

SCHNEIDER SAVES SPECIALTY MANUFACTURER LOADS OF MONEY AND TIME WITH REVAMPED LTL SHIPPING PROCESSES

MANUFACTURER LOOKS FOR OPPORTUNITIES TO MAKE TRANSPORTATION MORE EFFICIENT

A manufacturer of upscale televisions and specialty mirrors uses LTL shipping to send its high-value products across the U.S. to customers. Following senior staffing changes, the company reevaluated its shipping and logistics provider and decided to find a better transportation solution.

SITUATION: LACK OF VISIBILITY INTO SHIPPING IS COSTING MANUFACTURER

For years, the manufacturer had little visibility into its shipments, nor did it receive any key performance indicator (KPI) reports. This left the company with no data to provide insights or opportunities for improvements. In addition, it created a claims “black hole”: The company had no idea if it received payment for claims – and had no data to pursue those that went unpaid.

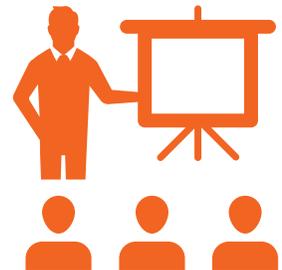
Knowing there was likely an opportunity to improve its shipping process but unsure how to do it, the manufacturer contacted Schneider. The company asked Schneider to help identify inefficiencies in the supply chain and drive cost out of the system.

SOLUTION: SCHNEIDER ANALYZES LOADING AND SHIPPING, PROVIDES CONSULTING

Schneider immediately put its engineering experts to work, analyzing the manufacturer's shipping processes. After the analysis, Schneider brought in two carriers to handle regional and national LTL transportation. The expertise, relationship and purchasing power Schneider has with the selected carriers allowed it to negotiate a single rate for both carriers. In addition, Schneider was able to contract an expedited pricing matrix, simplifying the payment process.

Key to the manufacturer was also the ability to track shipments and access other data. Schneider provides this capability on a desktop, tablet or phone through the OrangeHub, a self-serve LTL tool powered by Schneider. Customized KPI reporting was also created by Schneider to provide crucial information on the manufacturer's shipping costs, services, claims, cost avoidance and transit details.

After implementation, Schneider discovered the manufacturer was making costly mistakes simply because employees didn't fully understand the complexity of transportation. Schneider developed an “LTL 101” training session for the manufacturer's customer service representatives that provided the ins and outs of the shipping process and how to correctly input shipping data. In addition, Schneider provided best practices to improve the manufacturer's packaging processes to optimize load density and reduce the chances of a product being damaged in transit.



The training taught the manufacturer to avoid overhanging pallets and adjust tension on shrink-wrap and bandings, saving significant costs. Schneider even led the manufacturer's team through the KPI reporting, ensuring they understood every data set and its implications for the business, including cost per pound.

Schneider also examined the manufacturer's existing supply chain and began verifying services, determining which could be added, adjusted or deleted to create a more efficient supply chain. For example, Schneider discovered the manufacturer was paying for a lift gate to be provided for all shipments when it was only needed for some shipments. Schneider also discovered the manufacturer was paying an unnecessarily high shipping rate to send empty boxes to customers who needed to ship their products back for service repairs. These insights enabled the manufacturer to modify its processes and realize immediate savings.

Schneider delivered more value by adjusting the manufacturer's freight of all kind (FAK) metric from one high number for all products shipped to an actual class solution, thereby reducing costs.

Last but not least, Schneider provided the manufacturer with much-needed visibility into its shipping patterns. This work highlighted which practices added unnecessary costs and provided solutions to create a more efficient transportation plan.

RESULTS: SCHNEIDER'S EXPERTISE SAVES MANUFACTURER TIME AND MONEY

Schneider looked beyond the tariff and overhauled the manufacturer's live loading and LTL shipping processes. In just four months, Schneider was able to deliver:

- 10–15% savings on shipping costs
- 100% collection on claims
- 100% quote-to-invoice accuracy
- 8% improvement in service, providing on-time delivery 98% of the time

Schneider not only saved the manufacturer money, it saved the company time by establishing more efficient systems and processes. Schneider's KPI reporting provided an invaluable insight into the performance of the manufacturer's supply chain. With regular reporting and analysis from the experts at Schneider, the manufacturer has a new, higher standard for service that is delivering a better, bigger bottom line.

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