

# DEDICATED VENDOR INBOUND TO BIG-BOX RETAILERS

## **BACKGROUND: COMPANY LOOKS TO ELIMINATE “ARRIVE BY DATE” FINES AT BIG-BOX RETAILER**

One of the nation's largest consumer snack food brands had worked directly with carriers to ship its tasty products, but decided to turn to brokers in an effort to cut transportation costs. After five years of using a broker model, the company found itself incurring hundreds of thousands of dollars in late delivery penalties each quarter and realized it was risking its relationship with one of the largest retailers in the U.S.

## **SITUATION: MANY BROKERS LACK CONTROL TO CONSISTENTLY MAKE DELIVERY APPOINTMENTS**

One of the country's largest retailers has a preferred list of carriers with whom it works. Those carriers are allowed to simply drop loaded trailers at the retailers' distribution centers once they arrive, pick up a new load and depart.



**MUST  
ARRIVE BY**

Carriers not on the retailer's preferred list are required to live unload freight on a "Must Arrive By" date. If a driver arrives before or after that timeframe, the vendor is penalized 3 percent of the cost of goods. Ultimately, vendors who deliver outside that window more than 10 percent of the time are no longer allowed to deliver to that retailer.

Because the snack company used brokers, its freight moved on trailers hauled by carriers who had to meet the retailer's "Must Arrive By" dates. Each time a carrier missed this window, The snack producer racked up significant fines and raised significant concerns about its ability to meet this very important customer expectation.

The snack company decided to forego its broker model and began seeking out a reputable carrier with dedicated capacity to handle its deliveries.

### **SCHNEIDER'S SOLUTION: A PREFERRED CARRIER ALLOWED TO "DROP BY" LOADS**

Schneider began talking with the snack food company about the advantages of its solution. The company was impressed by Schneider's commitment to operational excellence, service mindset and huge capacity base.

The snack food producer was especially pleased that Schneider holds a preferred carrier status with many large retailers. This meant freight hauled by Schneider would become "Drop By" loads, which arrive on time much more consistently than loads that require "Must Arrive By Date" appointments and live unloading. It also meant Schneider could be the company's answer to reducing the hefty bill it was paying each quarter in penalties.

Within a year, 100 percent of the snack food company's over-the-road shipments to this major retailer arrived in Schneider's trademark orange trailers.

### **RESULTS: EXCELLENT COMMUNICATION AND TRUSTED REPUTATION DRIVE LATE DELIVERY FINES DOWN TO ZERO**

Stellar results were delivered in Schneider's first year on the job, including:

- Zero fines due to late deliveries
- On-time delivery consistently in the mid-90-percent range
- Smooth execution of 18 loads per week to large retail customer
- Successful management of volume spikes (40+ loads/week) that occurred every three to six weeks for nationwide promotions driven by the large retailer

The snack food company was incredibly impressed by Schneider's solid service and dedication to building a strong relationship. In fact, Schneider performed so well that the snack company has awarded 25–40 percent of the loads destined for another retail customer to Schneider.

Schneider also helped preserve the relationship between the snack food company and its largest customer, which would have stopped accepting the company's freight had it continued to miss the critical delivery window. Schneider's service ensured the snack company's delicious product was still available to the incredibly large number of shoppers who frequent these stores.

While the snack food company is extremely pleased with Schneider's ability to get its product from point A to point B, the company is even more impressed with the relationship it has developed with Schneider. Company representatives cite Schneider's clear focus on developing trust through responsive service and open, honest communication as a key factor in its success

Because of the tangible and intangible results of Schneider's work, the truckload carrier and consumer snack food company are now excitedly looking forward to several new, expanded solutions for transporting this popular treat to hungry customers around the country.



**"DROP BY" LOADS**  
**= SAVINGS**

