

LTL network redesign

A transport analytics and carrier management solution



Client

A leading 5 global automotive parts manufacturer

Business case

Rapid growth and lack of visibility into new supply chain processes caused excessive freight costs and a ballooning unsynchronized carrier base.

Scope

- 5 major carriers across 8 European countries
- Over 30 inbound manufacturers and suppliers
- Annual freight spend in excess of \$1M
- Over 2,000 LTL transactions equired annually

Background

As the client continued to grow through acquisitions and mergers, they realized they were losing visibility and control of their inbound supply chain processes and requirements. Most of the regional manufacturing facilities maintained their own independent operations and worked independently of one another.

The lack of synergies between facilities was causing high cross dock and cargo handling charges, as well as delays in transit times, underutilized shipments, shipping errors, and unnecessary high levels of inventories and buffer stock stored.



of total volume designed into direct multi-stop truckloads **60%**

Reduction of shipment transactions **47%**

3 days

Improved door-to-door transit times by

Flexibility

to adapt to changes in size/ complexity without incurring excessive costs

Cost reduction with transport analytics and carrier management

Approach

Leaning on their deep industry expertise, EXL took a three-step approach to helping the client map, analyze and reengineer their back office and operational processes.

First, a consultative method was taken to better understand the current processes, the outcomes and how both could be improved. This step included discussions on the client's long-term strategy so the necessary tools and technologies could be put in place to support it.

Next, EXL leveraged their analytics capabilities and state-of-the-art logistics engineering software to redesign and optimize the inbound supply chain. This allowed EXL to standardize the related processes, create key metrics in which the new processes would be measured, and determine a performance benchmark to compare the client to similar companies in the industry.

Lastly, EXL determined the logistics procurement process and current supplier pool needed to be reengineered in order to meet the client's objectives of increased management control and lowering costs. After the review, a short list of potential carriers was created, which enabled a competitive bidding process for tenders.

Results

Working closely with the client, EXL was able to redesign and implement a new inbound parts and material supply chain function that supported the client's long-term production plans and overall business strategy. This provided significant business impact to the client and allowed them to be more competitive and responsive to their end customers' requirements.

- > **Reduced** overall freight costs by **50%**
- > **Decreased** number of shipments by **47%**
- > **Improved** transit times by an average of **3 days**
- > **Reduced** inventory and parts stocking levels
- > **Increased** size/complexity adaptability across the supply chain

About EXL

EXL (NASDAQ: EXLS) is a leading business process solutions company that looks deeper to drive business impact through integrated services and industry knowledge. EXL provides operations management, analytics and technology platforms to organizations in insurance, healthcare, banking and financial services, utilities, travel, and transportation and logistics, among others. We work as a strategic partner to help our clients streamline business operations, improve corporate finance, manage compliance, create new channels for growth and better adapt to change. Headquartered in New York and in business since 1999, EXL has approximately 23,000 professionals in locations throughout the U.S., Europe and Asia.

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