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## 3 WAYS TO STREAMLINE LOGISTICS AND BEAT THE COMPETITION

**JAGGAER** 



As supply chains become even more complex and expectations around speed of delivery continue to rise, it is more important than ever to be able to make faster, better decisions around transportation sourcing.

## ABSTRACT

Transportation costs now account for more 64% of business logistics expenses.<sup>1</sup> For many businesses, these costs include not only shipping of finished goods, but the raw materials that make up those goods, making it difficult to gain complete control, visibility, and maximum value from their supply chain.

As supply chains become even more complex and expectations around speed of delivery continue to rise, it is more important than ever to be able to make faster, better decisions around transportation sourcing. That said, the reality is that many companies are being slowed down by manual processes and inadequate systems.

That is why organizations are turning to strategic sourcing and analytics to help strengthen and streamline their transportation management and processes. In this paper, we will explore three ways you can navigate the complexities of transportation sourcing to drive efficiency, savings, and competitive advantage through your supply chain.

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## GO BEYOND PRICE

As a growing number of companies use analytics to gain more visibility into transportation and distribution costs, it has become clear that the strategy of simply choosing the lowest bidder is not sustainable for growing business. Instead, organizations are taking a more holistic view of sourcing options, including balancing areas like capacity, service, risk, innovation, technology advancement, performance, and regulations.

Traditional sourcing events make it difficult for suppliers to provide input into these non-price requirements, preventing them from demonstrating the true value they can provide to your business. In addition, with so many variables and combinations, coming up with sourcing scenarios using manual ratings and spreadsheets is time-consuming and limiting.

Here is how Quality Supply Chain Co-Op, Inc. (QSCC) overcame these challenges. QSCC manages the supply chain for more than 6,100 Wendy's® restaurants across North America. With so many stakeholders, preferences, and requirements, the company needed a way to manage complex sourcing events with unlimited numbers of items and bid elements, including non-price items.

With the help of their strategic sourcing solution, they can now collect and evaluate more strategic and competitive bid responses in categories like transportation and distribution, which include items such as volume offers and supplier capacity, so they can better meet demands across all levels of the supply chain.

*“Our sourcing solution not only handles both the size and scale of our sourcing events, but also provides the necessary scenario analysis capabilities that we need to ensure that we are working with the right suppliers to deliver the freshness, quality, and consistency that customers expect from Wendy’s restaurants.”<sup>2</sup>*

*— David Kourie, Vice President of Food, Packaging, and Indirect Quality Supply Chain Co-op, Inc.*

## BUILD SUPPLIER RELATIONSHIPS

Many organizations now recognize the benefits of closer collaboration and stronger relationships with suppliers. For example, by matching your own shipments with the assets and business models of your transportation supplier, you can add more value to your own supply chain while helping your suppliers grow their business.

However, although companies that want to reduce costs note that transportation is strategically important, they fail to act on that strategy by improving communication

with suppliers.<sup>3</sup> In addition, traditional bidding processes and tools do not facilitate the interaction needed to build and sustain high-value relationships.

This is precisely the challenge that CEVA Logistics faced. A large supply chain management company, CEVA needed more flexibility in their online bidding events so they could keep up with the changing needs of their customers and the industry. With the help of their strategic sourcing solution, they can now collect information around equipment type, transit time, capacity levels, volume offers, rebates, and other elements. They also communicate with suppliers throughout events, letting them know how competitive their bids are, giving them the opportunity to modify offers to provide more value.

*With strategic sourcing, CEVA Logistics strengthened carrier relationships, and through a ground transportation event, saved 5% on spend involving 1,360 lanes and 42 suppliers.<sup>4</sup>*

## WEIGH YOUR OPTIONS WITH EASE

Almost 90% of supply chain executives say their operating processes are too complex, and more than half attribute that complexity to slow decision-making.<sup>5</sup> When evaluating your sourcing options, the ability to make quick, informed decisions gives you a significant advantage over the competition.

That is why companies like yours are leaving spreadsheets and emails behind in favor of strategic sourcing solutions that can compare multiple scenarios across various decision points in a short amount of time.

For years, the freight and distribution procurement group for a major life sciences company relied on time-consuming manual processes to compare suppliers and make sourcing decisions. In some cases, it took one person several weeks to come up with only a few scenarios for the group to analyze, leaving inadequate time to evaluate options. Not only was this process subject to human error, but it prevented the group from getting a complete view of their sourcing options for complex events, including ground transportation events involving multiple lanes and suppliers.

Once they began using a strategic sourcing solution to help them develop scenarios more

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quickly, they were able to cut the time to execute RFPs by 60%, and realize 23% in cost savings. They also now have 75% of their global freight transportation spend sourced and managed under the solution, and can easily handle double-, triple-, and quadruple-digit scenarios.

## TAKE YOUR LOGISTICS FROM SUPPORTIVE TO STRATEGIC

Gone are the days when logistics played a supporting role to the rest of your operations. With the help of analytics and strategic sourcing, you can evaluate every touchpoint in your supply chain—including transportation and distribution—saving hours and costs, while freeing up time to work on your core business. So, while your competitors are caught up comparing rows and columns in spreadsheets, you will be planning your next strategic move.

To learn more about how to get more value from your logistics, call today for a free consultation.  
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## SOURCES

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