

An Air Filter Manufacturer Reduces Freight Spend and Improves Delivery Time Through Optimal Origin Analysis

The Challenge

A national manufacturer of air filtration products with five distribution facilities was unaware of the most optimal origin points for shipments within its network. Without access to business intelligence and analysis detailing an optimum combination of mode, rate structure, and transit time, the manufacturer was unable to quantify the potential rate savings and improved customer service that it could achieve by sourcing product from the most ideal location within its network of facilities.

Strategy

Transportation Insight began the process of investigating optimal origin points for the manufacturer through an analysis of the current network origins and destinations. As part of the process, Transportation Insight engineering and operational personnel worked closely with the manufacturer's executive, financial, purchasing, and operations personnel to clearly define the scope and nature of the opportunity, as well as any potential restrictions. Through various points of business intelligence and engineering analysis, Transportation Insight was able to analyze the manufacturer's historical cost and transit time data and make recommendations relative to the most optimal origin points within its network without sacrificing either cost or service.

After completing the analysis, Transportation Insight's engineering personnel provided additional data that the manufacturer could import directly into its ERP system in order to automate product sourcing by the most optimal facility.

Armed with greater visibility, control, and business insight relative to the most optimal origin point within their network for product sourcing, the manufacturer has not only reduced their transportation expense, but improved their delivery time and service to customers.

Value Summary Results

Through the partnership forged with Transportation Insight, the manufacturer has realized reductions in transportation costs and transit time, with over \$70,000 in reduced transportation spend. Additionally, the optimal origin analysis has allowed the manufacturer to automate the optimal product sourcing point through Transportation Insight's ERP integration work.

Value Summary

\$ 70,708 Reduction in Freight Costs

Increased Efficiency in Product Sourcing
Increased Efficiency in Production Planning
Increased Efficiency in Stocking Levels

Co-Managed Logistics • Carrier Sourcing • Rate Negotiation • Freight Bill Audit and Payment • TMS
Supply Chain Analytics • LEAN Consulting • Supply Chain Sourcing

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