

A CASE STUDY  
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# HOW CASTELLINI TRANSFORMED COLD-CHAIN OPERATIONS WITH A DYNAMIC WMS

**F**ood logistics is a high-value, highly complex market segment that keeps warehouse operators up at night – especially mid-sized regional operators struggling to manage costs.

Third-party logistics (3PL) providers with their own warehouses must accommodate a wide range of very specific customer fulfillment needs, among them differences in shelf life by product, and compliance mandates for specialized handling. Workflow, staffing and asset utilization vary widely, and billing often fails to fully capture true costs and value added.

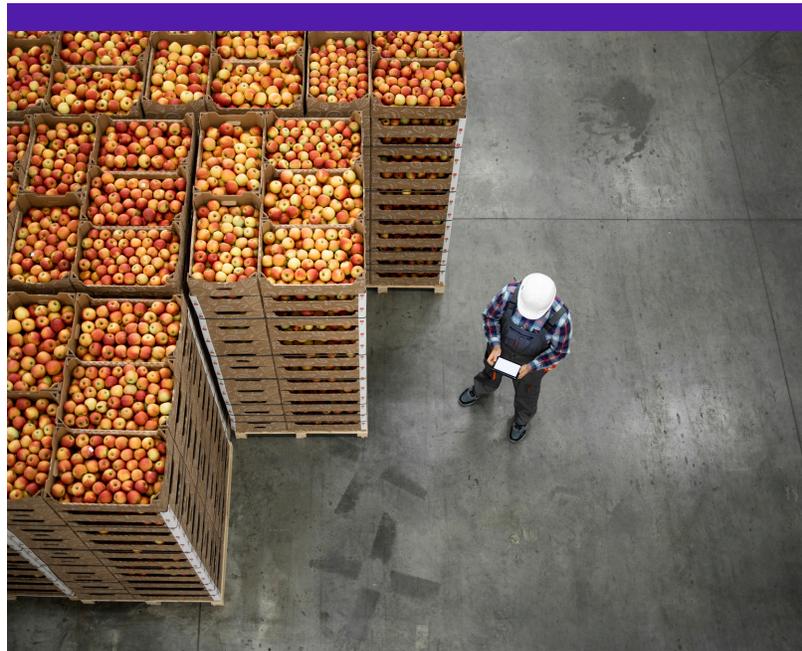
**T**he level of visibility and flexibility built into the warehouse management system (WMS) is critical to navigating complexity, improving service-level performance and meeting revenue and margin targets. Even where mid-market 3PLs and operators may have the technical capabilities, many of their customers and vendors do not, causing gaps in critical data that add risk.

## THE CHALLENGE

The Castellini Group, a family-owned, Cincinnati-based 3PL, offers cold chain transportation, distribution and supply chain management services throughout the eastern U.S. Its origins date back to 1896 at the Cincinnati Produce Terminal.

Castellini specializes in refrigerated storage and handling of perishable produce and fulfillment for home meal delivery companies. Its 200,000-square foot warehouse facility maintains seven different temperature zones, from 50oF to -10oF, to serve a range of clients with very different picking, order fulfillment and value-added service needs.

A legacy warehouse management system (WMS) struggled to orchestrate inventory tracking, order fulfillment and billing for add-on dumping, grading, special storage, sustainability and other services. As the business grew, system inefficiencies made workflow and headcount less predictable, contributing to performance issues and rising labor and handling costs that weren't being fully recovered.



“On top of the basic supply chain problem,” explains Castellini president and chief executive officer Chris Larson, “we really needed a system that had dynamic pricing components to make sure that we were fully recovering the revenue for those activities.”

## THE SOLUTION

Castellini began the search for a new WMS provider with specific experience with mid-market 3PLs, and with the fresh and frozen food cold chain segment, including direct-to consumer (D2C) fulfillment.

The next WMS would need to manage order entry, pricing and dynamic tracking and costing of services provided. The system would need to be quick to implement, easily scalable and customizable, and have a simple, user-friendly interface.

The company eventually selected Florida-based WMS software solutions provider Datex Inc. as its vendor. Datex serves more than 200 global warehouse operators in four tightly controlled market segments which operate under

complex fulfillment, compliance, sustainability or other requirements: 3PL, food and beverage, life sciences and industrial.

Datex's specific focus on mid-market operators and facilities, and its expertise with 3PL clients and cold-chain storage, were key differentiators for Castellini. Datex's Footprint WMS had been developed over time for complex challenges such as managing compliance, tracking inventory and optimizing labor. Its low-code Datex Studio application platform allowed for simplified customization as customers are added or subtracted, and operational characteristics change.

On the billing side, Castellini would have added flexibility to charge on a flat rate or percentage basis, and bill for fuel charges, overtime fees and other ancillary costs. Footprint enabled the 3PL to scan and capture accessorial charges for value-added services; split costs between entities, including percentage of total cost; and implement multi-tiered volume-based billing rate structures, as well as multi-year contracts.



A phased implementation was agreed on by the Datex and Castellini teams, to simplify the process and mitigate risk. “We broke the project down into four customer segments based on the service we were providing,” Larson recalls, “bringing on a group of customers every couple of weeks, beginning with the lowest- risk customers that we onboarded first. Throughout the process we caught small things in each phase of the implementation, which made the overall impact minimal.”

## THE RESULT

The phased WMS replacement went smoothly, with no significant data gaps, digital maturity or organizational buy-in issues to resolve. Two key elements to the successful implementation were the Datex team’s expertise in key aspects of Castellini’s business and operations, and Castellini’s hands-on approach throughout, up to and including at the CEO level.

“We’ve developed a lot of the same capabilities for many other customers, but that doesn’t guarantee success,” says Datex vice president for solutioning and

implementation Glenn VanLandingham. “It’s still a lot of hard work on both sides. I was always amazed at how much Chris knew, and the extent to which the CEO was involved in the details of the project when we needed to talk about something high-level.”

Larson, meanwhile, is happy with getting exactly the kind of flexibility Castellini had been looking for. “That has been huge for us,” he says. “We get a lot of last-minute order changes. We have same-day inbound where we have to flip product off a truck coming in and pick it and get it to an order. Being able to manage that has really helped us to be more efficient in our warehouse.”

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**WMS IS CORE TO  
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An added benefit, he stresses, is the Datex customer portal that is currently being rolled out to major customers as a first step, delivering real-time order and shipment status reporting as well as direct order entry. And having Datex onboard to integrate smaller Castellini customers not previously on electronic data interchange, Larson adds, “has been a huge savings to us and has been really received well by our customer base.”

Native EDI integration support on an open-application programming interface architecture, with built-in real-time data flow, connects all supply chain partners, regardless of size or technical capabilities. Castellini can then automate tasks, incorporate APIs and documents into workflow, securely store and manage sensitive data and customize screens, workflows and rules for every client or facility.

Larson sees the Footprint WMS implementation as the beginning of a long-term partnership with Datex, with continuous improvement as new system enhancements are added and customer business profiles change. Castellini still meets weekly with the Datex customer-support team to identify new ways to optimize. “You have a go-live and start using the new system, but there’s still constant change,” VanLandingham of Datex says. “It’s an ongoing relationship because the WMS is core to the entire business.”

Watch the related video here:  
<https://vimeo.com/1123980816>

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