

CLIENT SUCCESS STORY

CONVEYER SYSTEMS TECHNOLOGY

A LEADING CONVEYOR SYSTEMS AND EQUIPMENT MANUFACTURER ENJOYS 28% COST REDUCTION THROUGH TRANSPORTATION TECHNOLOGY

Client Snapshot

The Client is a leading manufacturer of conveying equipment for the bulk materials handling industry. The Client serves customers from a wide range of industries, and designs and builds replacement parts to complete systems that are marketed globally. Products include screw conveyors, shaftless screw conveyors, bucket elevators, vertical screw conveyors, screw feeders and live bottoms, drag, and belt conveyors.

The Challenge

In 2010, the Client presented eShipping with the challenge of effectively managing all of their transportation in a way that increased profits and ensured optimum routing to their customers. More specifically, they wanted to utilize proper modes, optimize carriers, eliminate unwarranted charges, and correct inbound shipments not being routed properly. The accounting process was experiencing issues with invoices not being audited and inaccurate billing, which led to delays. The inefficiencies added significant costs to the Client.

The Solution

The eShipping analytics team did a thorough analysis of the Client's transportation, extending into the Accounting, Sales, and Purchasing departments to learn more about the impact of transportation. They found that the current carrier contracts were 15-25% above market, compared to live contracts of similar customers. The solution hinged on leveraging their buying power with transportation companies and providing tools to effectively manage freight from order entry to invoice payments.

With the implementation of the eShipping Transportation Management System (TMS), the Client realized an increase in tiered volume portfolio incentives, while benefitting from audit, bill pay, and consolidation of all modes of transportation. The TMS optimized routing of all customer shipments through one central portal and extended the reach of their current transportation profit center to all predominant modes of transportation.

The Results

On average, the Client saw a freight cost reduction over 28%. With the implementation of the TMS technology, they saw an elimination of billing errors that had resulted in incorrect and excessive charges. They were also able to improve transit times by matching their freight with optimum carriers, and eliminating expedited freight charges.

A more streamlined communication system was created with one point of contact to service multiple carriers, which resulted in more efficient inbound freight management. The Client was able to recoup the costs of packaging and crating through carrier optimization, while eliminating handling, interlines, and unwarranted charges. Shipments were also sent one to two days faster than prior to the TMS implementation. In addition, maximum carrier liability was created by eliminating the need for Freight All Kinds (FAK).

“Over 28% savings in LTL and TL costs is substantial.”

- President -