

SCHNEIDER REPLACES PRIVATE FLEET AND SAVES MANUFACTURER TIME AND MONEY

BACKGROUND: MANUFACTURER'S PRIVATE FLEET IS COSTLY AND DIFFICULT TO SCALE FOR GROWTH

A manufacturer of dessert and drink mixes utilized its private fleet to deliver products to customers in the eastern half of the country. As the company grew it found the private fleet was expensive to maintain and wasn't scalable for the growth the manufacturer wished to attain in the western United States. The manufacturer looked to Schneider's brokerage division to help achieve the more efficient shipping solution it desired.

SITUATION: MANUFACTURER IS MISSING OPPORTUNITIES FOR IMPROVEMENT DUE TO LACK OF DATA TRACKING

While the manufacturer had some metrics on its shipping processes, it had no reporting systems, making it nearly impossible to identify opportunities for improvement in its shipping practices. The manufacturer also lacked an effective shipment tracking system; drivers were currently calling customers en route to provide arrival times. The lack of digestible data meant it was difficult to follow up on claims and have firm direction over the supply chain.

Additionally, maintaining its private fleet and keeping up with U.S. Department of Transportation regulations were proving to be more work and money than the manufacturer wished.

SOLUTION: SCHNEIDER MANAGES CARRIERS AND ENGINEERS SUPPLY CHAIN

Schneider set to work, replacing the private fleet with the right carriers for the manufacturer's LTL and truckload needs. Schneider used its expertise and relationships with the carriers to negotiate one single shipping rate, simplifying the payment process.

To help the manufacturer track carrier data, Schneider created a key performance indicator (KPI) report that showed costs, savings, service rates and cost avoidance.

Schneider recommended pooling products from the same zones and shipping them together in a full truckload once per week.



SCHNEIDER RECOMMENDED POOLING PRODUCTS ONCE PER WEEK

Schneider also saw an opportunity to change the manufacturer's production schedule to produce and ship the Midwestern orders with the East Coast orders. Once implemented, the manufacturer was able to cut down on shipping costs by paying for one full truckload shipment rather than multiple LTL orders.

In addition, Schneider validated the manufacturer's services and reduced accessorial charges, such as paying for lift gates in docks that didn't need them. Experts from Schneider also provided tips on loading products to reduce claims. For example, by adjusting the tension on shrink wrap and avoiding stacking heavy products too high, the likelihood that product would become damaged decreased.

Lastly, Schneider created a cost per pound calculator to help the manufacturer increase sales. The salesperson was able to calculate how the weight of a customer's order affected shipping prices, with a larger amount of product often yielding a lower shipping cost per pound. Armed with that information, the customer may then be motivated to place a larger order of product to save on shipping costs.



COST PER POUND CALCULATOR

RESULTS: SCHNEIDER SAVES MANUFACTURER MONEY AND DECREASES SHIPPING TIME

By bringing in the right, qualified carriers to handle the manufacturer's shipping, Schneider saved the manufacturer the cost and hassle of maintaining its private fleet. In the first 18 months of the working relationship with the manufacturer, Schneider was also able to deliver:

- 6% savings in shipping costs
- Average weekly savings of \$1,000
- Decreased transit time on optimized freight by 1 to 1.5 days
- Improved on-time delivery rates from 96% to 98%

**6% SAVINGS
IN SHIPPING COSTS**

**AVERAGE
WEEKLY SAVINGS
\$1,000**

Schneider was not only able to save the manufacturer money but also time by establishing more efficient systems and processes. Schneider's KPI reporting provided insight into the performance of the manufacturer's supply chain. With help from Schneider, the manufacturer now can focus more on its core business. As a result, it has a higher standard for its supply chain and a path to increased profits.