Case Study: Textile Distributor



Broussard Logistics developed a program that increased transportation and accounting related efficiencies while also reducing costs.

Overview

Background

A Textile Distributor was experiencing growth organically and through acquisition. Purchasing and Operations were utilizing four 3PLS (resellers) and multiple carrier platforms for shipping needs across 18 locations.

Leadership sought to centralize business processes and leverage collective spend.

The NMFC for textiles was transitioning to a density-based freight class thereby increasing costs.

Lacked benchmarks for pricing negotiations with LTL Carriers.

Accounting dept. was burdened with carrier invoices & lack of LTL pricing knowledge.

Engagement

Assessment of current LTL carriers (pricing & transit), distribution characteristics & freight classifications.

Constructed and executed a formal LTL RFP with Carrier Group

Optimized Carrier rates & transit times through multiple RFP bid rounds.

The client selected the carrier group that would service their location needs.

Centralized accounting processes and audit & payment services with consolidated invoicing & customized weekly reporting.

TMS launched for shipment execution.

Results

Savings

Expense Reduction / Avoidance

Annual LTL Spend – \$2.4M

Actualized Carrier Savings - 18%

Accounting

- Consolidated Billing/Payments All Modes
- Automated GL-Coding
- Freight Invoice Pre-audit

Standardized logistics, purchasing and accounting processes

2 Employees Re-allocated

FTL E-RFQ- reduction in spot market costs

\$432,000

Annual Carrier Savings

\$115,000

Annual Reduction in Logistics Payroll

\$78,000

Annual Freight Bill Pre-Audit Savings

\$625,000.00 Total Expense Reduction/Avoidance

Engagement Process

Complimentary
Analysis &
Needs
Assessment

Document Scope of Work & SVC Agreement

Target Pricing & RFP

- Carrier Selection & Program Launch
- Ongoing Management

- Distribution Analysis
- Benchmark
- Saving Opportunities
- Next steps
- 1-2 weeks

- Meet with Executive Buyer(s)
- Develop Agreement for Obligations & Commitment of Services

1-2 Weeks

- Construct & Distribute Bid
 Package
- Review Proposals
- Second Round of Carrier
 Negotiations
 - Next steps
 3-4 Weeks

- Carrier Selection
- Fine-Tune Carrier Pricing
- TMS Construction
- Training
- Business Rules established
 - 2-4 Weeks

- Dedicated account support
- Customized reporting
- Custonnizeu
- GL application
 Formalized Quarterly
- Business Reviews (QBR's)
- Continuous monitoring and improvement