

An Industry Leader in Industrial Coating Maximizes Cost Containment by Integrating with Insight TMS®

The Challenge

An industry-leading manufacturer of industrial coatings continually faced pressure to streamline their supply chain. With an expansion in the number of servicing motor carriers and a growing customer base, it was essential that the manufacturer have real-time access to the appropriate list of accessible carriers on any given customer delivery.

Pressured to remain competitive amidst economic instability, the manufacturer needed systematic insight without adding process complexity, staff or creating redundant data entry within any layer of the organization.

Strategy

The coatings manufacturer and Transportation Insight formed a strategic logistics partnership to achieve cost reduction, streamline processes and improve business intelligence.

As a first step in reducing costs for the manufacturer, Transportation Insight helped the client achieve industry-leading carrier pricing by performing an enterprise-wide analysis of all transportation moves to clearly define the client's freight profile. Then Transportation Insight conducted an industry-wide carrier bid process, leveraging the client's freight with Transportation Insight's hundreds of millions in freight under management to achieve the lowest possible carrier pricing. Transportation Insight also began to audit the client's freight bills, re-rating every carrier invoice relative to the published carrier pricing to identify and eliminate carrier overcharges.

As the partnership evolved, Transportation Insight identified a technology opportunity. Transportation Insight customized and delivered the web-based Insight TMS® (Transportation Management System) applications to give the manufacturer unprecedented visibility and control over their transportation processes. The Insight TMS® rate shop application automated carrier routing decisions across the entire enterprise, simplifying the carrier selection process to ensure use of the optimal carrier and mode of transportation for any given customer order.

Recently, the manufacturer and Transportation Insight put technology further to work for the manufacturer's business by expanding the existing strategic logistics partnership to include data integration with Insight TMS®. Transportation data now moves seamlessly between the client's corporate ERP platform and Insight TMS®, allowing individuals to focus on key decision making rather than data entry.

Transportation Insight's continuous improvement efforts with the manufacturer are always in motion. In addition to the financial savings derived from routing optimization, the visibility, control and business insight provided by Transportation Insight helped the manufacturer identify numerous other strategic financial opportunities. When the client merged with another company, the client worked with Transportation Insight's Supply Chain Analytics team to create a model of their current state supply chain at the manufacturing facility/line/product group level, from raw material suppliers through distribution network to the end customer.

This network model helped the client determine its optimal manufacturing facility footprint, identify all facility/product capabilities and align the network to best serve the combined company's customer base. The Supply Chain Analytics group identified \$6 million in annual savings in facility, production and transportation costs for the client. In addition, the client was able to reduce its facility footprint by three manufacturing locations.

Value Summary Results

The coatings manufacturer and Transportation Insight collaborated to form a strategic partnership that created a significant competitive advantage for the manufacturer. Transportation Insight's technology and analytical solutions helped the client maximize managerial control over the transportation network and delivered reliable enterprise-wide business insight to support sound decision making.

Transportation Insight's team of information technology professionals designed and implemented a data integration platform that drove routing compliance to all-time highs while adding no process complexity. In addition, Transportation Insight's Supply Chain Analytics team enabled the client to optimize its broadening network to more profitably serve its expanded footprint.

Value Summary

\$ 732,081	Routing Optimization and Rate Reductions
\$ 117,160	Carrier Rate Increase Avoidance
\$ 33,931	Invoice Error Correction
\$ 73,521	Time and Administrative Savings
\$6,000,000	Supply Chain Analytics Network Optimization Savings
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\$6,956,693	Annual Financial Impact

Multi-modal Co-managed Logistics® • Carrier Sourcing • Freight Invoice Audit and Payment TMS • Supply Chain Analytics • LEAN Consulting • Supply Chain Sourcing

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