ProcureAbility
a Jabil company

Optimizing Freight Sourcing & Network Analytics to Reduce Costs and Improve Compliance

How a $5B retail chain streamlined transportation procurement, enhanced carrier performance, and secured cost savings amid market volatility



Client Pain Points

The company's Parcel delivery contract expiration threatened eCommerce fulfillment amid surging demand. With a $75M transportation spend, their outdated strategy left them vulnerable and looking to mitigate cost risks:

- Achieve $4.5M (6%) in annual savings while developing a strategy for Parcel negotiations
- Optimize carrier relationships and contracts to stabilize pricing and capacity
- Minimize risk and accelerate time-to-savings during sourcing implementation

Our Customized Solution

ProcureAbility worked closely with the retailer's logistics and sourcing teams to execute a multi-tiered process to achieve the strategic goals:

1. Create a network optimization model to identify areas of focus for the sourcing event and opportunities for cost reduction. And evaluate modal conversion between Truckload and Intermodal
2. Develop a current contract SWOT analysis and engage incumbent in negotiations
3. Sourced all trucking (One-Way TL, Intermodal, Dedicated Fleet) to align distribution with carrier networks, engaging 420 carriers—60 incumbents and 360 from ProcureAbility's database

Client Impact

4.5M
in savings from network operations improvements

3.5M
in sourcing savings

8%
reduction in total shipments

Simplified carrier base to 40 One-Way carriers and 3 Dedicated fleet carriers

Renegotiated Parcel agreement to stabilize peak delivery and prevent cost increases

ProcureAbility achieved a high level of internal support through analysis of multiple outcome scenarios with a range of savings and relative implementation risk

We implemented a new Fuel Surcharge Program with sourcing event to lower fuel costs while preserving low linehaul rate

Locked-in One-Way pricing and capacity with standardized contracts and attractive carrier award packages