

**edge** a Ryder System, Inc. publication

Transportation and supply chain  
solutions for the bottom line

For over  
80 years,  
veterinarian  
supply  
distributor  
keeps up  
with change

# Columbus Serum



# Healthy Distribution





*In 1922, two veterinarians from Columbus, Ohio – Dr. Earl P. Maxwell and Dr. Fonsa Lambert – had a dream.*

*They wanted to create a company founded by veterinarians, for veterinarians – a company that truly understood the ever-changing business needs of fellow colleagues. So on October 17, 1922, Maxwell's and Lambert's dream – Columbus Serum Company – opened its doors for business. Eighty years later, the company is a flourishing \$200 million veterinary supply distributor that serves 27 states and carries more than 15,000 veterinary products and supplies from 300 vendors.*



## AT A GLANCE

### CHALLENGE

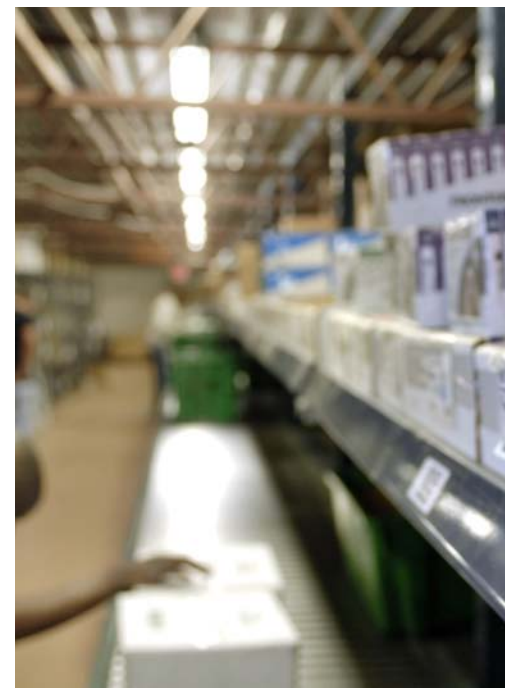
Delivering high levels of customer service to increasingly demanding veterinary clinics and regional pet supply retailers while aggressively expanding business.

### SOLUTION

Outsource the private truck delivery fleet to Ryder with the capacity to manage growing fleet operations efficiently, and maintain high customer service levels while nurturing key customer relationships.

### BENEFITS

A dedicated fleet has enabled Columbus Serum to grow rapidly while achieving high delivery standards. Transit times are regularized, predictable and more efficient while network optimization ensures delivery cost effectiveness.



(FROM L TO R)  
**GREG NIGGLE**  
LOGISTICS MANAGER,  
RYDER; **KEVIN**  
EILERMAN, OPERATIONS  
MANAGER, COLUMBUS  
SERUM CO. AND  
**CRAIG PETERSON,**  
VICE PRESIDENT,  
COLUMBUS SERUM  
DISCUSS STRATEGIES.

Columbus Serum is run today by Robert and Bruce Peterson, maternal grandsons of founder Dr. Maxwell.

“When our grandfather founded Columbus Serum Company, he did so with a simple business philosophy in mind,” explains Robert Peterson, president. “Develop meaningful relationships with veterinarians to better serve their need for quality products, and then deliver those products accurately, on time and at competitive prices.”

When the company was small, it relied on its own truck fleet and drivers to make its deliveries. The demands of double digit growth soon made fleet management an increasingly challenging proposition though. In 1990, therefore, the company outsourced its fleet to Ryder. Today, Columbus Serum and Ryder are partners not only in serving the highly competitive veterinary supply market, but also in growing Columbus Serum’s business.

### **The Demands of Growth**

In 1987, Columbus Serum entered into a long-term relationship with Hill’s Pet Products to distribute the manufacturer’s product line, which includes its popular Prescription and Science Diet, throughout Ohio, Indiana, Kentucky, West Virginia and Western Pennsylvania.

(Hill’s prescription pet diet is the number one seller in the world.)

The company also began to expand to the north, south and

east, a strategy it continued to pursue throughout the 1990s.

“Initially,” recalls Bruce Peterson, senior vice president, “we operated the delivery fleet ourselves. But when we started to carry the pet food diet lines 20 years ago, our delivery network got to be too much for us to handle. We leased our delivery fleet and employed our own drivers. But the fleet was getting too big. We knew it was time for a change when one of our trucks ripped off the roof of a gas station. That turned out to be a \$15,000 cup of coffee.”

“Ryder was recommended to us,” the senior VP recalls, “and we knew using a third party logistics service provider (3PL) was the way to go from both a reliability and a liability standpoint.”

“Our relationship with Ryder has been good for 17 years,” says Bruce Peterson.

