CASE STUDY

bluegrace

# Parcel Growth Beyond LTL

A leading outdoor power equipment manufacturer was leaving $500K in annual savings on the table by managing parcel separately. By integrating parcel into its existing freight program, it captured those savings and simplified operations in six months.

Industry: **Outdoor Power Equipment Manufacturing**

**$500K**
Annual parcel cost savings

**150K+**
Managed shipments per year

**60 days**
Live with full integration

## Introduction

A leading outdoor power equipment manufacturer had been a BlueGrace Managed Logistics customer since early 2023, running LTL and truckload freight under an open-book pricing model. The account was performing well on every measure. BlueGrace saw an opportunity to do more.

The company was still running its small-parcel program through a separate national carrier, with no rate competition and no visibility alongside its freight data. By expanding the relationship to include BlueGrace's FedEx parcel program, BlueGrace delivered $500K in annual parcel savings, added 150K+ parcel shipments to the account, and consolidated all freight modes onto a single platform. The entire process, from proposal to go-live, took 60 days.

### Freight Profile

LTL shipments (annual)
**9,000+ loads**

Annual parcel shipments
**150K+ packages**

ERP integration
**Custom API**

Parcel processing lines
**10**

Modes managed
**LTL, TL, Parcel**

## Background

The manufacturer had run LTL and truckload freight through BlueGrace since early 2023 under an open-book pricing model, with 9,000+ annual shipments and full visibility into freight costs and savings. Small parcel remained outside that relationship entirely: more than 150,000 packages per year moving through a separate national carrier with no rate competition and no integration with existing freight data.

A financial analysis of the parcel program projected $500K in annual savings through BlueGrace's FedEx parcel program. Getting there required custom work: the customer's facility ran 10 simultaneous parcel processing lines with full ERP integration requirements, making a standard platform interface the wrong fit.

A custom parcel API was designed to match the operation exactly, giving the customer real-time parcel visibility alongside its existing freight data for the first time.

## The Solution

### Methodology

BlueGrace executed a five-step process to take the account from an initial proposal to a fully live FedEx parcel program in 60 days, building custom infrastructure along the way.

**01**

#### Parcel Analysis

A comprehensive financial analysis of the customer's parcel spend projected more than $250,000 in annual savings through BlueGrace's negotiated FedEx rates vs. the customer's existing carrier pricing.

**02**

#### On-Site Discovery

A BlueGrace team traveled to the customer's facility to assess the full parcel operation firsthand, identifying 10 processing lines, full ERP requirements, and daily shipping volume that exceeded standard tooling capabilities.

**03**

#### Custom API Build

BlueGrace engineering designed and built small-parcel API endpoints from scratch, integrating both FedEx Ground and FedEx Express with least cost carrier routing logic to select the best service for each shipment. Barcode scanning eliminates manual entry across all 10 processing lines, with full ERP connectivity and real-time shipping volume.

**04**

#### Invoicing Integration

BlueGrace completed a custom invoicing build and secured an approved invoice format to ensure billing matched the customer's financial systems from day one, with no manual reconciliation required.

**05**

#### Go-Live and Steady State

BlueGrace managed all operational preparation for the go-live and remained actively engaged through the steady-state period to ensure a smooth transition across all 10 parcel lines.

The result was a fully operational FedEx small-parcel program running through BlueGrace's custom API, live on schedule, with all 10 parcel lines processing shipments from day one.

## Results

### Cost Savings

BlueGrace's FedEx rates deliver a $500K run-rate in direct annual savings vs. the customer's prior carrier pricing. Combined with existing LTL savings, the customer is on track for $491,105 in total freight savings by year-end 2026, nearly double what LTL alone was delivering.

### Faster Delivery

FedEx Ground delivers Saturday and Sunday with no surcharges, a service UPS does not offer. Transit runs up to 1.2 days faster than UPS across the Southeast. Saturday pickup at the customer's facility means Saturday orders arrive a full day earlier than before.

### Broader Coverage

FedEx delivers to 700 rural zip codes five days per week, compared to UPS's two to three days per week. For a customer selling outdoor power equipment to rural buyers, this is a material improvement in delivery reliability and customer experience.

### Unified Visibility

LTL, TL, and small parcel now run through a single BlueGrace relationship. All shipment data is consolidated in one BI tool, giving the customer a unified view across every mode for the first time and a single point of contact for the full freight program.

## Results Summary

| | |
|---|---|
| **$500K**<br>Annual parcel cost savings (run rate) | **$491K**<br>Combined LTL + parcel savings by year-end 2026 |
| **150K+**<br>Annual parcel shipments managed | **1.2 days**<br>Faster FedEx Ground transit vs. UPS across the Southeast |
| **700**<br>Rural zip codes now served 5 days/week (vs. UPS 2–3) | **1**<br>Platform covering LTL, TL, and small parcel |

## Conclusion

What began as an LTL and truckload relationship grew into a full managed-logistics partnership covering every mode the customer ships. By expanding the relationship to include FedEx parcel and committing to a custom API build, BlueGrace delivered $500K in annual savings and nearly doubled the customer's combined logistics savings within 60 days of go-live.

The path was not off the shelf. It required an on-site assessment, a ground-up engineering build, a custom invoicing integration, and months of coordination. That willingness to build what a customer actually needs, rather than what is easiest to deploy, is what turns a freight relationship into a managed logistics partnership built to grow.

### 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.

bluegrace®

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

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