What Load Consolidation Actually Saves You

A look at the cost and environmental impact of smarter freight optimization, backed by results from a live BlueGrace program running across 13 shippers and 27 freight codes.

Program: **Load Optimization**

$3.5M
in freight savings, 6.7% below direct rate

27%
fewer miles driven through consolidation

13%
lower CO_2 output across the program

Introduction

Every load that ships alone costs more than it has to. Partial, unconsolidated shipments burn extra miles, extra fuel, and extra budget that could go somewhere else in the business.

Over a recent seven-month stretch, a BlueGrace load optimization program ran across 13 shippers spanning food and beverage, floral, industrial, and consumer goods. Every order line moving through the program got checked for a better way to move it, by mode, by carrier, and by route.

The mechanics were straightforward. Before a load moved, the program checked whether combining it with other freight, shifting it to a different mode, or routing it through a different carrier would lower the cost without changing the delivery promise. When a better option existed, the load moved that way instead, order line by order line, lane by lane.

That kind of checking only pays off at volume, which is exactly what a seven-month, 13-shipper program provides. It also means the savings below are not a one-time win. They are what happens every month a shipper keeps consolidating instead of shipping alone.

Here is what disciplined consolidation did to their freight spend and their emissions footprint, at the same time.

Consolidation cut $3,532,956 from freight spend and 4,134,829 lb of CO_2 from the road, in the same seven months, from the same loads.

The Cost of Shipping Alone

560,123 order lines got consolidated into 184,743 loads, averaging three lines per load. That single shift moved freight spend from a direct rate of $52,969,237 to an optimized rate of $49,436,281, a savings of $3,532,956, or 6.7% below direct rate.

Where the savings came from

Savings showed up across every mode, but truckload and LTL consolidation carried most of the weight:

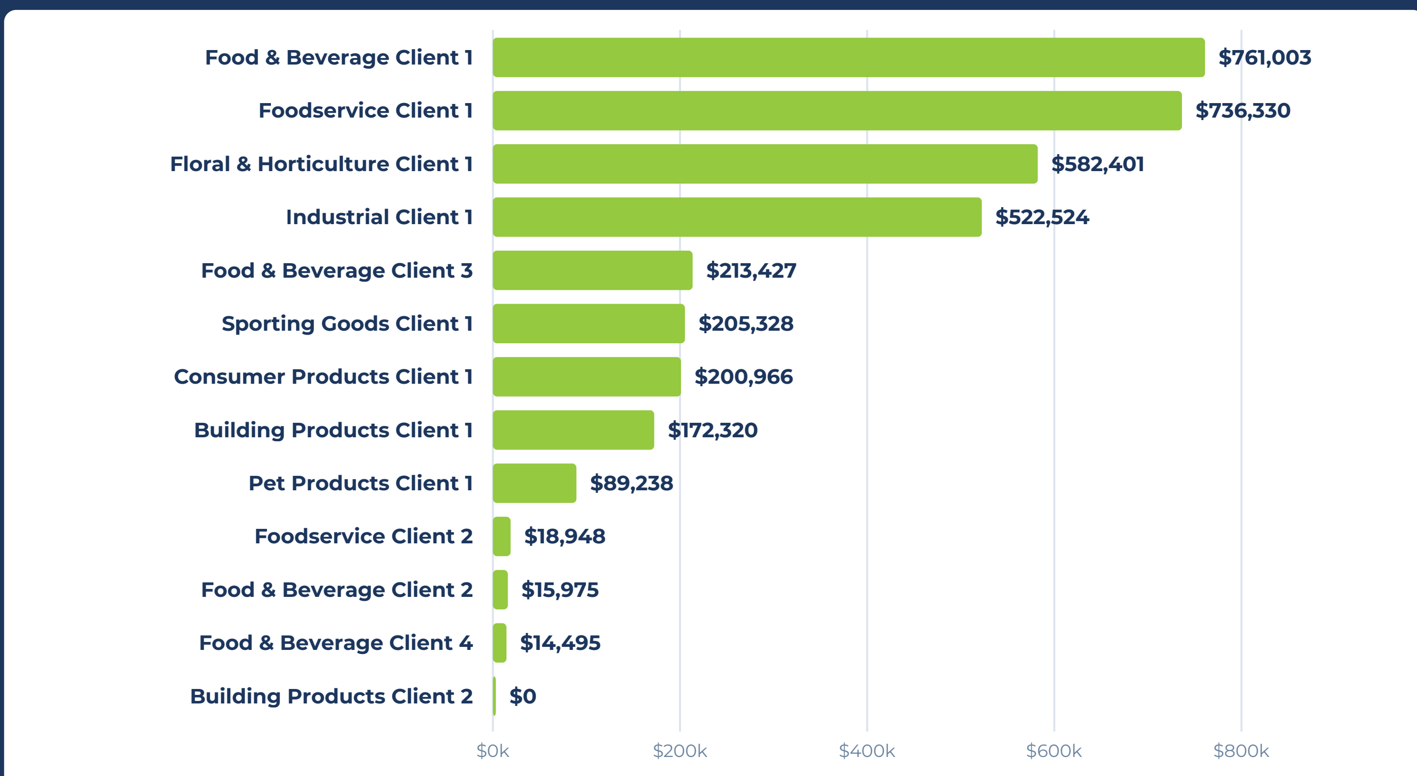
- **Truckload – $1,689,905 saved** across 7,735 loads and 56,066 lines.
- **LTL – $1,667,275 saved** across 85,647 loads and 368,900 lines.
- **Parcel / Ground – $175,776 saved** across 91,361 loads and 135,157 lines.

