



The Inbound Visibility Gap:

Why Vendor-Managed Freight Needs a Better System

Vendors that book shipments directly from a shared purchase order cut routing emails by 35% within the first month. This paper examines why vendor-managed inbound freight creates blind spots, what those blind spots cost, and what a connected system looks like when it closes them.

For: **Retailers | Distributors | Consumer Goods Teams**

90 Sec

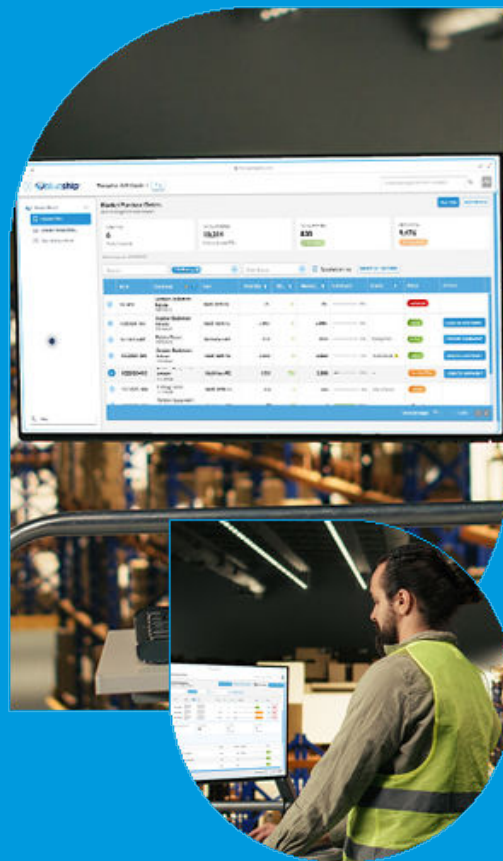
from ready-to-ship to tendered, when a vendor books directly against a live purchase order

35%

average reduction in routing emails within the first month of vendor portal adoption

65%

vendor adoption rate within 30 days of BlueShip® Vendor Portal go-live



Introduction

A purchase order is not a shipment. The distance between the two, from placing an order to having it on a truck, is where most companies lose visibility into their own inbound freight. When a vendor is responsible for getting product to a dock, the shipper is often the last to know when, how, or whether it is moving.

This gap shows up differently depending on the business. A retailer with hundreds of vendors sees it as a flood of routing emails and missed compliance windows. A manufacturer running blanket purchase orders sees it as partial shipments and guesswork on what is left to come. A distributor managing drop-ship orders sees it as customer service calls about freight nobody tracked.

The common thread: the purchase order and the shipment live in two different systems, tracked by two different people, with no shared record between them.

Vendors that book shipments directly from a shared purchase order cut routing emails by 35% within the first month, without adding headcount or changing how vendors ship.

The Inbound Visibility Gap Comes In All Shapes and Sizes

Getting a single purchase order from issue to delivery typically touches nine separate steps: the PO is issued, the vendor confirms it, a carrier is selected, a rate is secured, the shipment is booked, accessorials and hazmat requirements are applied, the shipment is tendered, it moves, and it is received. Each step can involve a different system and a different person entering the same information again.

Three systems, three people is the pattern underneath almost every inbound visibility problem: the customer's purchasing system holds the PO, the vendor's shipping process holds the booking details, and a shared inbox holds everything in between. None of the three has the full picture.

"The purchase order and the shipment are the same event to the business. They should not require three different systems and a chain of emails to connect."

When a vendor books directly against a live purchase order in a shared system, the same handoff that takes hours or days through email and manual entry completes in 90 seconds. The difference is not effort. It is structure.

The Shift Toward Vendor-Managed and Drop-Ship Inbound Freight

More retailers and distributors are pushing shipping responsibility back to vendors, whether that means direct-to-store replenishment, drop-ship fulfillment, or supplier-managed inventory programs. The vendor decides when product moves. The shipper still owns the outcome.

