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 16 locations, they turned to MGN Logistics for help.

THE SITUATION

- As a result of escalating transportation costs across all modes: parcel, LTL and Truckload, SupplyOne needed to find a solution and leverage their multi-location, multi-mode transportation network to achieve better network visibility and ultimately reduce shipping costs. .
- Between 16 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 like Czar Lite. In addition to licensing fees associated with Czar Lite, using foreign rate baes rarely result in the best pricing because they are not configured to a carriers' unique terminal network.
  - Another drawback to foreign base rates is that with carriers like XPO, UPS Freight and FedEx Freight, they offer service guarantees. These refunds are waived when a foreign rate base is deployed and thus a lost opportunity for carrier accountability and savings.
- Some locations deployed pricing under a single tiered FAK program. (To 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.

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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 3PLnegotiation 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

MGN
LOGISTICS INC
TECHNOLOGY, INNOVATION, DEDICATION

Corporate Headquarters

MGN Logistics, Inc.

712 Ferry Street, Unit 1

Easton, PA 18042

Phone: 610-252-2220

MA Office

MGN Logistics, Inc.

161 Washington Street

E Walpole, MA 02032

Phone 781-762-5666

FL Office

MGN Logistics, Inc

1848 Blaine Terrace

Winter Park, FL 32792

Phone 407-466-8250