CUSTOM TMS BY SCHNEIDER SUPPLY CHAIN MANAGEMENT® REDUCES EXPEDITES MORE THAN 90 PERCENT FOR MANUFACTURER

BACKGROUND: LACK OF PROCESSES AND LOAD PLANNING MAKE FOR COSTLY, INEFFICIENT SHIPPING

A specialized service and janitorial product manufacturer was experiencing growth and — along with it — the pains and increased costs of an overstressed, overfull warehouse utilizing a non-custom Transportation Management Solution (TMS) technology. With a lack of processes and proper load planning in place, pallet estimation was off, rush and expedited outbound shipments were costing upward of $69,000 per month, and systems such as SAP were new to the manufacturer.

The manufacturer identified a new facility location to help lessen the stress on the existing facility, but it wanted to be sure set-up and processes for all outbound shipments were optimized at the start to avoid the costly pitfalls it knew all too well. With service, the ability to utilize state-of-the-art equipment and cost reduction as top priorities, the manufacturer knew it needed to move beyond its current carrier and chose Schneider Supply Chain Management for a fresh start at its new facility.

A FULL WAREHOUSE IS COSTING YOU MORE THAN YOU REALIZE

80%

When your warehouse is more than **80%** full, worker productivity begins to **drop rapidly**.

95%

If you hit **95%** usage in your warehouse and strive to maintain the same level of output, you'll experience increased labor costs up to **39%**.

SITUATION: STARTING FRESH IN THE MIDWEST WITH A CUSTOM TMS

The new facility, located in the Midwest, would relieve some of the inherent issues the janitorial product manufacturer was experiencing due to overcrowding and transit distance. With a fresh start and a new carrier, it wanted to optimize all processes so they could hit the ground running on day one.

The manufacturer knew it didn't want to replicate what was being done at the Texas facility, and it wasn't sure how shipments were being estimated. It also didn't have any historical data needed for benchmarking a new solution. Schneider got to work to understand its unique business requirements and met the manufacturer where it was at with a custom TMS.

SCHNEIDER®

The manufacturer required:

- That all stores receive orders in a single shipment within two days of placing the order

- An optimized shipping method and load planning (LTL, TL, parcel, etc.) with lowest cost, following its routing guide requirements

- A return of its outbound order document within an hour, with all details completed, so bill of lading (BOL) documentation could be available

- Visibility into the process and all details of transportation

- A quick implementation

- A repeatable process that can flex when the need arises, such as holiday weeks

- Reporting

SHIPPING OPTIMIZATION TOP PRIORITIES

SERVICE

ACCURATE TRANSIT TIMES WITH HIGH VOLUMES

STATE-OF-THE-ART EQUIPMENT

DC ENHANCEMENTS

REDUCED RUSH/EXPEDITED SHIPPING COSTS

SOLUTION: A FLEXIBLE OUTBOUND LOGISTICS SOLUTION THAT KEEPS COSTS DOWN

Schneider gave the janitorial product manufacturer the flexibility and custom, mid-level solution it needed in eight weeks' time. For this manufacturer, it is critical that each store location receive one shipment per day containing the whole order, otherwise the runaround to track down the remaining parts of the shipment causes chaos within its transportation department. Schneider's TMS ensures that the team remains within 3 percent of estimation to actual, keeping the manufacturer's rush and expedited shipping costs down.

Following the day-of-week shipping pattern to 180 stores, Schneider received its file from SAP and took care of all the rest without the need for electronic transfers, such as EDI or middlemen. Schneider got the file back in less than an hour, so the manufacturer could then print all needed BOL documents.

RESULTS: INCREASED ACCURACY AND RUSH SHIPPING COSTS NEARLY ELIMINATED

The janitorial product manufacturer received a virtual transportation office with the adaptability and ability to customize based on its outbound shipping needs and requirements. Its shipping clerk got exactly what they needed daily, showing what is planned for the next day.

Pallet accuracy increased, dropping expedited and rush shipping costs more than 90 percent per month. Load planning requests are typically handled in less than 30 minutes, and a custom BOL tool was created that provides the BOL almost immediately.

EXPEDITE SHIPPING COSTS **DROPPED** **90%**

Custom reporting allows the manufacturer to dial in on changes to weight, pallet count and carrier when necessary.

To learn how Schneider can customize a TMS for your business, email **solutions@schneider.com.**