

CASE STUDY



Measurable Impacts for Personal Care Manufacturer

A leading personal care products manufacturer eliminated OTIF compliance failures, reduced cost per pound by 8%, and achieved 99%/100% Walmart OTIF scores within the first month of partnering with BlueGrace.

Industry: **Personal Care Manufacturing**

99%

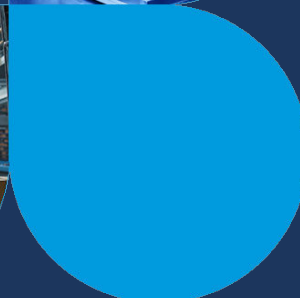
Walmart OTIF score in first month (up from 70%)

8%

Reduction in cost per pound (CPP)

10%

Improvement in on-time delivery (OTD)



Introduction

A leading personal care products manufacturer was experiencing a cluster of logistics problems that were quietly eroding profitability and straining retailer relationships. Manual order entry processes created bottlenecks and introduced errors. Shipments moved without real-time visibility, leaving the operations team unable to proactively intervene when issues arose. OTIF compliance rates, particularly with Walmart, were stuck in the 70% range, well below the retailer's requirements. Chargebacks were accumulating, and without structured reporting, the team lacked the data needed to identify root causes or measure improvement.

The manufacturer recognized it needed more than a carrier network. It needed a logistics partner capable of integrating with its systems, owning compliance management end-to-end, and providing the visibility infrastructure to drive continuous improvement. BlueGrace was brought in to deliver exactly that.

Client Profile

Industry

Personal Care Manufacturing

Services

Managed Transportation / 3PL

Key retailers

Walmart, Amazon, Big-Box Grocery

Key challenges

OTIF compliance, chargebacks, manual processes, zero shipment visibility

Background

Before BlueGrace, the manufacturer's logistics operations were characterized by four compounding problems. Manual order entry created delays and data inconsistencies that made it nearly impossible to manage carriers or validate shipment information at scale. In-transit visibility was essentially nonexistent, leaving the team reactive rather than proactive when shipments went off-track.

OTIF (On-Time, In-Full) compliance, the standard by which major retailers like Walmart measure supplier delivery performance, was falling short. Scores in the 70% range meant the manufacturer was regularly subject to chargebacks and fines, a direct cost that grew each month the underlying logistics problems went unresolved. These penalties were compounding because without visibility and reporting, the team couldn't identify which carriers, lanes, or processes were responsible.

The lack of structured reporting was the thread connecting all of these issues. Without data, there was no way to measure performance, identify trends, or hold carriers accountable. The team was making decisions without the information needed to make good ones.

The manufacturer needed a partner that could simultaneously fix the process, own the compliance layer, and install the reporting infrastructure that would make future improvement self-sustaining. BlueGrace designed a three-pillar solution to do exactly that.

The Solution

Methodology

BlueGrace rolled out a phased, site-by-site solution tailored to address the manufacturer's specific operational needs while maintaining continuity. Three interconnected pillars formed the foundation of the engagement.

01

Integration & Specialized Carrier Deployment

- **ERP Integration:** Automated tendering and custom data exchange for seamless order processing and real-time shipment visibility
- **Retail Consolidator Strategy:** Leveraged retail consolidators to enhance big-box store compliance and reduce missed MABD penalties
- **Mode Optimization:** Implemented dynamic carrier selection to balance cost-efficiency and service reliability across lanes

02

Control Tower Support

- **Dedicated Retail Compliance Team:** Assigned specialists to proactively manage chargeback disputes and ensure seamless retailer compliance
- **Exception Management:** Implemented proactive tracking and intervention strategies to minimize disruptions and optimize delivery performance
- **Continuous Improvement:** Provided ongoing process audits to identify inefficiencies and surface opportunities for cost and performance gains

03

Vision Reporting Tool

- **Advanced KPI Tracking:** Enabled real-time monitoring of key performance indicators including on-time performance and carrier efficiency
- **MABD Compliance Dashboard:** Developed a user-friendly dashboard to track Must-Arrive-By-Date adherence, directly reducing compliance fines
- **Cost Driver Analysis:** Provided granular visibility into freight cost breakdowns, helping to identify and eliminate unnecessary spend

BlueGrace optimized logistics by integrating ERP for automation, enhancing big-box compliance, and improving carrier selection. Control Tower support streamlined operations, while the Vision Reporting Tool enabled real-time KPI tracking, MABD compliance monitoring, and cost analysis for continuous improvement.

Results

The manufacturer saw measurable impact across every dimension of the engagement, with several improvements visible within the first month of go-live.

Improved Walmart OTIF Scores

The client saw immediate impact in the first month, with Walmart OTIF scores improving from the 70% range to 99% and 100%. A phased rollout gave staff time to adjust to new processes, and front-line champions were identified within each site to ensure day-to-day compliance ownership.

Reduced Chargebacks and Fines

Chargebacks were significantly minimized through improved MABD compliance and the dedicated Retail Compliance Team's active management of dispute resolution. Proactive exception management reduced the frequency of missed deliveries that had previously triggered penalties.

Streamlined Workflow

Automated tendering eliminated the manual intervention that had been creating bottlenecks and errors. The streamlined workflow also provided enhanced visibility and reporting, giving the operations team actionable insights into cost drivers and performance that had previously been invisible.

Cost Efficiency

Optimizing Walmart shipments reduced cost per pound by 8% and improved on-time delivery by 10%. BlueGrace also took over Amazon shipments to further extend cost efficiency, and proactively managed small parcel audits and carrier negotiations to secure additional future savings.

Results Summary

99% Walmart OTIF score achieved within month one	8% Reduction in cost per pound on Walmart lanes
10% Improvement in on-time delivery performance	20%+ OTIF score rise in the first month of engagement

Conclusion

The personal care manufacturer's engagement with BlueGrace illustrates how a logistics transformation does not require years to produce measurable results. By deploying ERP integration, a dedicated compliance team, and a real-time reporting platform in a coordinated rollout, BlueGrace moved the needle on OTIF compliance, cost per pound, and chargeback frequency within the first month.

Several key lessons emerged from this partnership. First, targeted compliance improvements can produce outsized results quickly. OTIF scores rising over 20 percentage points in a single month demonstrates what focused, data-driven effort can achieve when the right infrastructure is in place. Second, the combination of automation and human oversight proved more effective than either alone. ERP integration eliminated manual errors, while the Control Tower team provided the judgment and responsiveness that technology cannot replace.

Third, visibility is the foundation of improvement. Before BlueGrace, the manufacturer lacked the data to understand where costs were coming from or why performance was falling short. The Vision Reporting Tool changed that, enabling weekly scorecards and quarterly reviews that kept operations aligned with budgetary and performance goals.

BlueGrace's ability to deliver tailored solutions, communicate proactively, and measure results transparently is what converted an operational challenge into a long-term competitive advantage for this client.

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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