

# Premium freight cost calculator

A transport analytics and carrier management solution



## Client

An international automotive parts manufacturer

## Business case

Insufficient resource capacity resulted in poor decision making and unnecessary high costs of expedited shipments

## Scope

- > Manufacturing plants located in 5 countries
- > Outbound flows to 30+ car manufacturers worldwide
- > \$730k freight spend
- > Just-in-time and ad-hoc transport requirements

## Background

A lack of awareness around available carriers, shipping modes, types of service, and rates, along with limited resource capacity, caused the client to settle for the status quo rather than fully exploring alternatives.

Transport decisions were often rushed and left the client with no time to compare costs, often eliminating the competition between carriers and forwarders.

The costs of emergency shipments became progressively more expensive. It became clear that the lack of benchmark data was hindering the manufacturer's ability to effectively compare, negotiate and ultimately select the best transport solution possible in a timely fashion.

# Balance

between transit time and freight shipping cost

# \$110k

annual cost reduction

saving of total freight spent in premium freight

# 15%

# Healthy

competition between carriers and freight forwarders beneficial for customer

# Cost reduction with transport analytics and carrier management

## Solution

It was essential for EXL to gather benchmark data in order to get to better informed decision making. Access to these benchmark data allowed the team to review the shipment profile and suggest alternative and more cost-efficient transport solutions.

EXL then developed an easy to use cost comparison tool for the client to refer to on a daily basis. EXL also negotiated new long-term, fixed rate agreements with carriers and forwarders for frequently used destinations, reducing the cost and resources associated with ad-hoc pricing.

The interactive tool also helped to ensure that a premium shipment was allocated to the best, most cost-efficient mode of transport, based on all known factors.

## Results

The implementation of an easy to use freight cost comparison tool garnered numerous immediate benefits, including:

- Reduced freight shipping costs by 15%
- Identification of best shipping option and carrier for each shipment
- Control on Premium freight movements and cost
- Clear and known cost for pre-defined period with no surprises
- Comparing Transit Time versus Door / Door cost -> best case alternative selected
- Set up of premium rates for frequent destinations
- Reduction of number of more expensive premium shipments

## 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 23,000 professionals in locations throughout the U.S., Europe and Asia.

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