

SCHNEIDER STABILIZES FREIGHT COSTS, IMPROVES ON-TIME SERVICE FOR WHOLESALE CLUB CHAIN

BACKGROUND: MEMBERSHIP CLUB STRIVES TO STAY AHEAD OF THE CURVE

A leading warehouse membership club (Club) with more than 200 stores located along the East Coast needed to stabilize freight costs. The Club sought carriers that could meet its goal of 98 percent on-time delivery—including night deliveries—while supporting seasonal business spikes with both inbound and outbound service to and from distribution centers.

SITUATION: DELIVER GREATER CAPACITY WITHOUT SACRIFICING PERSONALIZED EXPERIENCE

Although large freight carriers have significant capacity, many shippers are cautious about their ability to provide consistent on-time delivery or a personalized experience.

Building on a successful track record of moving the Club's inbound freight from vendors to distribution centers (DCs), the Club increased freight tendered to Schneider to include DC-to-store deliveries for six clubs in the New England area.

The new challenge: Keep pace with the Club's growth while offering the best of both worlds—the personalized approach of a small carrier with the breadth of services of a large one.

The Club also needed a carrier that could:

- Run night routes
- Deliver 98 percent on-time service
- Meet tight delivery schedules
- Stabilize freight costs



**STABILIZING
FREIGHT COSTS**

SCHNEIDER SOLUTION: BIG WHERE IT MATTERS, SMALL WHERE IT COUNTS

Debunking the large carrier stigma, Schneider engineered a customized, multiprong approach to meet the Club's requirements.

- **Individualized Portfolio of Services**

Schneider leveraged its broad portfolio to create customized channels and lanes, including:

- **Regional truckload:** Region-specific drivers and customer service representatives with in-depth local knowledge to improve on-time service.
- **Long-haul truckload:** Use of a long-haul model to move goods from DCs to stores optimizes the Club's supply chain and delivers more for the transportation dollar.
- **Team drivers:** Moving freight 24/7 with team drivers allows outbound deliveries to move overnight more quickly than a small carrier or solo driver.
- **Intermodal:** Schneider recommended the use of Intermodal to deliver imports to DCs, securing additional cost savings. Plus, exclusive Schneider-operated ramps and trains give each load VIP treatment, ensuring door-to-door, truck-like service.

- **Customer-Assigned Drivers and Backhaul**

Schneider scheduled 28 local drivers for increased network efficiency and timeliness, including backhauls for nearly 75 percent of the stores, thus reducing freight costs by sharing lanes with other Schneider customers.

RESULTS: EFFICIENCY AT EVERY TURN ALLOWS CUSTOMER TO GROW

Schneider's multifaceted, engineered solution delivered on both the individual store and the vendor network levels for this shipper:

At the store level, Schneider:

- Improved delivery times by 3–4%.
- Reduced overall freight costs through more options to support inbound vendor business.
- Introduced Intermodal to further reduce spend with an additional capacity option.
- Expanded deliveries from six to 11 stores from New Jersey to Ohio.



**LOWER TOTAL
COST PER MILE**

At the vendor network level, Schneider:

- Increased route efficiency and optimized the service network through area integration and overlap.
- Controlled the Club's freight costs by servicing regional areas to provide the drivers with supplemental work as time permitted.
- Supported additional backhaul from Club vendors to the DCs.
- Allowed the Club to rely on one carrier to service both inbound and backhaul shipments.

The Club's business continues to experience 10 percent year-over-year new-store growth and 5 percent in-store growth. Schneider has earned a place as a primary carrier in the Club's truckload routing guide. The Club relies daily on Schneider's supply-chain management expertise and its ability to deliver consistent, exemplary service with one of the broadest portfolios in the marketplace.