This shift raises the stakes on visibility. A shipper that cannot see a shipment until it is already in transit has no way to catch a routing guide violation, confirm insurance coverage, or catch a missing accessorial before it becomes a deduction or a delay.

What good inbound visibility requires:

- ✓ A live, shared view of every purchase order's shipment status, visible to both sides from issue through delivery.
- ✓ The ability to set rules vendors must follow before a shipment ships, not after a problem surfaces.
- ✓ A record both sides can trust without a phone call to confirm it.

Future-Proofing Inbound Operations From Vendor-Driven Risk

Vendor-managed freight will only grow as more supply chains decentralize fulfillment. Shippers that build the infrastructure for vendor visibility now avoid retrofitting it under pressure later, when volume, vendor count, or compliance requirements outgrow email and spreadsheets.

Three core challenges define what that infrastructure has to solve:

- ✓ **Visibility.** Every purchase order needs a live shipment status that updates automatically, not a weekly reconciliation project.
- ✓ **Compliance.** Insurance requirements, hazmat handling, and routing rules need to apply automatically at the point of booking, not after a shipment is already moving.
- ✓ **Consolidation.** Multiple purchase orders or line items need to combine into a single shipment without duplicate data entry for every PO involved.

Shipper Challenges by Program Type

Not every vendor-managed freight program looks the same, and the visibility gap shows up differently depending on how a company structures its vendor relationships.

Single-Vendor Programs

A single vendor handling a high volume of shipments creates a different problem than many vendors handling a few each. The risk is dependency: if that vendor's process breaks down, the shipper has no backup view into what is moving. Every shipment runs through the same bottleneck, with no visibility until the vendor chooses to share it.

Multi-Vendor, Multi-Location Programs

When dozens or hundreds of vendors each manage their own shipping, consistency becomes the challenge. Every vendor interprets routing guides, accessorial needs, and documentation requirements differently. The shipper ends up managing exceptions one email at a time, with no standard process enforced across the vendor base.

Blanket PO and High-Volume Replenishment Programs

Blanket purchase orders that release in partial shipments over weeks or months create a tracking problem of their own. The shipper needs to know what has shipped, what remains open, and whether partial shipments are consolidating efficiently, without manually cross-referencing every release against the original PO.

Solutions for Vendor-Managed Inbound Freight

Closing the inbound visibility gap means giving vendors a direct way to act on a purchase order, while giving the shipper a live, shared view of what that vendor does. Three categories of capability make that possible.

Self-Service Vendor Booking

- ✓ Vendors book shipments directly against an open purchase order, with no separate system or email chain required.
- ✓ Mode, carrier, accessorial, and hazmat details populate automatically from the PO and a vendor-specific product list.
- ✓ Vendors complete a shipment in a fraction of the time it previously took to request a quote or await routing instructions.

Purchase Order Visibility and Approval Controls

- ✓ Every purchase order carries a live status visible to both sides from issue through delivery.
- ✓ Insurance requirements and dollar thresholds route automatically to the right approver before a shipment moves.
- ✓ Shippers set the rules once, at the PO level, instead of enforcing them shipment by shipment.

Consolidation and Cost Control

- ✓ Multiple purchase orders or line items combine into a single shipment without re-entering item details.
- ✓ Accessorial suggestions apply automatically based on shipment characteristics, reducing after-the-fact charges.
- ✓ A shared record eliminates the duplicate entry that drives errors, reweigh disputes, and reclass charges.

Conclusion

Vendor-managed freight is not going away, and the gap between a purchase order and a tendered shipment will only widen as more fulfillment responsibility shifts to vendors. Closing it requires a system both sides can see and trust, not a faster email chain.

BlueShip® Vendor Portal gives vendors a direct, self-service way to book shipments against open purchase orders, and gives shippers a live, shared view of every purchase order from issue to delivery. The purchase order and the shipment are the same event. They should live in the same system.

Talk to a BlueGrace logistics expert to see how BlueShip® Vendor Portal closes the inbound visibility gap for your vendor program.

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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