Single-stop loads made up the bulk of the volume and the bulk of the savings, $2,438,167 across 183,066 loads. Multi-stop routes contributed another $1,094,784 on a much smaller number of loads, proof that consolidation pays off whether a route makes one stop or four.

Case Study

One food and beverage shipper in the group saved $761,003 in the same period, the largest share of any account in the program.

Three other accounts, spanning foodservice, floral and horticulture, and industrial goods, each topped $500,000 in savings over the same seven months.

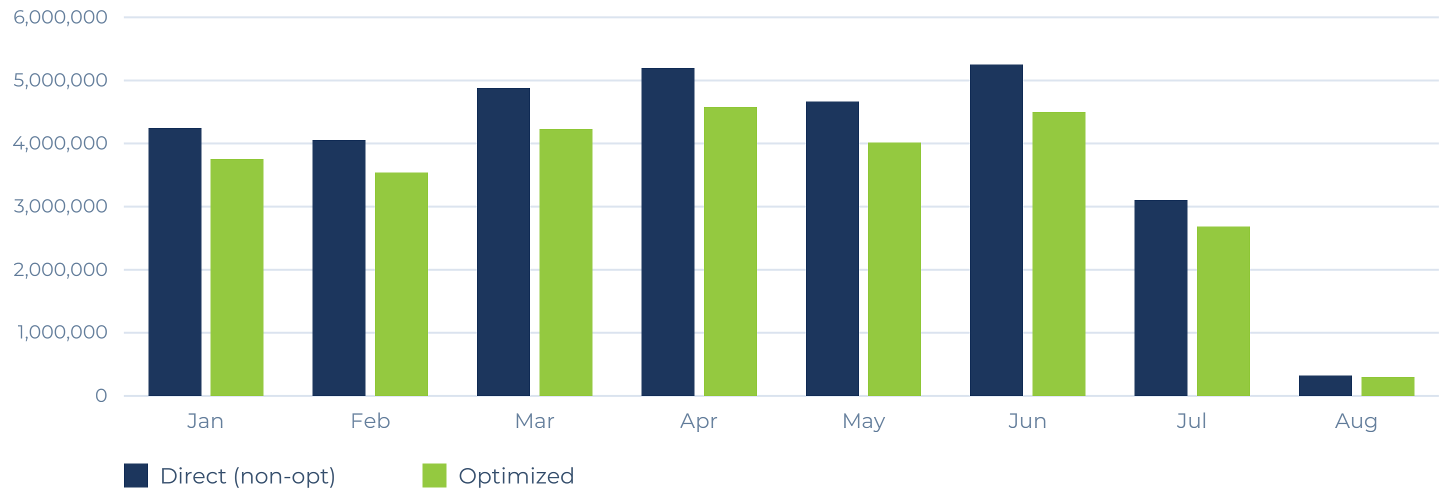


Cost and carbon move together. Every mile removed from a route lowers the bill and the emissions at the same time.

The Environmental Case

Fewer loads also means fewer miles. Consolidation eliminated 75,744,190 miles, a 27% cut in total freight mileage. Less driving means less fuel burned and less CO_2 released into the air.

Monthly CO_2 output dropped every single month of the program, moving from 31,702,240 lb down to 27,567,411 lb.



Sustainability Impact, EPA SmartWay

4.1M lb CO_2 reduced, a 13% cut in emissions, using EPA SmartWay CO_2 factors matched by carrier **– EPA SmartWay**

408 passenger vehicles' worth of emissions taken off the road for a year **– EPA equivalency**

86,142 tree seedlings grown over 10 years, the equivalent carbon offset **– EPA equivalency**

How the numbers get checked

Each load's direct rate gets compared against its actual optimized cost, lane by lane. Emissions come from EPA SmartWay CO_2 factors, matched to the carrier that hauled each load.

See Your Own Numbers

The figures above come from a live program running across 13 shippers and 27 freight codes. The same process can run against your own freight data.

Here is what it takes to see your own numbers:

- A recent set of invoices or rate data, by lane and mode.
- No cost and no obligation to run the comparison.
- A side-by-side look at your direct rate versus what optimization could save.

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