

NetRouter's odyssey from desktop application to ASP ends happily with IBM e-business Hosting



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KEY FEATURES AND BENEFITS

- **Optimize the entire distribution network.** NetRouter's proprietary algorithms provide optimization of the distribution network.
- **Delivery Cost Savings to 25 percent!** Using NetRouter to generate routing can help improve vehicle utilization, reduce fuel consumption, and save time leading to savings on the bottom line.
- **Select routes for delivery by common carrier vs private truck fleet.** NetRouter evaluates delivery costs on a per point and per route basis, allowing proactive shipping assignments.
- **Model variations in distribution parameters.** Change the distribution center location or truck size to establish optimal parameters for those variables.
- **Perform profitability analysis of customers.** Use NetRouter's sophisticated modeling routines to evaluate actual shipping costs on a per customer basis.
- **Integrate the customers of acquired businesses into the existing distribution network.** Run new routing reports on demand, on line any time.
- **Solve large route optimization problems very quickly.** Based on RS/6000 technology, NetRouter servers are fast. Very fast.
- **Generate extensive reports about orders delivered and routes created.** NetRouter's rich reporting features provide valuable business data.

NetRouter™; - A Simple Solution to Your Complex Delivery and Distribution Problems.

Route Optimization

NetRouter, Inc. is a Web-based application that can save up to 25% of delivery costs through optimization of distribution and route assignments. NetRouter is based on a Lotus Domino server interfacing with a proprietary optimization engine that has been in development for over 12 years. It combines the power and simplicity of the Web with the proven experience of a workhorse desktop application.

Solutions Modeling

NetRouter creates an overall optimum distribution network to minimize delivery costs, making the most efficient assignments of customer locations to distribution centers. Through its proprietary algorithms, NetRouter solves complex distribution modeling, distribution planning, and route optimization problems. NetRouter also addresses capacity planning, fleet assignments and other route optimization variables.

Distribution Assignment

NetRouter optimally assigns customer delivery locations, or company-owned stores, to the best distribution center location in a multi-distribution center environment. It can then be used to consolidate orders and create optimal routes for orders to be delivered from each distribution center. NetRouter creates a detailed report with important information regarding each route that is created. NetRouter receives order entry data, as well as parameters and constraints, from client machines using a Web browser.

Varied Applications

NetRouter can be used for solving routing problems for many industries or services, in small, medium or large companies. In addition to obvious applications such as medium and long haul food deliveries, it is applicable to typical short haul service industries such pest control or HVAC contracting. NetRouter is very fast, solving a 500-order routing problem in 30 seconds.

Using NetRouter, a company can define its entire distribution network, customizing parameters to meet its needs. Each company has its own security-rich Web site, where it can access its customer and order databases. Orders are submitted and selected daily for routing via the Web site, and NetRouter quickly fills trucks to capacity, chooses the most optimal routes—even provides maps and specific driving directions.

Customers using the solution report operational cost savings of up to 25% over traditional methods. What's more, NetRouter can solve a 400-order route optimization problem in just 50 seconds. Manual processes take far longer and often create routes that are not optimal—for example, NetRouter used 20 trucks to the 31 trucks previously required with manual routing. NetRouter was able to demonstrate savings of \$1.3 million per year for a major pharmaceutical company, reducing its truck fleet from 70 to 55.

Overview

■ **The Challenge**

Recreating a successful PC application as an industrial-strength ASP solution

■ **The Solution**

A robust, security-rich hosting environment with a range of managed services available to help the business grow

■ **The Benefit**

A critical business application is now within reach for small to midsize companies

The fast, simple solution to complex distribution problems

NetRouter, Inc., based in Austin, Texas, is an application solution provider (ASP) for supply chain, distribution and service businesses. The company's award-winning Web-based NetRouter™ application solves complex distribution, order consolidation and route optimization problems, helping to reduce operational costs for companies that rely on private truck fleets and service call vehicles.

The odyssey to ASP

Getting NetRouter to where it is today has been quite a journey for CEO H.O. "Buddy" Bradford. In fact, he describes NetRouter as a "lifetime project." The solution started out as a PC application, which was successfully marketed to several major companies as a standalone solution.

