Case Study

UltraShipTMS
Intelligent Logistics

Spot Bidding for Multi-Modal Inbound Logistics

Customer:

A leading processor of proteins, prepared foods and snacks receiving nearly 11,000 inbound shipments yearly to 100 North American facilities from more than 200 discrete vendors.

Business Challenge:

In a tight capacity environment, the customer was experiencing increased demand from vendors seeking assistance securing equipment. As a high volume shipper, the customer's staff was regularly overrun with these requests. As business volume increased, the customer sought means for increasing volume without adding head count to transportation staff. They also wanted to develop auditable expedite processes to ensure their spending on spot market movements was competitive. Without any standardization in place, the customer struggled with insufficient cost visibility into spending on multi-modal spot bidding. Moreover, with an average of between 700 and 800 expedites each month, the customer was unable to successfully convert frequent spot lanes to routed lanes.

The poor visibility and related difficulties stemmed from the fact that all spot market activity was managed using time-consuming, manual processes with heavy reliance on email. When an expedited order came in, the customer would email the bid to a number of carriers listed in a spreadsheet and collect the carrier responses. Once responses had been compiled, they then emailed the awarded carrier. Other carriers did not know the load had been awarded, and continued to submit bids via email.

This process was neither cost effective nor efficient for both transportation department manpower and carrier staff.

Solution:

The customer engaged the UltraShipTMS solution specifically for the solution's Spot Bid and Expedite automation module. During implementation an online vendor portal was deployed providing access for vendors to key in the orders/loads they have ready to

Customer:

Leading Protein Processor

Challenge:

- Increased demand from vendors seeking customer assistance in securing equipment
- Insufficient visibility for auditing spot market spend
- Unable to convert frequent spot lanes to routed lanes
- Inefficient manual processes prone to error

Solution:

- UltraShipTMS implemented for inbound logistics
- Online vendor portal implemented including electronic pickup and delivery confirmation function
- Bids transmitted to all appropriate vendors and quickly removed from queue once covered
- Dramatic improvement in visibility related to spot market usage
- Patterns identified in collected data used to support conversion to routed lanes

Results:

- Spot market usage efficiency reduced time to cover loads
- Lower exposure to premium spot market rates thanks to longer lead times
- Spot market expenses reduced by 20%
- Improved carrier performance monitoring
- Improved carrier relationships

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ship to the customer. Pickup and delivery confirmations were automated so the customer's transportation department would not only be alerted via email immediately once a vendor inputs an order ready for expedited delivery but also when the expedited load was picked up and delivered. With the new process, the customer agent simply needs to select the appropriate mode of transport and the system distributes the bid request to all of the customer's pre-selected spot market carriers in the selected mode. Once bids have been submitted, the customer selects the best quote from among the responses received and the load is covered. When this happens, it is no longer available for bid.

The visibility delivered by capturing this information in the TMS enabled the customer to identify lanes in specific modes where expedites were frequently required. With this information, the customer was able to convert these lanes to contract rates with carriers thereby reducing the costs associated with expedited freight on the spot market.

Results:

The solution dramatically increased the efficient use of the spot market for this customer, reducing the time required to cover loads. The additional time savings helped the customer avoid the highest premium pricing associated with expedites under the shortest lead times. In total, the solution helped reduce the customer's spot market expenses by a full 20%.

UltraShipTMS also enabled greater auditability allowing the customer to track carrier performance and participation, order lead times and on-time performance. Additionally, UltraShipTMS facilitated the ability to allocate transportation costs to the proper cost centers for more accurate and auditable billing.

The solution further improved carrier satisfaction as the automation ensured that loads sent to bid were removed from the spot market the moment they were covered resulting in better relations with the carrier base.



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UltraShipTMS offers award winning software-as-a-service solutions to leading shippers in food production, packaging, manufacturing, retail and other industries. UltraShipTMS and the award-winning LoadFusion transportation optimizer provide a single-source solution for optimization, transportation and settlement for in- and out-bound shipping across all modes of transport. Built and supported by a brilliant team of transportation industry veterans and acclaimed software developers, UltraShipTMS is an emerging leader in the supply chain management industry.

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