, Minn., Osceola, Wis., and Spirit Lake, Iowa. More than 200 suppliers provide parts used to manufacture the company’s products. These suppliers were shipping parts and raw materials directly to each manufacturing facility, creating problems with inventory levels at the factories. At times, inventory was too low, slowing production. At others, inventory was too high, hurting cash flow. Less-than-load (LTL) delivery of products meant Polaris was losing money on shipments to its factories.

To conform to their lean manufacturing model, Polaris again approached Ruan to help reduce LTL deliveries and improve business. The Ranger holding and shipping operation was moved to another facility, and the RCDC has now evolved into a cross-dock facility for inbound and outbound product.

Polaris Challenges

- Shipments from suppliers to multiple manufacturing facilities.
- High transportation costs through multiple stops and less-than-loads.
- Inventory levels at manufacturing facilities create downtime or impact cash flow.
- Growing business in need of transportation solutions.

The Ruan Solution

- RCDC created to assist Polaris.
- Static routes for inbound materials.
- Improved transportation methods of outbound products.
- Review Polaris dealer network to create new ship patterns.

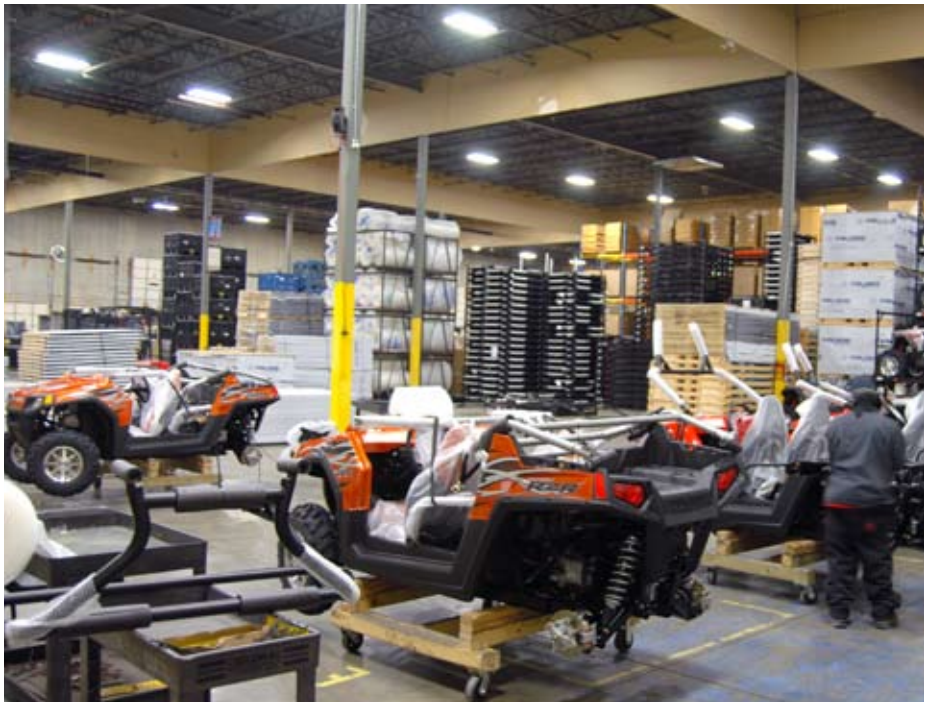
The RCDC is a consolidation center for all incoming parts. These parts are shipped from the suppliers to the RCDC, where they are sorted, cross-docked and shipped to the appropriate manufacturing facility.

Ruan uses software to build incoming loads and then hires carriers to bring them to the RCDC. Ruan looked at where Polaris was receiving supplies and then built static routes for incoming material, which created predictability in the supply chain, keeping manufacture consistent.



In addition to incoming parts, the RCDC cross-docks international shipments. These shipments are received from the factory, crated and shipped from the RCDC. Polaris sells equipment to branches of the U.S. military, border patrol and forestry service, as well as municipal police and fire departments. These products are also cross-docked at the RCDC. After arriving at the RCDC, the hundreds of vehicles the government orders are stored and inspected at the RCDC before they are shipped.

Ruan oversees the shipment of products from Polaris plants to dealers. Working with Ruan, Polaris changed the way side X side vehicles are shipped. Previously, these machines were shipped as rolling stock, and only 10 vehicles could fit on a load and special equipment was required for transport. Now, the machines are shipped in crates in standard vans, and 18 vehicles fit on a load. These machines are sent to distribution centers, where they are partially assembled before proceeding to dealers.



Ruan studied the Polaris dealer network and how many machines each dealer ordered to determine a distribution cycle. This study created ship patterns, and now large dealers receive equipment weekly, while smaller dealers may only receive a shipment bi-weekly. Ruan also created a Web-based application that tracks the VIN of each machine, so Polaris can track an individual product from the time it leaves a manufacturing facility until it arrives at the dealership. This process helps Polaris monitor cycle and dwell times of products at its distribution centers.

Consistency has been created on the outbound side of the Polaris operation, benefiting the company and its dealers, and it's all thanks to Ruan. "Ruan offers full logistics management for Polaris Industries," says Zach Mitchell, logistics business manager for Ruan. "Ruan coordinates all transportation and provides transportation management."

Mitchell works at the Polaris corporate offices in Medina, Minn., right next to Polaris staff. If there is a question or a problem seeking a solution, Mitchell and his staff are on-site and available to address any issues. Polaris, known for its side X side vehicles, has created consistency and reduced transportation costs by working side-by-side with Ruan.

Ruan Results

- Reduced transportation costs.
- Consistency in shipment of inbound and outbound inventory.
- Efficient management of inbound materials and outbound products.
- Polaris and Ruan business growth through partnership.
- RCDC doubled in size every year since 2006 to meet Polaris demand.