



MGN
LOGISTICS INC
TECHNOLOGY, INNOVATION, DEDICATION

A Case Study

SUPPLY**ONE**

By

MGN Logistics

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CENTRALIZED TRANSPORTATION MANAGEMENT

SupplyOne, Inc., an industry leading packaging manufacturer and distributor wanted to centralize transportation management for their 23 locations, they turned to MGN Logistics for help.

THE SITUATION

- As a result of escalating transportation costs across all modes: parcel, LTL, Truckload, and International, SupplyOne needed to find a solution and leverage their multi-location, multi-modal transportation network to achieve better network visibility and ultimately reduce shipping costs. .
- Between 23 locations, there were over 50 carriers being utilized. They lacked reporting visibility and cost transparency, as each location used a vast mix of both carriers and 3PL resellers.
- Some locations were using a foreign LTL rate base including Czar Lites. In addition to licensing fees associated with the Czar Lite, often times using a foreign rate base rarely results in the optimal pricing because they are not configured to a carriers' unique terminal network.
 - Another drawback to foreign rate bases is that carriers such as XPO, UPS Freight and FedEx Freight, which offer service failure refunds do not include these in their guarantees. These refunds are waived when a foreign rate base is deployed, thus a lost opportunity for carrier accountability and savings.
- Some locations deployed pricing under a single tiered FAK program. (Too diverse of a freight mix – not advisable)
- Their parcel agreement had not been managed as their business evolved, and thus they were receiving discounts on par with companies half their size.



THE SOLUTION

- Obtained historic shipping details, product details and business challenges faced for each location. This included a detailed review of all shipping documentation, tariffs and even photographs of products for classification purposes.
- Developed comprehensive freight and parcel profile to conduct highly detailed carrier RFP.
 - Carrier contracts held directly in customers name leverages full 3PL negotiation and pricing power, while keeping the customer in control of their own agreements to achieve full visibility
 - The single tiered FAK 100 was not advisable for SupplyOne. Their historical data showed this structure was costing them significantly more because lower classes of freight were actually being shipped. Crafted a multi-tiered FAK structure resulting in balanced mix and improved pricing.
- MGN's web-based on-demand proprietary rating and routing engine allowed access for all locations, immediately improving efficiency and preventing overspend.
- Deployed a customized vendor portal for inbound freight to better manage product procurement costs.

RESULTS

- SupplyOne has successfully achieved over 20% savings annually in both freight and parcel costs.
- Gained complete shipping visibility and transparency across the company via on-demand executive reporting.
- Improved carrier On-Time delivery resulting in highly satisfied clients and increased sales.
- SupplyOne was able to focus back on their core business knowing MGN Logistics was dedicated to continually overseeing and improving their freight management.

SUPPLYONE

The Leader
In Packaging Solutions



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