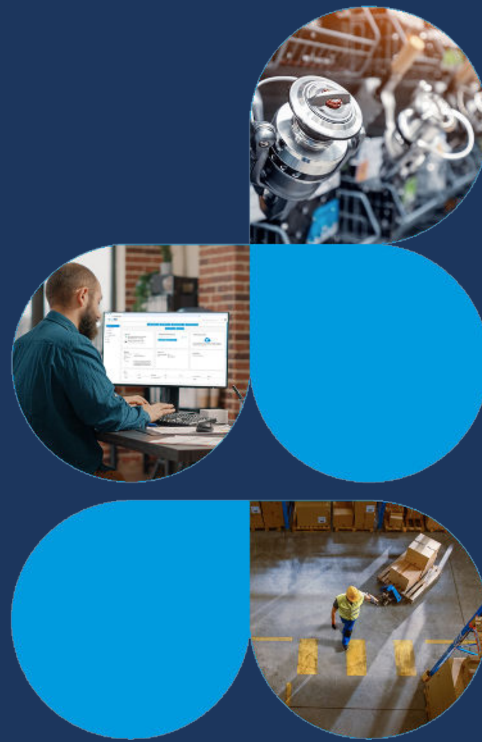
# CASE STUDY

bluegrace

## Load Optimization: Outdoor Sports Company

A leading outdoor sports equipment retailer cut freight spend by $412,000 annually by integrating BlueGrace's nightly load optimization engine into their order fulfillment workflow.

Industry: **Outdoor Sports Retail**



| $412K | $40K | 3,500+ | 3+ hrs |
|---|---|---|---|
| Average annual freight savings | Average monthly savings | SKUs updated for data integrity | Saved daily by warehouse crew |

## Introduction

A leading outdoor sports equipment retailer had been managing its logistics with a functional but unoptimized order fulfillment process. Every order moved independently, from sales floor to pick ticket to shipment, without any evaluation of whether loads could be consolidated for a better rate. The result was consistent over-spending on freight with no mechanism to capture the savings sitting in plain sight.

BlueGrace's pre-engagement analysis identified a $20,000-per-month savings opportunity through load optimization alone. The partnership began in October 2020 and delivered double that estimate in the first month. Over the following years, the program has averaged $412,000 in annual freight savings while transforming warehouse operations and data quality across the business.

### Client Profile

**Industry**
**Outdoor Sports Retail**

**Services**
**Load Optimization / Managed Transportation**

**Partnership Since**
**October 2020**

**Key challenge**
**No load consolidation, reactive fulfillment, poor SKU data quality**

## Background

Before BlueGrace, the company's fulfillment workflow followed a straightforward sequence that moved quickly but left money on the table at every step. Sales generated an order. That order created a pick ticket. The warehouse pulled the inventory and shipped it, often that same day, without any evaluation of whether that load could be combined with others to reduce cost per unit.

The core problem was reactivity. The warehouse team responded to orders as they arrived throughout the day, shipping each one independently as soon as it was picked. There was no delay to assess mode, no consolidation window to batch compatible shipments, and no optimization layer to ask whether sending five LTL shipments to the same region made more sense as a single truckload.

The data environment compounded the problem. Without accurate SKU-level information, weight, class, pallet dimensions, and overall dimensions, automated optimization is impossible. The company's product data was incomplete and inconsistent, making it difficult to evaluate the true cost of any given shipment or to model alternatives.

BlueGrace's analysis quantified the gap. By introducing a brief, structured delay in the order release cycle and routing all picks through an optimization engine before touching the warehouse floor, the team projected $20,000 in monthly savings. The actual results would exceed that estimate by 100% in the very first month.

## The Solution

### Methodology

BlueGrace redesigned the order fulfillment workflow around a nightly optimization cycle. Instead of shipping orders individually as they were picked, all orders were held, analyzed, and batched for optimal mode and consolidation before being released to the warehouse.

**01**

**Nightly Order Optimization**

- BlueGrace receives all orders nightly from the company via secure FTP, capturing the full day's demand in a single consolidated feed.
- Orders run through the BlueGrace Optimization engine to evaluate mode options and identify consolidation opportunities across Small Parcel, LTL, and Single-Stop TL.
- The optimal shipment plan is generated and transmitted back, so the warehouse begins each shift with a clear, organized batch of work rather than a reactive queue.

**02**

**Data & Workflow Transformation**

- To support optimization at scale, the company undertook a comprehensive data quality initiative, updating over 3,500 SKUs with accurate weight, class, pallet dimensions, and overall dimensions.
- Improved product data accuracy streamlined billing, inventory management, and carrier rate application across the entire operation.
- The batch release model replaced all-day reactive picking with a predictable shift structure, giving the warehouse team consistent workloads and measurable productivity gains.

**In the first month of implementation, BlueGrace's load optimization delivered $40,000 in freight savings, double the projected estimate of $20,000. Subsequent months confirmed this performance was the new standard.**

## Results

The results of the load optimization program extended well beyond the freight cost line. The company experienced measurable improvements across savings, data quality, and warehouse operations from the first month forward.

### Double the Projected Savings

In month one alone, the optimization process reduced freight spend by $40,000, double the $20,000 that had been projected. Subsequent months confirmed the result was repeatable, not a one-time anomaly.

### $412,000 in Annual Savings

The program has delivered an average of $412,000 per year in freight cost savings, translating to $35,000 to $40,000 per month. These savings have allowed the company to reallocate resources toward growth rather than absorb them in logistics overhead.

### Improved Data Integrity

More than 3,500 SKUs were updated with accurate product data, including weight, class, pallet dimensions, and overall dimensions. The data improvement effort streamlined billing, carrier rate application, and inventory management company-wide.

### Enhanced Warehouse Efficiency

The shift from reactive, all-day order processing to a batched nightly release cycle gave the warehouse team predictable workloads and organized shift planning. The crew reclaimed more than three hours per day, with measurably reduced operational stress and improved productivity.

## Results Summary

| | |
|---|---|
| **$412K**<br>Average annual freight savings | **$40K**<br>Average monthly savings delivered |
| **3,500+**<br>SKUs updated for data integrity | **3+ hrs**<br>Saved daily by warehouse crew |

## Conclusion

The outdoor sports equipment retailer's load optimization program is a straightforward demonstration of what happens when intelligence is applied to the sequence of fulfillment, not just the cost of individual shipments. The savings of $412,000 per year did not require new carrier contracts, warehouse expansion, or additional headcount. They came from introducing a 24-hour optimization window into a workflow that had never had one.

The first month result was telling. The company had projected $20,000 in monthly savings based on BlueGrace's pre-implementation analysis. The actual outcome was $40,000. That kind of overperformance is rare, and it held. The optimization engine consistently identified consolidation and mode-shift opportunities that the original order-by-order process had made structurally impossible to capture.

The downstream effects were equally significant. The requirement for accurate SKU data to run optimization properly forced a data quality project that improved far more than freight routing. Accurate weights, dimensions, and pallet configurations now flow through billing, inventory management, and customer communications. Over 3,500 SKUs were corrected, creating a data foundation the business relies on daily.

The warehouse transformation may be the most visible change for the team on the floor. Moving from a reactive, all-day picking posture to a predictable batch-release model gave the crew back three hours each day and replaced operational stress with structured, plannable work. BlueGrace's load optimization turned a persistent cost problem into a permanent competitive advantage.

### 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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