

AGRIBUSINESS / MANAGED TRANSPORTATION



OPPORTUNITY

A leading producer of hybrid seeds was operating 29 production plants, each functioning with separate processes and limited communication. Each location had its own network of carriers, many of which were local transportation providers and growers. In order to gain better visibility, control costs and serve customers as effectively as possible, the company sought a logistics provider to help them refine and manage their agribusiness supply chain.

SOLUTION

XPO's success in managing similar seed delivery networks presented a major opportunity for this client. As part of our implementation, we personally introduced team members to the staff at the client's production facilities, and worked together to qualify their casual carriers. Our load coordinators have developed strong relationships with plant personnel and drivers by helping them to optimize delivery routes that best meet their needs.

The initial pilot sites were launched in the spring of 2013, during the client's peak shipping season. XPO worked hand-in-hand with the client to map out challenges and develop timeframes. By October of 2014, all 29 plants were integrated into the program, and for the first time our client had full visibility into its freight delivery network. With this solution, XPO has been able to optimize freight, consolidate loads, identify backhaul opportunities and reduce both empty miles and costs for our client.

RESULTS

XPO continues to add qualified carriers to our client's network through ongoing procurement and development. By establishing a centralized network, we've been able to steadily increase the number of in-network continuous moves. These tactics reduced transportation costs by about 35% per move in a quarter. Additional cost savings were realized when we converted 17% of all van shipments to continuous moves, resulting in a \$2.4 million reduction in the client's transportation costs.