

HON.

THE HON
COMPANY AND
RUAN TAKE
SYNERGY ON
THE ROAD.





FOR IOWA-BASED OFFICE FURNITURE MANUFACTURER HON, INNOVATION GOES MUCH DEEPER THAN ITS PRODUCTS SUGGEST. THROUGH A BROADENING RELATIONSHIP WITH RUAN, HON IS DISCOVERING UNTAPPED SYNERGY THAT HELPS IMPROVE THE SERVICE OF THE COMPANY.

Ever since HON shipped its first chair in 1947, the company has captured the loyalties of America's businesses, becoming a category standard. The company, headquartered in Muscatine, IA, not only manufactures the world's most useful and durable office furniture, it also designs for maximum ergo-dynamic comfort, style and adaptability. The company's full line features chairs, school and office desks, tables, shelving, workstations and storage units.

Rather than deal with the details of maintaining its own shipping line, HON made an early decision to contract transportation through several outside companies located across the country. HON's unique relationship with fellow Iowa company Ruan Transportation Management Systems, however, has resulted in increased customer satisfaction, greater driver commitment, faster implementation of policies and, perhaps most importantly, lower overall costs.

A NATURAL EVOLUTION OF SERVICE

As a company, HON is as innovative and inventive as its latest product line. By taking the unprecedented step of inviting Ruan to play an active role within HON's distribution and logistics departments, both companies are rewriting the book on company/vendor relationships by creating seamless inter-corporate synergism.

The integration between the two companies occurred as a natural evolution of their working relationship over the past 30 years. First, however, Ruan had to earn HON's trust by consistently delivering as promised. And, through the years, the relationship has grown stronger and larger, with Ruan's dedicated HON fleet making more than 20,000 deliveries in 2010, sustaining an on-time delivery rate of 99.58 percent.

As Ruan continually proved itself to HON, it also sought, as part of its service-oriented corporate culture, to fulfill small, unassigned areas of the contract relationship. A receptive HON broadened Ruan's role to the point where, in some areas, the lines between the two companies are often blurred. In fact, according to Doug Hoag, HON's logistics manager for more than 24 years, "We don't think of the Ruan team as 'them.' We think of the Ruan team as HON members."

SUPERIOR DRIVERS ARE THE KEY

Drivers are the most visible — and vital — part of the HON/Ruan relationship. While drivers are technically employed by Ruan, clients frequently assume they are HON employees, as the contracted drivers wear HON-branded clothing and are behind the wheel of a truck whose side panels display the HON logo. As the frontline representatives of the "HON brand experience," drivers must constantly offer the best service possible to be responsible stewards of the HON brand — something that Ruan takes very seriously.

HON depends on Ruan to continually offer superior consistency and reliability, ensuring back-up drivers and vehicles are always available. Drivers also act as HON's eyes and ears in the field, not just driving but reporting key business-related information they may collect on the road and at customer locations. "Our drivers know us, our customers and our product," Hoag said. And many HON customers know the drivers on a first-name basis.

This adoption of a contracting company's values, rules and demeanor is a hallmark of Ruan service. The carrier makes sure its drivers are professionals in every sense of the word — not just behind the wheel, but while serving as employees of the companies they represent. This is made possible, in part, by Ruan's high level of screening, training and retention of its employees.

The repeated interactions between Ruan drivers on HON's behalf with its customers illustrate HON's ongoing trust of Ruan and a mutual understanding that forming positive relationships is critical to customer satisfaction. "Ruan's drivers are extremely dedicated to the HON mission," Hoag said. "So much so that in the category of customer satisfaction, Ruan has consistently been our number one carrier."

Melanie Gray, HON's director transportation services, concurred: "Many of our large dealers ask for their deliveries to be transported on the HON fleet, which is driven by Ruan professionals. I believe that's because the quality of Ruan's drivers has helped HON have one of the best delivery experiences in the industry."

Because a large percentage of HON's products ship partially assembled without the use of pallets, considerable care and attention must be given to loading, transporting and delivering the finished products. Drivers' knowledge of the HON product line is so extensive — and their dedication to HON strong — they will frequently prep and position products according to the specific needs of each client.

Hoag recounted several instances when Ruan managers and drivers demonstrated their strong commitment to HON. Recently, a much-needed portion of a large project had missed its production run for a hospital in Jackson, MS. HON expedited the manufacture of the missing elements, and Ruan re-assigned a driver to the emergency load, moving it from Muscatine to Jackson in a matter of hours.

