

CASE STUDY 2: GLOBAL TRANSPORTATION PROJECT



THE CLIENT:

A Global leader of Personal Protection Group headquartered in France has more than 5,000 employees worldwide and \$1 billion in sales in 2008. The Group offers innovative products adapted to high-risk environments so that workers in the manufacturing and services industries can work in confidence. The Client's distribution center is located in Grove City, OH with 20 additional shipping locations in The United States and Canada.

CLIENT CHALLENGE:

Phase 1: In 2008, the company spent \$20 Million in freight. Modes include: Parcel, Less-than-Truck-Load (LTL), Full-Truck-Load (FTL), and International Freight Forwarding (Containerized Ocean, Less than Container (LCL) and Air. The Client's program was fragmented managed individually by the multiple Business Units. The transportation data from the freight bills and shipping reports lacked integrity. The company's purchasing manager found CPC's article, "Dollar & Sense" published in Inbound Logistics and felt that CPC would positively impact the simplification of freight bill payment processing and data mining.

Phase 2: The Client's charter called for a drastic reduction in transportation costs and a transformation into a centralized transportation program. CPC's mission was to recommend optimization solutions and take over the project management and tasks to achieve freight savings so that the client can focus on managing their business.

OUR SOLUTION:

In 3 months, CPC worked with the Client and launched a Global Freight Optimization Initiative focusing on cost reduction, improved service and simplification. After assessing the current business by analyzing shipping volumes and comparing the Client's rates to CPC's Benchmark library, CPC confirmed that the Client had many substantial cost savings opportunities for optimization—both Domestically and Internationally. After gathering service requirements from the client, CPC then developed RFP packages suiting the customer's requirements and leveling the playing field. After finalists were selected, CPC executed a Reverse Auction and secured pricing agreements and service commitments from the carriers. CPC then created a routing guide and compliance reporting to ensure that the savings were captured.

CLIENT'S BENEFITS:

- 1) At the end of 12 months after implementation, the client achieved 132% of the savings target.
- 2) Reduction of carriers : From 82 to 9

Personal Protection Equipment

CHALLENGE

Transform Transportation Management from a Regionalized to a Centralized program; Slash the number of transportation carriers; Deliver cost savings – target 25%

SOLUTION

- Gather service requirements
- Commodity freight program using CPC proven proprietary methods
- Execute reverse auction
- Lock-in service commitments and pricing during contract period
- Develop simple routing guides
- Develop and publish management reporting on compliance and savings achievement
- Provide industry expertise consulting during contract period.

RESULTS

- 30% savings in transportation costs
- Global transportation program
- 9 preferred carriers
- Consistent service



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