



Jack in the Box Takes Fresh Approach to Food Transport with Intermodal

THE CHALLENGE

As Senior Manager of Transportation at Jack in the Box, Jeff Brady has to be something of a salesman, not traditional sales, but a seller of concepts – in this case, a proven concept in transportation: intermodal.

As one of the nation's leading Quick Serve Restaurant (QSR) chains, Jack in the Box maintains the highest degree of food safety standards, while offering an iconic brand with innovative and quality products. To ensure these standards, the company operates a complex distribution and logistics network. Yet, Jack in the Box recognized its transportation strategy needed enhancement.

Jack in the Box uses a 3PL to manage its transportation, moving freight to Jack's six distribution centers. Brady believed there were opportunities to drive further efficiencies and reduce costs from the restaurant's supply chain. "Conversion to intermodal, which offers multiple benefits, needed to become a key focus," Brady said.

But first, Brady had to lay out a vision to ensure buy in and overcome some misperceptions about intermodal transit time. Jack in the Box's previous experience with intermodal was limited to mostly dry freight. To convert additional freight – namely frozen and chilled goods – to intermodal, the organization needed assurance that it could meet its transit time requirements and maintain "farm-to-fork" food safety and quality standards.

Lastly, the company wanted not just a capable intermodal rail partner, but one willing to add value. "We wanted a truly willing partner, one that would step up and own the relationship and help to lead the modal shift," Brady said.

Drawing on his experience, Brady worked with BNSF and his 3PL to achieve strategic alignment all along the supply chain. By ensuring this alignment, a new course was set.

case study



CHALLENGE

Jack in the Box sought opportunities to increase efficiencies and decrease costs in its supply chain – without compromising the restaurant's high food safety standards.

SOLUTION

The transportation strategy included a strategic alignment among Jack in the Box, its 3PL and BNSF. This collaboration yielded a plan for Jack in the Box to achieve its goals by increasing its reliance on intermodal.

RESULTS

BNSF is meeting Jack in the Box's 95-percent inbound on-time performance goal, which has prompted the restaurant chain to increase its use of intermodal by 33 percent.



THE SOLUTION

Recognizing that relationships would be mission-critical as the company made this transformational shift, it turned to BNSF, based on the railroad's reputation and experience. "Having previously worked directly and indirectly with BNSF, I knew we wanted them to be part of this," Brady said. "We took advantage of BNSF's robust and detailed mode-conversion and analysis tools, which helped us validate other analyses, further devise a roadmap and sell the vision of mode conversion."

The data wasn't the only selling point. "I trust BNSF. They have a track record of being able to execute, deliver on promises and truly live the values of a principled and vested partnership."

In establishing a well-defined intermodal strategy, the Transportation team also engaged its 3PL in its plan, outlining the goals and improvements they wanted to achieve within the network. Together, they looked at all the intermodal service offerings – both traditional lanes and BNSF's Next Generation Intermodal lanes – and developed short and long-term target lists. The stage was now set for Jack in the Box to expand its intermodal footprint.

THE RESULTS

Intermodal's cost savings and reliability, including meeting the chain's stringent 95-percent inbound on-time performance goal, has increased Jack in the Box's confidence in the conversion. In addition, there has been no increase in claims or product damage, providing a high level of assurance for food safety and helping to establish mutual trust.

In less than a year, Jack in the Box increased its use of intermodal by 33 percent, largely in dry freight and some temperature-controlled moves. Improving the supply chain has been welcomed by its 3PL, as well. "They craved that clear direction from us, and now they have become even further engaged and understand what our expectations are," Brady said. "Together, the carriers are delivering on their promises and building trust with us. We see all of them, BNSF included, as strategic business partners."

NEXT STEPS

In the near future, Jack in the Box expects to continue assessing opportunities to convert more of its inbound dry freight to intermodal. Additional temperature-controlled lanes may be tested and those results would drive additional volume into this mode over time.

"This on-going conversion process will be accomplished as Jack establishes a pattern of truly holistic lane pairings," Brady said. "By working collaboratively, sharing in a mutual risk-reward manner, we anticipate securing long-term commitments. Supply chains work extremely well in a vested fashion, with partners willing to be challenged to supply solutions and not just perform activities. I am confident in BNSF – in its ability to perform, and support Jack in the Box directly and indirectly."

Longer term, the company anticipates it may build intermodal into its network design to support growth, assist with vendor selection and drive overall freight costs down as it expands into existing and new markets.



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*Jeff Brady
Sr. Manager of Transportation,
Jack in the Box*