In another example of the flexibility and sense of service required to be a reliable carrier for HON, Hoag called Ruan Muscatine Terminal Manager Doug Aden late one Friday afternoon with an emergency request for a HON client. Aden, a licensed driver, got in a truck and delivered the product himself. He also un-cartoned the chairs and removed and disposed of the packing materials, leaving the products in showroom-ready condition. "This sense of dedication permeates the HON-contracted fleet and is repeated hundreds of times each week," Gray said.

SHARING RESOURCES

Ruan drivers are the most visible element of HON/Ruan synergy, but this synergy runs much deeper between the two companies. HON is able to rely on Ruan's vast transportation resources, such as flatbed and brokerage services, to leverage other areas of business for parent company HNI and to run logistical analyses of new business opportunities.

"Ruan, through its analytics and engineering, has helped HON's transportation department identify several areas for improvement and opportunity," Gray said. "Together, we have decreased empty miles by 20 percent, increased third-party usage, begun a design to integrate multiple HNI fleets, as well as synchronize our inbound and outbound loads. We're able to take an analytical and critical look at our business for network optimization."

It's obvious to HON that Ruan isn't simply along for the ride. The company plays an active role in many of HON's corporate transportation decisions. Ruan

personnel are frequently invited to internal meetings to provide insights and input when new programs, processes and procedures are being reviewed and explored.

Perhaps there's no better indicator of the connection between the two entities than the Rapid Continuous Improvement (RCI) lean events held by HON. Rather than being viewed as an outsider, Ruan is invited to participate in these efficiency events, and even lead the discussion as appropriate, gaining a keen perspective of HON's inner operations.

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MELANIE GRAY

HON'S DIRECTOR TRANSPORTATION SERVICES

The managers at Ruan keep HON in mind when business opportunities arise that can further benefit the furniture manufacturer. This led to Ruan independently running a cost-benefit analysis for inbound delivery of raw materials to HON, resulting in lower overall costs for materials.

INTANGIBLE SERVICES

Hoag said that Ruan offers many "intangible services" that have made their inter-corporate relationship work so well for so long. "The Ruan team provides so many things no contract can stipulate," Hoag said. "They share important information with us that can alter our operations, there's an ease of communication between the companies at all levels, and the positive, can-do attitude of their drivers and managers are all things that make Ruan important to us and to HON operations."

One such intangible is the ability of HON to speed the implementation of new field policies. The HON daily program and blanket wrap program were tested and launched by Ruan drivers in minimal time. HON has also relied on Ruan to operate pilot and test programs in order to determine where deficiencies lie in the transport chain.

NEW HON PRODUCTS

CHARITABLE SYNERGY

The HON/Ruan relationship transcends the boundaries of commerce when both companies join forces to benefit charitable causes, such as City of Hope cancer research and treatment center in Duarte, CA, to which the companies donated (and delivered) much needed office furniture.

In another example, for ABC Television Network's *Extreme Makeover: Home Edition*, HON donated a large amount of furniture to a flooded Nashville, TN, school that the program's crew was repairing. Ruan drivers Tom Toops and Joe McWilliams drove the HON show truck to the location and served as HON members, ensuring the truck was well-prepared and photographed properly to best showcase HON's involvement and donations. Together, HON and Ruan's shared values and alliance allow both companies to be better corporate citizens.

RUAN GOES THE EXTRA MILE

"When we can deliver a new idea, save a client money or make suggestions to streamline their deliveries, we're one step closer to our goal of being more than a contracted carrier," said Chad Humphrey, Ruan's regional operations manager. "We want to become indispensable to our clients, and we work very hard for that designation."

For Ruan, transportation is more than carrying freight from one point to another. Big-picture thinking is involved. Thinking green. Thinking customer service. Thinking logistically. The wheels on the road is only the physical aspect of what the company attempts to accomplish for its clients.

Companies that desire strong business partnerships, and service that goes beyond contracts, transactions and clearly defined roles, find it in Ruan.

"Ruan has always worked to raise the efficiency of HON's transportation," Hoag said. "It's led to several game-changing moments in our transportation model. With Ruan's assistance and support, we've been able to save and accomplish much more than we could have alone."

What facilitates this synergy? Trust. Trust earned, trust demonstrated every day. A commitment to overachieve, to fill in the blanks of a business relationship with positive experiences.

Above all, synergy is an inherent component of Ruan's corporate culture, which instills a desire to see HON and every other Ruan client succeed.

