

CASE STUDY //

SAP & TRANSPORTATION INTEGRATION IN CONSUMER ELECTRONICS INDUSTRY

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APRIL 12, 2017

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SAP & Transportation Integration // Consumer Electronics



SUMMARY //

Founded in the 1960's, this consumer electronics manufacturer found itself needing a more cost-efficient transportation management program. This manufacturer started out as a family run business and quickly became the giant that it is today, through innovation and total dedication to the quality and reliability of their electronics. While they may be cutting edge in their industry, their supply chain needed some modernization.

SCENARIO //

This company manufactures over 2,000 consumer electronic products outside of the United States and distributes their products to over 130 countries, but they keep true to their old fashion roots by running product through their southern US headquarters and distribution center. Here, they were using an antiquated static routing method and shipping with two national carriers that split outbound deliveries between east and west. BlueGrace Logistics stepped in to provide a more modern and efficient supply chain management program.

CUSTOMER ENGINEERING //

The company was already working with an SAP integration partner that BlueGrace Logistics also partners with, so the transition and integration was seamless. We were able to utilize their existing SAP integrated platform and tie it into our TMS. Through our onboarding process, our dedicated enterprise operations team conducted an engineering review into the customer's data which allowed us the opportunity to prepare and share their data with them in a way that is immediately usable. During this process, we identified inefficiencies within their existing strategy and implemented dynamic LTL carrier routing. This resulted in a significant cost savings and reduction in transit time immediately.

Like any business functionality, the process for transportation management integration is always changing and evolving. After our initial suggestions and modifications, we developed a strategy for the company to utilize 6 core carriers that were a mix of national and regional. Their previously set weight threshold to determine if a shipment was parcel or LTL, was 450 lbs. This resulted in shipping parcel at a much higher rate rather than shipping LTL with one of our core carriers. After the consolidation analysis, we determined they would get the most ROI by shipping anything over 150 lbs. as LTL; an annual cost savings of \$40k.

This Consumer Electronics Manufacturer is projected to save

11% of total annual budget

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When a company decides to employ BlueGrace as their logistics partner, they are introduced to our dedicated resources. Included in this partnership is Carrier Procurement and Management, Freight Bill Pay and Audit, Consolidated Invoicing, Business Intelligence, Claims Management and TMS Integration.

During each deployment of these steps, we work directly with the IT and Transportation departments to generate a yearly data set that allows us to provide a complete supply chain analysis and an associated cost savings projection. In the case of this consumer electronics manufacturer, we project an 11% annual cost savings and are on track to knock this projection out of the park.

The SAP integration was critical to the success of the newly renovated transportation program. BlueGrace and their partner were able to integrate into the ERP system the customer used every day. This resulted in rapid results and the ability to exceed their new freight KPIs in record time.

CONTINUED GROWTH //

In less than 10 months we have uncovered a multitude of cost savings and efficiency opportunities for this company, and this is just the beginning. With all the information shared between their SAP system and our BlueShip TMS, we were able to generate an exclusive data field to identify freight costs, as a percent of sale. With this information, we discussed which customers were more cost efficient to ship with. We are also determining the need for more consolidated shipping prospects, analyzing a potential distribution center reallocation, and much more.

ABOUT BLUEGRACE //

Founded in 2009, BlueGrace Logistics is one of the largest third-party logistics (3PL) providers in the United States. With over 500 employees and working with over 10,000 customers to provide successful shipping solutions, the company has achieved explosive growth in its nearly 10-year operating history. Backed by a \$255 million investment by private equity firm Warburg Pincus, the company operates 11 locations nationwide, and its headquarters are in the sunny Tampa Bay area of Florida.

For more information, visit www.mybluegrace.com

BlueGrace Logistics

2846 S. Falkenburg Road
Riverview, Florida 33578

Phone:
800.MY.SHIPPING

Email:
contactus@mybluegrace.com

Web:
www.mybluegrace.com



CONTACT

2846 S. Faulkenburg Road
Riverview, Florida 33578

PHONE: 800.MY.SHIPPING | **FAX:** 813.626.7447

EMAIL: contactus@mybluegrace.com