Uber Freight

Centralized transportation management leads to supply chain transformation for global CPG company

Overview

By outsourcing its North American and international export freight transportation operations to Uber Freight, a global consumer packaged goods (CPG) company was able to centralize control of its network resulting in significantly improved delivery performance, increased visibility and aggressively controlled transportation costs.

Opportunity

As part of a company-wide initiative, a global food producer brought in new logistics leadership in order to drive meaningful, systemic change in its supply chain and logistics operations. Following a long-term rollout of an enterprise transportation management solution, the company assessed its supply chain operations and recognized that significant technical, procedural and human capital related upgrades were required in order to achieve greater control over its supply chain planning and logistics execution. As a result, it decided that outsourcing this function to a logistics services provider would accelerate speed to benefit, ensure improved network efficiency, and provide much needed shipment visibility while reducing cost.

Solution

After deciding to engage a third party logistics provider, the CPG company selected Uber Freight to manage all inbound, transfer and outbound shipments in North America, along with exports from the U.S. to facilities located around the world. This included all truckload, less-than-truckload and intermodal shipments in and out of all of its manufacturing plants, distribution centers, co-manufacturers, co-packers and to customer locations throughout the U.S., Mexico and Canada. The company maintained responsobility for managing all transportation sourcing, carrier relationships, and development of routing guides. Once the routing guide is established, Uber Freight is then able to seamlessly exert control and execute against the route guides as well as manage exceptions related to capacity, facility or carrier constraints.

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Historically, the food producer had a hybrid approach for shipment planning, with customer outbound shipments managed centrally, but all plant and transfer shipments executed within individual facilities. As a result of this partially decentralized process, the transportation carriers ultimately employed to move freight were not always in full alignment with the organization's centrally-sourced routing guide, and the centralized carrier management team did not have visibility to the root cause of service performance failures.

By outsourcing its entire logistics function to Uber Freight, the company was able to centralize control of its transportation planning and execution across its vast network. This provided enhanced visibility, marked service performance improvement and increased cost control across the entire supply chain.

In order to achieve this centralized planning and execution of all inbound and outbound shipments, Uber Freight established control tower capabilities and deployed its proprietary Transportation Management System to optimize and automate much of the shipper's freight operations. As a result, the CPG company not only gained greater visibility and control over the carriers used, but also gained the ability to develop and ultimately execute against a series of much more complex routing guides. This significantly increased carrier acceptance rates, and in turn capacity utilization, drove routing guide compliance, and provided requisite optics to control its spend – lane by lane, load by load. In those cases when a primary carrier does not accept a load, Uber Freight's automation can select the best cost option instead of the easiest. Uber Freight's system also allowed the CPG company to automate its dock scheduling process across its controlled network, providing a single platform for scheduling all inbound and outbound shipments at every plant site and DC location.

By leveraging leading-edge Business Intelligence solutions tools along with its shared services engineering team for complex optimization analysis, Uber Freight has been able to provide the shipper with detailed service and route guide compliance reporting. These reports, which include carrier, customer, ship-site and network scorecards, have been configured to match the company's business rules and are provided on a real-time basis to a diverse population across their enterprise. Routing guide execution reporting along with carrier performance is provided on a daily, weekly and monthly basis. Uber Freight also used benchmarking capabilities to provide cost comparisons for the shipper's performance against its budget – even at the location and lane level.

"We wanted a partner who understood the challenges we faced as an organization and could develop strategies for transforming our supply chain, but also had capabilities and processes to effectivity execute that strategy and drive sustainable change within our operations. We selected Uber Freight for its deep industry experience in assisting CPG companies with delivering consistent superior service to mass retailers, its comprehensive technology solutions and its proven record to execute. – Uber Freight is an operating company at its core."

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Results

Outsourcing its transportation planning and execution function delivered significant benefits throughout the company's supply chain operations, including:

Operational excellence and continuous improvement

- **Rapid implementation and realized results within weeks:** network-wide visibility, improved service performance, and cost control across the global supply chain

- **Centralized shipment planning and execution** for all inbound and outbound shipments

- **Award-winning support in international logistics** from best-in-class management of exports, customs compliance, controlled shipment costs, systems integration, container pool management, shared shipper-forwarder programs, and real-time shipment visibility

- **Advanced SAP integration:** receipt order planning and automated statuses

- **Robust carrier management:**

  - Increased carrier on-time performance of 10% for major retail customers (from 87% to 97%) in less than two years

  - Improved collaboration with core carrier base

  - Identified root causes of issues and responsible parties (carrier, consignee, shipper)

- **Continuous network evaluation vs market trends:** benchmarking to current contract/spot market rates and shifting strategy to meet cost and service requirements

Financial performance

- **ROI of greater than 100%** delivered in the first year from routing guide compliance

- **Retailer fine mitigation** from proactive tracking with Uber Freight Control Tower technology

> "As a trusted logistics partner, Uber Freight understands our unique needs to help us raise the performance level of our customs compliance and customs operations. Uber Freight's leading-edge technology is now integrated seamlessly with our foreign trade software, delivering end-to-end visibility from freight origin to customs clearance and final delivery, simplifying our cross-border shipping."

- **Continuous improvement savings of $25M** from our dedicated fleet consulting and operations projects

- **Spot market savings** through automated load tendering processes

Confidence & peace of mind

- **Strategic partnership** grounded in Uber Freight's deep industry expertise from working with "peer class" CPG companies delivering to mass retailers

- **Supply chain certainty** through greater control over the supply chain

About Uber Freight

Uber Freight is a market-leading enterprise technology company powering intelligent logistics. With a suite of end-to-end logistics applications, managed services and an expansive carrier network, Uber Freight advances supply chains and moves the world's goods. Today, the company manages over $18 billion of freight and has the largest network of carriers. It is backed by best-in-class investors including Greenbriar Equity Group and partnered with 1 in 3 Fortune 500 companies, including Del Monte Foods, Nestle, Anheuser-Busch InBev and more. For more, visit www.uberfreight.com