Then, in July 1998, NetRouter won the prestigious IBM eEDGE Fund award and grant. Sponsored by IBM, Lotus and the National Federation of Independent Businesses (NFIB), the aim is to recreate critical business applications as e-business applications over the Internet, thus making them affordable for small and medium-sized businesses.

Working with IBM Business Partner, Renaissance Worldwide, NetRouter was adapted for the Internet using Lotus® Domino™. The challenge was to minimize modifications to the existing proprietary optimization engine while creating a new graphical user interface for the Web.

The process has taken several years, and NetRouter is now available as a certified ASP solution. Indeed, the biggest challenge for NetRouter, Inc. was the time-consuming hard work of bringing the NetRouter solution to where it is today with limited personnel and financial resources. But that hard work has paid off: NetRouter was chosen as a Best e-business Solution at Lotusphere® as part of the sixth annual Beacon Awards.

A "pure" IBM solution

When asked why he chose IBM e-business Hosting™, Bradford's answer was simple: "I wanted a pure IBM solution." Working with different groups within IBM on the road to becoming a fully fledged ASP had convinced Bradford of the value and benefits inherent in a relationship with IBM.

"IBM got our solution up and running quickly, without any problems."

– H.O. "Buddy" Bradford, CEO
NetRouter, Inc.

NetRouter received IBM's ASP Prime certification in July 2001, after being put through its paces at the San Mateo, California, ASP Prime Solution Center. This stringent process proved that NetRouter was robust enough for prime time on the Internet, and can give potential customers extra confidence that the solution is truly a performer. Other IBM certifications include AIX® Ready, e-business Mark, and Runs with Lotus Domino.

Going with a hosted solution was a given, since NetRouter, Inc. is a small company that needed a reliable, security-rich environment for its application. Following the experience at San Mateo, choosing IBM e-business Hosting, which quickly followed in August, was seamless.

ID	Name	City	State	Zip
1	Number1_Customer	Spring Lake	NJ	07662
2	Number2_Customer	Hope	NJ	07874
3	Number3_Customer	Cape May	NJ	08204
5	Number4_Customer	North Wildwood	NJ	08260
10	Number6_Customer	Lambertville	NJ	08530
11	Number7_Customer	Stockton	NJ	08559
13	Number9_Customer	Bay Head	NJ	08742
14	Number10_Customer	Whitehouse	NJ	08888
19	Number11_Customer	Claymont	DE	19703
20	Number12_Customer	Montchannin	DE	19710
21	Number13_Customer	New Castle	DE	19720
22	Number14_Customer	Wilmington	DE	19801
24	Number15_Customer	Lewes	DE	19958
25	Number16_Customer	Rehobeth Beach	DE	19971
26	Number17_Customer	Harve de Grace	MD	21078
28	Number18_Customer	New Church	VA	23415
29	Number19_Customer	Berlin	MD	21811
30	Number20_Customer	Chinciteague	VA	23336

“IBM provides a lot of options for a growing company. We can rely on them while we focus on our core business.”

– H.O. “Buddy” Bradford, CEO
NetRouter, Inc.

The route ahead

NetRouter can actually be adapted to many different kinds and sizes of businesses, for example: service calls —such as pest control and HVAC (heating, ventilation, air conditioning) contracting—courier services, even airport limo services.

NetRouter, Inc., is positioned to branch out, and the company plans to tap into additional IBM e-business Hosting resources as it grows—a huge benefit to a smaller company.

For more information

To learn more about this solution, visit the following Web sites:

ibm.com/e-business/hosting

netrouter.com

An ideal solution for smaller businesses

Currently in a start-up phase as an ASP, NetRouter runs on one IBM pSeries™ server at the Grapevine, Texas e-business Hosting Center™, although customers are already using this industrial-strength solution with great results. “We’ve received outstanding service from IBM e-business Hosting Services™,” says Bradford. “We highly recommend them.”

NetRouter, Inc. has continued to tap into IBM Business Partner resources to further its growth: United Computer Group is providing ASP sales support, while Venture System Source is customizing NetRouter’s graphical user interface to meet specific customer needs.

Today, NetRouter, Inc. is an Advanced IBM Business Partner, offering NetRouter via the Internet for a monthly rental fee. The solution combines the power and simplicity of the Web with the proven ability of the work-horse desktop application on which it was based, and the fact that there are no high upfront costs makes the solution ideal—and very appealing—to smaller businesses that can now take advantage of it.



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