CASE STUDY

bluegrace®

Consolidation, Carrier Mix and Cost Savings

A leading ceramic and porcelain tile distributor reduced freight costs and transformed supply chain operations after BlueGrace expanded carrier networks, optimized inventory allocation, and implemented dynamic mode determination across LTL and small parcel.

Industry: **Flooring Solutions / Ceramic & Porcelain Tiles**

10.6% Dynamic mode optimization savings	**7.9%** DC & inventory optimization savings	**7.7%** LTL procurement cost reduction

Introduction

A leading flooring solutions provider of ceramic and porcelain tiles faced significant logistical hurdles that impeded cost efficiency and service reliability. With a rapidly growing distribution network, the company had become heavily reliant on a single carrier for both LTL and small parcel shipments — a model that produced rising costs, service inconsistencies, and minimal visibility into shipment tracking.

BlueGrace addressed these challenges by expanding the carrier network through a competitive RFP process, assigning dedicated operations teams, and implementing engineering-driven solutions across inventory positioning, mode selection, and shipment consolidation. The result was a more resilient, cost-effective supply chain that delivered savings across every major freight category.

Client Profile

Industry
Flooring Solutions

Product
Ceramic & porcelain tiles

Services
Managed LTL + Small Parcel

Network scope
National distribution

Key challenge
Single-carrier dependency

Background

The customer is a leading provider of ceramic and porcelain tiles with a national distribution footprint and a rapidly growing customer base. As the business scaled, its logistics model failed to keep pace — the company had built an over-reliance on a single carrier for both LTL and small parcel freight, a structure that left it exposed on cost, service reliability, and operational flexibility.

The challenges were layered and compounding. Because all freight flowed through one carrier, there was no competitive pressure on rates and no fallback when that carrier underperformed. Service failures went unaddressed, and shipment tracking was minimal, making proactive issue resolution nearly impossible. Ceramic and porcelain tiles are high-damage commodities — heavy, brittle, and sensitive to rough handling — yet the company was absorbing frequent damages and losses without pursuing claims, simply because the process was too time-consuming without dedicated operational support.

Operationally, there was no specialized team managing day-to-day logistics execution. Mode selection was governed by a static weight threshold rather than a dynamic assessment of actual order economics. Inventory was not optimally positioned across distribution centers, driving longer hauls and higher per-unit freight costs. And without a structured continuous improvement process, these inefficiencies compounded each quarter without systematic review.

The result was a logistics program that was costing more than it should, delivering less than customers expected, and generating no internal mechanism for improvement. BlueGrace was engaged to address all of it.

The Solution

Methodology

BlueGrace designed a multi-lever optimization strategy, addressing carrier network dependency, operational execution gaps, and freight engineering opportunities simultaneously. Each workstream was sequenced to deliver early wins while building the structural foundation for long-term performance.

01

Carrier RFP and Network Expansion

Ran a competitive RFP and broadened the carrier network with national and regional partners, reducing single-carrier dependency and driving rates down through competition

02

Dedicated Operations Teams

Assigned a specialized team for daily operations management, proactive issue resolution, and continuous process improvement — including active claims pursuit for damaged tile shipments

03

DC Optimization and Inventory Allocation

Ensured the right inventory was positioned at the right distribution centers to reduce unnecessary cross-country hauls and better serve regional customers

04

Dynamic Mode Determination

Replaced the static "1–150 lbs = Small Parcel" threshold with technology-driven mode evaluation, selecting LTL or parcel dynamically based on actual order economics

05

LTL Consolidation

Identified and consolidated multiple shipments from the same origin to the same consignee, reducing cost per pound and eliminating redundant line-haul spend

The combined strategy addressed the root causes of cost inflation and service inconsistency simultaneously.

BlueGrace also established structured Quarterly Business Reviews to formalize KPI tracking and continuous improvement cycles, ensuring that each optimization was measured, reported, and built upon over time.

Results

Carrier Optimization

The carrier RFP and network expansion delivered a 7.7% hard cost reduction in LTL procurement. Introducing competition across national and regional carriers eliminated the pricing premium that comes with single-carrier dependency and improved service accountability across the board.

Smart Consolidation

LTL consolidation — combining multiple outbound orders from the same origin to the same consignee — generated a 3.3% additional cost reduction. On-time delivery and service reliability also improved as better carrier selection reduced transit variability and exceeded initial savings targets.

Inventory Intelligence

DC optimization and inventory allocation produced a 7.9% cost reduction by ensuring tile inventory was positioned closer to where demand actually lived. Reducing unnecessary long-haul shipments shortened transit times, lowered cost per shipment, and improved fill rates for regional customers.

Dynamic Mode Savings

Dynamic mode determination delivered the largest single-category savings at 10.6%. By evaluating each order individually rather than applying a static weight cutoff, BlueGrace routed freight to the economically optimal mode on every shipment — capturing savings that a rules-based system would have left on the table.

Results Summary

7.7% LTL procurement hard cost savings	**3.3%** LTL consolidation savings
7.9% DC optimization & inventory allocation savings	**10.6%** Dynamic mode determination savings

Conclusion

The Flooring Solutions engagement demonstrates what a structured, engineering-driven logistics program delivers when applied to a company that has outgrown a single-carrier model. By addressing carrier over-reliance, operational execution gaps, and mode selection inefficiencies in parallel, BlueGrace transformed a logistics program that was costing more than it should into one that consistently beats its own benchmarks.

Cost savings materialized across every optimization category — LTL procurement, consolidation, inventory positioning, and dynamic mode determination — confirming that no single lever drives the full outcome. The Quarterly Business Reviews established as part of the engagement ensure these gains are measured, tracked, and compounded over time, giving the customer both the visibility and the operational infrastructure to manage freight spend as a strategic asset.

ABOUT BLUEGRACE

BlueGrace Logistics is one of the nation's largest Managed Logistics providers, delivering customizable transportation management solutions that help shippers control freight spend through advanced technology and a broad network of trusted carriers. With offices strategically located in major transportation hubs across the U.S. and Mexico, including national headquarters in Tampa, BlueGrace serves over 10,000 customers annually through its proprietary technology platform, BlueShip, that has connectivity with more than 250,000 carrier suppliers. BlueGrace is part of the technology portfolio of Warburg Pincus, a leading global private equity firm.

2846 S. Falkenburg Road
Riverview, Florida 33578
Phone: 800.MY.SHIPPING Fax: 813.626.7447

Email
contactus@mybluegrace.com
Web
www.mybluegrace.com