

INTERMODAL DELIVERED STAGING CAPABILITIES, EXCEPTIONAL RESULTS FOR FOOD MANUFACTURER

Schneider Intermodal saves the day for shipper facing challenging delivery expectations around promotion management

BACKGROUND: SUPERMARKET CHAIN LOOKS TO FOOD MANUFACTURER FOR TIME-SENSITIVE PROMOTION FULFILLMENT

Everyone loves a bargain. While the right promotion brings consumers to store shelves in droves and delivers the type of sales both retailers and manufacturers crave, execution can be anything but a slamdunk. Aligning modes of transportation with manufacturer expectations and retailer requirements is an intricate and amazing balancing act.

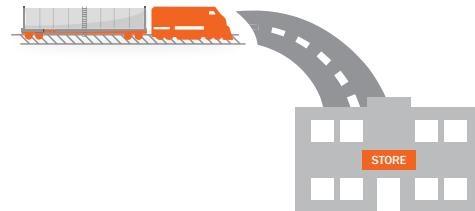
Case in point: An American manufacturer of consumer foods runs a popular promotion with a national retailer every spring across the U.S. Held in March, the promotion continues for three weeks and is highly anticipated by consumers.

Ensuring 100 percent on-time delivery from the food manufacturer to stores is crucial for the success of the program: Stores aggressively promote the event and featured products, so a late delivery could result in upset customers – and lost sales – if goods are out of stock.

SITUATION: RETAILER'S LIMITED SHELF SPACE AND DELIVERY NEEDS REQUIRED FLAWLESS PLANNING AND 100 PERCENT EXECUTION

Participating supermarkets have limited shelf or storage space to accommodate the extra product that flies off the shelves during the popular promotion, requiring the food manufacturer to find a way to fulfill orders and move loads with short lead times.

Several approaches were considered over the years to no avail. Even truckload solutions, long known as the go-to mode for “hot” shipments, could not overcome all of the promotion’s challenges. The chain’s national footprint and its just-in-time approach to ordering replenishments were daunting. On-site storage of inventory, a replenishment strategy used by some retailers, is also not an option because of the grocer’s on-site storage constraints. In addition, the chain does not have nearby facilities where trailers can be dropped ahead of time so that product could be moved to its final destination quickly when needed.



The situation was coming to a head: The retailer was not sure it wanted to continue the promotion unless the food manufacturer could ensure store shelves were continually stocked and shoppers were happy. Knowing how well Schneider understood the promotion, the food manufacturer’s business, and its own delivery parameters, the retailer turned to Schneider to find a better way.

SOLUTION: INTERMODAL ALLOWS FOR ADVANCE PLANNING AND STAGING

With improving transit times throughout North America, the food manufacturer experimented with intermodal on some general freight deliveries with successful results, providing the confidence needed to try the mode for the spring promotion. The goal: achieve 100 percent on-time delivery and strengthen the relationship with the supermarket chain.

For the promotion, Schneider worked with its trusted railroad providers to devise an intermodal solution that would bring product into the designated market and hold it until the required delivery date.

Schneider provided local drayage from the food manufacturer's production facility to the origin rail ramp, where the load was transferred to the rail, transported to the destination rail ramp and stored on-site at the ramp until needed – thereby eliminating the staging need associated with truckload services. When the manufacturer got the call from the supermarket that more product was needed, Schneider provided local drayage from the destination ramp to the local stores for a live unload to restock shelves and keep customers coming back for more.

Storing product locally meant the food manufacturer could quickly respond to the supermarket's supply and demand needs. Schneider also worked with staff at the supermarkets to do timely live unloads, creating additional efficiencies. Because product was not left waiting to be unloaded, as with a drop, it was also more secure.

RESULTS: PROMISES MADE, PROMISES KEPT-STELLAR SERVICE AND EXCEPTIONAL COMMUNICATION LEAD TO FLAWLESS ON-TIME DELIVERIES

Outstanding results were delivered with the conversion to intermodal, including:

- 100 percent on-time delivery for the duration of the promo
- Surge of 64 shipments handled over 10 days
- Container pool increased by 10 at origin point to allow for pre-loading
- Two-thirds of the food manufacturer's entire year's sales managed throughout the course of this single promotion

In addition to Schneider's solid intermodal service solutions, the Big Orange also excelled in communication to anticipate potential issues and ensure 100 percent on-time delivery. Approximately two weeks before the promotion, Schneider began staging additional assets in the area to be available for the promotional period after discussing anticipated needs with the food manufacturer.

A week before, Schneider met with the food manufacturer's internal operations team to confirm that the increased container pool and capacity was in line to move shipments. Schneider also participated in daily status calls with the food manufacturer as well as a final debriefing call to discuss results.

While the food manufacturer couldn't be happier about the addition of a new mode into its transportation mix and flawless on-time results, it's also very pleased that open communication has an imperishable shelf life. The company is looking forward to making a long-lasting relationship last even longer.

100%
ON-TIME DELIVERY