

# CASE STUDY

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## The Stone Brewing Story



zengistics +  **STONE**  
BREWING

## An Unusual Collaboration Leads to a Blueprint for Mutual Success



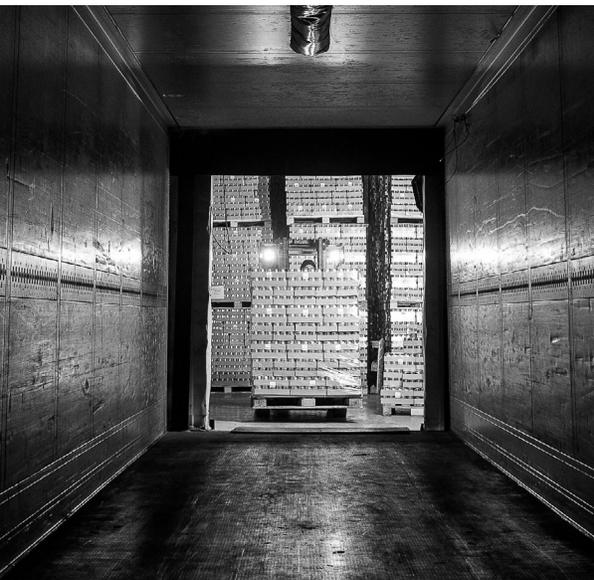
For the past 26 years, **Stone Brewing** has delighted the bellies of craft beer enthusiasts through their array of super hoppy IPAs and delicious lagers. The west coast Brewing is one of the largest in the United States. Stone has done their part to help commercialize the craft beer industry, and due to their success, you can find their iconic gargoyle logo in grocery stores, restaurants, and bars throughout the country. Each year, Stone Brewing transports thousands of truckloads of beer, hops, barley, glass, and boxes to support their production facilities in Escondido, CA and Richmond, VA. Since 2019, 100% of the outbound shipments, nearly 3000 truckloads a year, have been built, organized, routed, and hauled by **Zengistics**.

Case studies in the logistics industry often follow the same basic storyline: The shipper had problems with their service until this new company provided all the solutions.

But what led to this strategic partnership between Stone Brewing and Zengistics tells an overarching narrative about collaboration in the supply chain that is rather unusual in the logistics industry. Rarely are there examples where both the shipper and 3PL evolved their entire business models and scale of operations as a result of their partnership. From moving just a few loads to now controlling 100% of the outbound business, this case study between Stone and Zengistics shows how a collaborative approach to business partnerships in logistics can provide a blueprint for mutual success.



## Logistics Model at Stone Brewing before Zengistics



In 2015, Stone Brewing's logistics model wasn't really a strategy at all. 100% of their freight was hauled by a single asset-based carrier. Stone's logistics team built their own loads and would call the carrier a few days before they needed a load picked up and checked for available capacity. Sometimes, trucks didn't show up, or when they did they were 10-12 hours late. Detention costs were piling up, the truck fill rates were 60-70% full, and on top of that, the routes were not optimized for efficiency.

**Like most shippers, Stone thought they'd be saving money by going with an asset-based carrier, but *that wasn't the case.***

The second model they implemented was to use multiple 3PLs to manage the transportation: one provider for the east coast, one for the west coast, and one for transferring freight between facilities. However, this model also had its limitations. Stone's experience working with larger brokers was that their freight, craft beer, just wasn't a high priority for them. They continued to see the same results of poor route optimization and trucks loaded with low fill rates. Further, when service and execution fell short of expectations, brokers didn't return calls and the trust in the relationship fell apart.

After burning through multiple brokerages, Stone's logistics managers attempted to simplify things by just working with a single 3PL. To help streamline their operations, Stone looked for a transportation provider that also did load building and provided a customizable portal that could provide visibility on their shipments. There were many organizations who promised the moon and the stars, but lacked results and lagged behind in putting the software together.



## Focus on your Craft



Long before Stone Brewing gave Zengistics a look, the transportation provider had already built a formidable reputation for themselves as one of the leading service providers within the niche **beer, alcohol, and Brewing distribution market**. In fact, “Focus on your craft” was their slogan and branding used when approaching potential customers.

The relationship between Stone and Zengistics started with moving a few practice loads. The strategy for Zengistics early on was focusing on execution and communication, and being able to service the loads effectively. Zengistics offered competitive pricing and great service that shippers everywhere have come to expect, but then the conversation shifted to forward thinking. The differentiator separating Zengistics from the other large broker that was working with Stone came through the form of a question: “How can Zengistics start to make an actual impact on Stone’s business?”



## How a Collaborative Approach Transformed Both Businesses



Through meetings and conversations, Zengistics set out a plan to build a customizable digital platform built specifically around Stone Brewing's transportation needs.

“ When we started, Stone Brewing said ‘here’s a list of the 20 things we need’ and we responded with ‘okay, we have no idea how to do 18 of those things, but we’re going to build a team around this and that’s what we did.’”



**Matt Zimmer**  
President at Zengistics

Zengistics implemented a strategy specifically designed to help streamline efficiencies throughout Stone's entire supply chain. They started on the planning side of each load.

Zengistics requested Stone's master production schedule and handled the rest of the process. They built each load, planned the pickup, packed each truck, created an optimized routing guide, and procured trucks to deliver the loads on time. The result was a 98% average fill rate on each truck and 98% on-time delivery.

Using the data archived and provided on the Zengistics digital platform, Stone Brewing now has the ability to make decisions on where they should actually produce their beer. Using customizable reports specifically for Stone, the Brewing can determine whether it's more profitable to batch in Escondido or Richmond.



“We are constantly making decisions on where we want to produce beer based on freight pricing from Zengistics. Zengistics is like an extension of Stone, as opposed to just some company. Stone has been around for more than 25 years but only within the last couple of years have we actually had a freight company that was part of the decision making process,” said Clint Graflund, the Vice President of Logistics & Distribution at Stone Brewing.

The data provided on the Zengistics portal also allows Stone to look at cost per CE by state and by distributor. Using the technology, they can gain full visibility on the pricing they are paying for down to a single case of beer.

“Zengistics has really helped us reduce our miles, fill our trucks, and make recommendations on how to schedule with our order partners. There’s a portal for tracking, a separate customizable portal that allows them to scrape every imaginable piece of data on every shipment, every case, every distributor, everything,” Graflund said.

For Zengistics, the successful collaboration with Stone became the standard blueprint on how to approach future customers, particularly in the craft beer and beverage industries. By using a consultative approach backed with data-driven technology, Zengistics developed a strategy from the ground up that was built specifically to the needs of their customers.

“ They’re innovators, they understand the needs as the markets are changing. They understand the need for data to implement change. They built our own database that’s very Stone specific about the way we like to look at how we pay for freight. But on top of that they are just a good group of people to work with.”



**Clint Graflund**  
**Vice President**  
**of Logistics**  
**& Distribution**  
**at Stone Brewing**



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