



**AVERITT**

**Think Red Instead**

**Case Study**

## **Averitt Sweetens the Role of Transportation Management**

## **Major Food Products Manufacturer**

**Market:** Food Products

**Logistics Services:** Transportation Management, Dedicated Transportation

**Technology:** Transportation Management Software



### **Situation Overview – Operating in a Tight Market:**

Shipping to wholesale and retail purchasers of specialty food products, this Savannah, Georgia based food products manufacturer has multiple manufacturing facilities and distribution centers throughout the U.S.

Operating in an intensely competitive environment in which only tight margins are available, there is little room for productivity and efficiency gaps. Controlling costs is as critical as in any other market. And transportation and distribution are major costs.

### **Supply Chain Challenge – Lowering Costs and Streamlining Operations:**

Aware of the market pressures, the manufacturer recognized the tremendous need to cut costs and streamline its transportation and logistics operations. Having seen the need to take costs out of its operation at its distribution center in Bondurant, Iowa, they selected Averitt to lower overall shipping costs at that location.

### **Averitt's Supply Chain Solution**

#### ***Mode Selection/Carrier Management***

A primary area of improvement that Averitt discovered in Bondurant was related to the company's transportation mode selection and carrier management. They had been shipping primarily LTL and full truckload with little consolidation and had been working with a single truckload carrier. With this limited approach, the company had not been getting optimum efficiency and value from its daily load planning.

Averitt suggested exploring new modes of transportation and designing those modes to ship more direct. Averitt proposed to perform carrier management services, including evaluating modes such as pool distribution (including pool-in-transit), multi-stop truckloads, LTL and determining the optimal mode mix.

#### **Challenge:**

Lowering costs and streamlining operations.

#### **Solution:**

- 1.) Mode Selection/  
Carrier Management
- 2.) Load Planning/  
Coordination of  
Outbound and Inbound  
Transportation
- 3.) Dedicated  
Transportation

#### **Results:**

Significant cost savings and improved margins



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The initial implementation of this service included such functions as soliciting carriers, negotiating rates, setting up contracts and evaluating carrier performance.

***Load Planning/Coordination of Outbound and Inbound Transportation***

Averitt also proposed a new approach to the coordination of the customer's outbound and inbound transportation. This involved the management of such functions as:

- 1) Routing/tendering shipments
- 2) Exception resolution
- 3) Shipment follow-up (shipment tracking and tracing)

Averitt's supply chain solution to perform this service revolved around a Transportation Management Software application. Averitt provided this TMS tool that enables dynamic outbound load planning.

In addition to the TMS software solution, Averitt provided two client logistics coordinators, who manage remotely from Averitt's Transportation Operations Center in Tennessee. These Averitt associates are responsible for building daily load plans and tendering shipments based on EDI reports they access remotely through the web-native TMS. These coordinators also serve as primary contacts for day-to-day transportation management issues and handle all aspects of shipment tracking and freight bill audit and payment.

***Dedicated Transportation***

With the help of an Averitt dedicated fleet, which runs between the customer's facilities in Perrysburg, Ohio and its Savannah facility, the need for more costly expedited shipments is drastically reduced.

**Results – Significant Cost Savings and Improved Margins:**

**Based on the success of the Bondurant implementation, Averitt partnered with the customer at its facilities in Perrysburg and Savannah. Averitt is now performing many of the same logistics services for these facilities.**

Averitt's management of this particular customer's transportation has netted significant savings since the inception of the project. These savings are a result of a variety of improvements in the two locations, such as:

- More streamlined operations
- Better rates from carriers
- Fewer exceptions on shipments
- Improved communications between customer service and transportation providers, enabling faster returns on inventory

Both facilities have realized operational efficiencies as a result of a much higher degree of load consolidations into multi-stop truckloads or pool distribution loads. This has produced a much more streamlined loading procedure at both facilities.

For more information about Averitt Express Supply Chain Solutions, call 888-825-4333 or visit [www.averittexpress.com](http://www.averittexpress.com).