

CASE STUDY



Project-Based Flatbed-Heavy Operation

A leading industrial pallet racking systems manufacturer transformed their \$30 million freight operation across 5 sites, reducing freight spend by 3.5% and delivering \$406,000 in savings within the first 11 months.

Industry: **Industrial Pallet Racking Systems**

\$406K

Savings in
first 11
months

3.5%

Total freight
cost
reduction

5

Sites
implemented

\$30M

Freight
budget
managed



Introduction

A leading industrial pallet racking systems manufacturer was managing a \$30 million annual freight budget across a project-based, flatbed-heavy operation with a structural problem at its core: freight decisions were being made locally at each of five sites, without centralized visibility, cost benchmarking, or standardized processes. The company's CFO had identified freight as a growing cost line, but there was no system in place to determine why costs were climbing or where savings could be captured.

The operation moved oversized and heavy loads on flatbed equipment, with each project carrying its own budget and timeline. Carrier relationships were held locally and had been in place for years. BlueGrace was brought in to design a solution that could transform operations across all five sites without disrupting active projects, incumbent carrier relationships, or the warehouse teams managing day-to-day execution.

Client Profile

Industry

Industrial Pallet Racking Systems

Services

Managed Transportation / Flatbed / ERP
Integration

Sites

5 locations, staggered rollout

Key challenges

Decentralized spend, oversized loads, project
budget visibility, carrier compliance

Background

The root of the problem was decentralization. Each of the five sites operated independently, with local transportation managers selecting carriers and authorizing freight spend from a shared \$30 million annual budget, but with no shared framework for how those decisions should be made. There was no mechanism to compare rates across sites, evaluate whether carriers were being priced at market, or hold managers accountable to a standard procurement process. The CFO could see that freight costs were rising as a percentage of revenue but had no tool to identify where the leakage was occurring.

The flatbed and oversized nature of the freight added operational complexity. Pallet racking systems require specialized equipment and careful handling. Carrier selection wasn't just a rate decision; it required knowledge of load dimensions, project site access, and delivery sequencing. Incumbent carriers had been managing these relationships for years, and local managers had built trust with specific drivers and dispatchers. Any centralized solution would need to respect that context or risk active resistance.

Project-based budgeting created an additional visibility gap. Each installation project had its own freight budget, but there was no tool to estimate freight costs accurately at the bidding stage, and no way to reconcile actual freight invoices against project-specific budgets after delivery. Finance had no clear view of budget versus actual cost, and non-compliant invoices were being processed without scrutiny.

These challenges prompted the client to seek a comprehensive solution. BlueGrace designed a tailored, phased approach that could address cost efficiency, compliance, and data visibility simultaneously, without forcing a wholesale replacement of the carrier relationships the operation depended on.

The Solution

Methodology

BlueGrace implemented a phased, site-by-site approach designed to maintain operational continuity while introducing new systems, processes, and carrier oversight. The program was built around three core components that worked together to address cost, compliance, and visibility.

01

Phased Rollout & Compliance

- Launch began at the largest site with an on-site Project Manager (Transportation Manager) stationed to drive adoption and track compliance with new systems and tools.
- Site 2 went live within weeks; sites 3 through 5 launched simultaneously. BlueGrace was on-site for every launch.
- Invoice auditing and payables management were incorporated as part of the client's custom program from day one.
- Finance leadership reinforced compliance through a mandate: non-compliant invoices would not be paid, creating immediate accountability.

02

ERP Integration & Hybrid Carrier Model

- BlueGrace integrated with the client's ERP, incorporating order entry, nightly flat files for shipment characteristic changes, and a rate estimation tool for accurate project budget forecasting.
- 100% of incumbent carriers were retained at launch. By month three, a bid tool identified savings opportunities and BlueGrace began capturing those savings through its procurement process.
- BlueGrace now handles 40% of shipments while incumbents retain 60%, exceeding the original 30% BlueGrace forecast. The model ensures the BG network supports incumbent management, not replacement.

BlueGrace retained 100% of incumbent carriers at launch, then built a hybrid model that now handles 40% of shipments through its own network, delivering \$406,000 in freight savings within the first 11 months.

Implementation Highlights

During the transition, BlueGrace encountered several change management and technical challenges. Each was addressed through adaptive strategies and direct communication with client leadership.

- 1 Site Manager Resistance**
Local managers at several sites, particularly in Tennessee, initially bypassed new processes. An executive mandate reinforced compliance from the top down, while the on-site Project Manager championed the solution at the front line and built relationships with site teams through consistent, outstanding service.
- 2 Estimating Tool Adjustment**
After changes to business requirements, BlueGrace reworked the rate estimation tool, ultimately replacing it with a weekly rate table uploaded directly to the client's ERP. This enhanced flexibility and resolved challenges with capturing rating history accurately.
- 3 Non-Compliant Invoice Management**
Finance leadership established a clear policy: non-compliant invoices would not be processed. This top-down mandate clarified expectations across all sites, improving compliance, enhancing visibility on project-specific invoices, and enabling clear budget versus actual cost reporting for the first time.

Results

The BlueGrace program delivered measurable improvements across cost, compliance, and operational efficiency within the first year of implementation.

\$406K in 11 Months

The program achieved 3.5% total savings across all shipments within the first 11 months of go-live, equating to \$406,000 in direct freight cost reduction against the \$30 million annual budget.

Hybrid Carrier Network

BlueGrace now handles 40% of shipments through its own carrier network, exceeding the original 30% forecast. Incumbent carriers retained 60% of volume, preserving established relationships while enabling competitive procurement.

Full ERP Integration

BlueGrace's integration with the client's ERP enabled accurate freight cost estimation at the project bidding stage, nightly updates for shipment changes, and a consolidated invoice workflow that simplified payables across all five sites.

Compliance & Budget Visibility

The finance-led compliance mandate created clear budget versus actual cost visibility for the first time. Project-specific invoice tracking gave leadership the transparency needed to manage freight spend at the project level.

Results Summary

\$406K Savings in first 11 months	3.5% Total freight cost reduction
5 Sites implemented across operation	40% Shipments handled by BlueGrace network

Conclusion

The transformation of this industrial pallet racking manufacturer's logistics operation illustrates what becomes possible when a decentralized, relationship-driven freight model is given structure without losing its flexibility. BlueGrace did not replace the incumbent carriers the company had trusted for years. It built a framework around them: a phased rollout that brought five sites online without disruption, an ERP integration that gave finance the project-level cost visibility it had never had, and a hybrid carrier model that introduced competitive procurement while preserving the local knowledge embedded in existing relationships.

The financial results came quickly. \$406,000 in savings within the first 11 months, representing a 3.5% reduction in total freight spend against a \$30 million budget. The hybrid model performed ahead of forecast: BlueGrace now handles 40% of shipments through its own network, ten percentage points above the initial 30% projection.

The change management process was as important as the technology. Resistance from local site managers was real and predictable. The combination of an executive compliance mandate, an on-site project champion, and service-driven relationship building gave the program the organizational traction it needed to succeed at the ground level.

Every BlueGrace solution is custom-built to the client's specific operation. This engagement serves as a scalable model for manufacturers managing complex, project-based freight across multiple locations: phased implementation, hybrid carrier strategy, ERP-integrated cost visibility, and compliance-enforced accountability are the foundation of a logistics program that delivers consistent, measurable results.

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.



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