



CASE STUDY



The Transportation Logistics Company



## CASE STUDY

**PPG Industries** is the world's largest producer of transportation coatings and is a leading maker of industrial and packaging coatings, aircraft transparencies, flat and fabricated glass, continuous-strand fiberglass, chlor-alkali and specialty chemicals, and architectural coatings. The company has approximately 50 production facilities in the United States, 120 worldwide and employs more than 34,000 people. The PPG Logistics Center coordinates all inbound and outbound transportation needs for the company. Formerly a private fleet operation, the Logistics Center has functioned with a dedicated fleet since the early 1990s.

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J.B. Hunt **brought** that to us.”

— **Jim Carr**, manager of the PPG Logistics Center

## THE PROBLEM

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**As the company has grown**, the PPG Logistics Center has tackled numerous challenges along the way to help ensure PPG operated at maximum efficiency and provided superior customer service. By the end of 2001, however, the Logistics Center still had several pressing needs for its 150-plus truck fleet such as greater cost-containment, better driver utilization, route optimization, and more effective positioning of the fleet to help reduce empty miles and increase fleet utilization.

PPG has long been a technological leader that also prizes innovation and cost-efficiency, and these were the very things Jim Carr, manager of the PPG Logistics Center, was looking for in a dedicated contract services partner.

## THE SOLUTION

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**PPG Industries selected J.B. Hunt's Dedicated Contract Services (DCS)** in early 2002 because of the carrier's strong value proposition and technology services. "We wanted innovation, a different way of approaching things," said Carr. "J.B. Hunt brought that to us. The technology has really proven itself in the time we've been with them."

Another factor in the decision was J.B. Hunt's commitment to putting project management on site. "We knew we could bring our experience to bear in PPG's complex routing needs and trailer-tracking issues as well as in tackling day-to-day challenges," said Nick Hobbs, senior vice president, operations for J.B. Hunt DCS. "We wanted to make a significant impact on fleet utilization and help lower costs."

## THE RESULTS

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**J.B. Hunt DCS assembled a strong team of professionals**, according to Carr, who hit the ground running just one week after being awarded the business. Since then, the account has grown to approximately 210 tractors and 400 trailers, including 150 reefers, heated vans and 48-foot trailers. J.B. Hunt's on-site managers oversee a broad operation, with 210 drivers providing service to at least 40 shipping points in the U.S. and Canada. Results of the partnership have been evident in a number of key areas.

**Trailer-tracking** – J.B. Hunt's equipment-tracking and cargo-sensing technology from Terion brought PPG an outstanding capability — placing the right trailer at the right place at the right time. "This was critical for us because one-third of our fleet is temperature controlled," explained Carr. A daily report tells Carr where every trailer is, whether it's full or empty and where it's been. The Terion units have brought PPG's tractor-to-trailer ratio down to 2-to-1, besting the industry average of 2.5- or 3-to-1. "Since we fully utilize every trailer in the fleet, we don't need extra trailers," said Carr. Planning is also more effective because equipment can be found and moved to where it's needed before it's needed.

**Load-planning software** – J.B. Hunt's proprietary load-planning software has tackled PPG's routing challenges. The software analyzes where drivers are delivering, considers how many hours each has to drive, identifies loads in the area and recommends the best trucks for each load. The PPG load planner can accept the recommendations and schedule the loads by simply hitting a button. The software has helped PPG reduce empty miles and increase fleet utilization, according to Carr.

**Backhaul** – PPG had distant locations it could not service with its dedicated fleet prior to the partnership with J.B. Hunt. By anticipating PPG's needs, the J.B. Hunt team came to Carr with a plan to push driver utilization up by incorporating backhaul into the system. Now J.B. Hunt couples a one-way long-haul load for PPG with a return load from the J.B. Hunt Truck network. The result is well over one million backhaul miles in the first year alone. "We're more flexible with our fleet," said Carr, "running more miles, fully utilizing our dedicated assets and delivering a better level of service to customers with our specialized equipment."

**Results-oriented partnership** – In just a short time, the PPG/J.B. Hunt DCS partnership has evolved into an effective team that can tackle anything that comes its way. As a result of the team's performance, J.B. Hunt DCS received the prestigious Excellent Supplier Award from PPG for 2003. "We have an extremely strong group of experienced people," said Carr. "They can take a combination of cutting-edge technology or good old-fashioned elbow grease, roll up their sleeves and attack a problem until they've come up with a solution."

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J.B. HUNT TRANSPORT SERVICES, INC. ■ DEDICATED CONTRACT SERVICES  
615 J.B. HUNT CORPORATE DRIVE ■ LOWELL, ARKANSAS 72745  
800-643-3622 ■ [www.jbhunt.com](http://www.jbhunt.com)