

European full-truck load bid

A transport analytics and carrier management solution



Client

A global automotive supplier

Business case

Lack of coordination across the network resulted in high transport costs due to low truck utilisation and an unnecessary high number of carriers

Scope

- › Freight spend of \$ 6.7 million
- › 7 plants located in Europe, South America and Asia
- › 30 different freight forwarders and warehouse operators
- › Delivering goods to 20+international vehicle manufacturers

Background

The client was operating multiple manufacturing plants across Europe, but never managed to unify the transport rate structure across the region. This lack of coordination resulted in a high number of local agreements that did not meet the most recent shipping volumes and frequencies. This resulted in low truck utilisation.

Due to the high number of carriers that were operating in the network, the freight rates were not competitive, resulting in unfavorable pricing for the client.

reduced FTL carrier count by **40%**

FTL lanes in scope **55**

freight spend reduction **6%**

reduced annual freight cost by **\$400k**

Cost reduction with transport analytics and carrier management

Solution

The EXL team analysed all FTL freight data and managed a pan-European FTL bid with several region sections. The proposals were evaluated, and carrier selections were made. The results were presented to the participating plants for final decision.

EXL negotiated standardized contracts and implemented a standard rate structure, which included fuel surcharge mechanisms and KPI reporting.

Results

The transport costs of the in scope flows were reduced by \$ 400,000, representing 6% of the base line.

The once fragmented carrier base was reduced by 40%, which gave the carriers exclusivity on lanes in return for their flexibility in pricing.

About EXL

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