### **The Network**

Columbus Serum operates two warehouses in Columbus, OH. Ryder has offices at one of these facilities. “At that facility,” explains Craig Peterson, vice president, “we have the Hill’s prescription diet line. We also have a combination of pharmaceuticals and the Hill’s line at our warehouse in Indianapolis.”

“We designed a hub in Columbus, OH from which we do truckload linehauls to Indianapolis, Erlanger, KY and Youngstown, OH,” explains Mark Dewar, director of business development for Ryder. “From those locations, we load goods onto straight trucks to provide deliveries





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BRUCE PETERSON - Senior Vice President, Columbus Serum

to customers.”

Ryder runs two cross dock operations for Columbus Serum – one in Youngstown, OH and one in Erlanger, KY. “Out of Columbus,” says Craig Peterson, “we run tractor trailer loads of food and pharmaceuticals to Youngstown and Erlanger for cross docking for distribution throughout the region.” Most customers get such deliveries once-a-week.

“We have management staff in Columbus that interacts with all the locations,” says George Masson, director of customer logistics for Ryder. “We have visibility into what’s happening as it’s happening at all our locations.”

“Most Columbus Serum customers want next-day service,” Craig Peterson observes. “They want to be able to call us at 5PM and have their order the next day. They expect very high service levels from us or they’ll go somewhere else. We really have to expend extra effort all the time.”

Columbus Serum receives customer orders, processes them overnight, pulls them from the warehouse, and puts



together loads for Ryder's drivers to deliver next day.

"Having the Hill's line makes our business a little more complicated than that of our competitors," Bruce Peterson acknowledges. "Hill's has a 70% market share in veterinary clinics. It's a great line to carry but a lot more can happen because of the quantities we're moving through the warehouse. So if a clinic forgot to place their order yesterday, and they need something tomorrow, they want to know whether we can get it to them. We rely on Ryder to figure out how to do that."

"Not only do we have to deliver to clients, we have to 'over' deliver to them," adds Craig Peterson. "For example, we had Ryder making deliveries to pet stores over Memorial Day weekend. The stores needed their merchandise or they would lose the sale, and then we'd hear about it."

### Keeping Up with Change

Veterinarians' needs constantly change, with new products being introduced to accommodate those changes. "The essence of our business is understanding the needs of our clients," Bruce Peterson stresses. "Ryder

is good at immediately sensing those changes and working out solutions."

"In fact," the senior V.P. says, "Ryder constantly thinks outside of the box. They're always looking at how we can better service a route.

They make suggestions on combining or sharing routes, or even eliminating routes we don't need."

The Ryder and Columbus Serum management team meets monthly to go over delivery operations. "Ryder sends four or five people to these meetings; all are very familiar with our business," Craig Peterson reports. "At the meeting, we go over any personnel issues. Ryder does a great job at on-time delivery performance. They frequently analyze our routes to gauge whether they are getting too big, whether a driver has reached his limit on hours or other such issues."

Last year, the company added 15 farm store customers. It also is expanding its regional pet store business. "This means we are constantly adding routes," Craig Peterson says. "Ryder helps us figure out how to do this





in the most efficient way – to make sure our trucks are running fully loaded. In the past, we were sending trucks out partially loaded.”

Ryder creates the truck routes and schedules, which can be modified on a daily basis if necessary. “But we try to stick to putting specific customers on specific routes and specific days, and then periodically check them for optimization,” says Bruce Peterson.

“Changes in volume, the addition of more customers to that base – those changes necessitate re-optimizing the route,” Masson explains. “We also need to be able to handle unexpected volume spikes caused by retail promotions.” Columbus Serum receives advance notice of those promotions from both the retailers and from Hill’s. The straight truck delivery routes average 100 miles, with 14 stops. “We’re continually coming to them to put more deliveries on the routes to drive down the cost per delivery without affecting any of the high service level they need,” says Masson. “And we’re looking into whether backhauls would be feasible on any of the routes.”

“Most drivers stay on a particular route for a long

time,” Dewar notes. “The driver-customer relationship is so important. What ends up happening is the driver deals with the owner vets themselves. The vets can buy from anyone, but the ease of dealing with a driver they know – that makes the difference.”

“We like to say the drivers – Ryder employees – see our clients more than our outside sales people do,” Craig Peterson notes. “The drivers have excellent relationships with our customers. Our customers tell us over and over again that our drivers do a great job for them. Our drivers are key to keeping our customers coming back to us.”

“Eleven years ago, we were at \$50 million in sales,” reports Robert Peterson. “Today, we’re over \$200 million dollars. Ryder has been a good partner. They help us with our long range planning, especially with regard to managing our growing business with Hill’s. We know how important they are to growing our business.” e

**GREG NIGGLE,  
LOGISTICS  
MANAGER, RYDER  
AND RICHARD  
HOPKINS CUSTOMER  
LOGISTICS  
MANAGER, RYDER  
CHART OUT ROUTES  
AND SCHEDULING**



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