



Wholesaler Grows Sales by Optimizing Customer Delivery Programs

Grand Junction Software Platform Reduces Quality Issues by 26% and Reduces Annual Spend by Millions

This leading wholesaler of business products has had great success because of its ability to foresee and capitalize on growing market opportunities. Seeing the opportunity to sell related products such as office furniture, technology products, and janitorial supplies to its growing customer base, it acquired more than five companies in the last decade, significantly expanding its product portfolio. Currently it ships more than 100,000 products, same-day and next-day, from more than 50 distribution centers (DCs) to more than 25,000 reseller customers across North America through a combination of a fleet, less-than-truckload (LTL), UPS, and a network of 135 local delivery companies (couriers or local carriers).

Each newly acquired company came with its own people, processes, and ways of doing business, which made it extremely difficult for the wholesaler to manage the supply chain, consolidate responsibilities, or take advantage of its new size and purchasing power. Corporate suspected that leaving the divisions and their DCs to manage their own customer delivery operations was ineffective, but they lacked actionable information on what was and wasn't working. More importantly, its investors expected it to grow sales to existing customers and win new ones from competitors, despite a commoditized product offering.

Centralizing Customer Delivery Visibility and Control Through the Cloud

Grand Junction's Software-as-a-Service (SaaS) platform gave the wholesaler real-time visibility and control over its fleet, LTL, and couriers, across DCs, thereby reducing transportation spend, decreasing operating expenses, and enhancing quality. Furthermore, this new level of insight over customer deliveries gave the wholesaler the foundation it needed to roll out new delivery service levels that increased customer loyalty and sales.

For years decisions had been left to each DC, with multiple people managing customer deliveries. Corporate had no centralized visibility across the entire network, making it impossible to communicate with customers, manage carrier performance, or enforce standards. Using Grand Junction's platform to provide corporate with an accurate picture, and Grand Junction's Carrier Management service to monitor and manage the daily delivery process by exception, the

Company Profile

- ▶ Multi-billion dollar business products wholesaler
- ▶ Same-day and next-day deliveries
- ▶ >50 autonomous DCs
- ▶ Customer deliveries done by fleet, LTL, UPS, and 135 local carriers

Challenges

- ▶ No centralized visibility or decision making across DCs for customer delivery processes
- ▶ Inefficient use of logistics personnel
- ▶ No pricing transparency due to complex contract structures
- ▶ Excessive add-on charges
- ▶ No enterprise-wide local carrier performance measures or controls
- ▶ Commoditized product offering in highly competitive industry

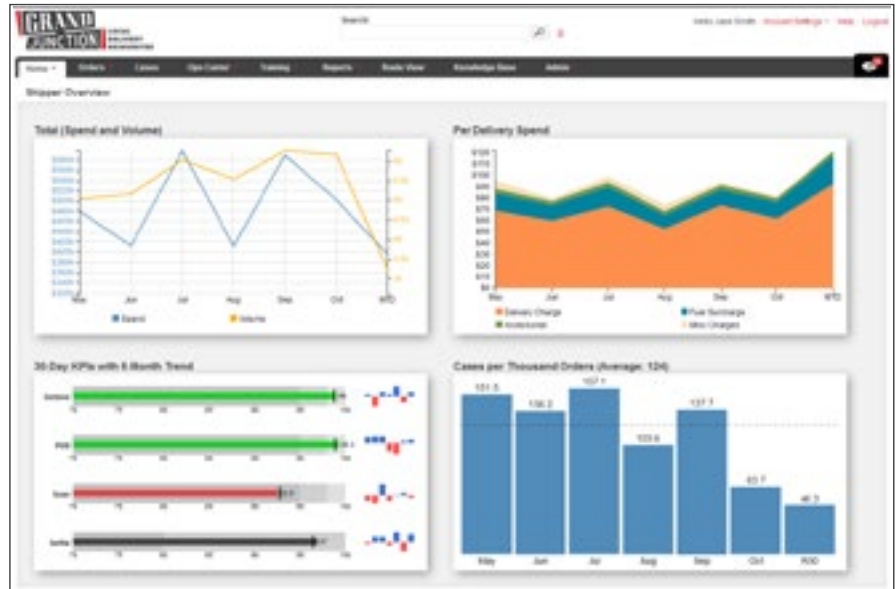
Solution

- ▶ Grand Junction software platform
- ▶ Carrier Management service

wholesaler reduced its annual logistics labor expense by \$1.2 million. It used Grand Junction to analyze the existing contracts with its 135 couriers and was finally able to see how complex and varied their pricing was. It consulted with Grand Junction's experts to simplify its contract structure from 67 accessorial and surcharge types down to five, immediately eliminating 50% of surcharges. (These additional charges, for instance fuel surcharges, are frequently used by carriers, resulting in increased transportation spend well beyond negotiated rates and a situation in which it is impossible to accurately audit and pay, budget, and forecast spend, or determine the true cost of each carrier's deliveries.)

The wholesaler also improved control over transportation spend using the Grand Junction platform's "reverse invoicing" capability. Rather than waiting for a carrier to generate and submit an invoice after a delivery, the platform calculates the delivery cost up front based on the order information and contract terms, only releasing for payment once proof of delivery (POD) is received. This transparent approach eliminates invoice inaccuracies, and it reduces the wholesaler's cost of working with a third-party freight auditor by more than \$120,000 annually.

Through real-time carrier integrations with the Grand Junction platform and its customer relationship management (CRM) capability, the wholesaler is finally able to get timely tracking and POD information on its same-day and next-day deliveries, force accountability and delegate quality management responsibility to its couriers, and gain an accurate picture of carrier performance—all of which streamline operations and enhance the customer experience. According to the Director of Consumer Logistics,



Grand Junction's software platform provides all the tools needed to address the unique challenges of customer delivery—a combination of TMS, CRM, business intelligence and learning management all-in-one.

"Previously, it took anywhere from several hours to more than a business day to get even basic information about our same-day and next-day deliveries. Grand Junction's software allows couriers to self-manage quality down to the driver level, in real time, so we don't have to react to issues. They also enable everyone involved in the delivery process to analyze the root cause of quality issues. Everything that is needed to drive continuous improvement in our operations and delivery network is here."

Armed with an accurate picture of every delivery through a courier and the capability to proactively identify and manage issues in real time before the customer is impacted, the wholesaler maximized its courier purchasing power by combining spend across formerly "siloesd" DCs and shifting more multi-package deliveries to couriers. Combined with the platform's "reverse invoicing capability," it reduced transportation spend by more than 15%.

Optimized Courier Network Powers Sales Growth

Each carrier manages its own orders and quality issues through Grand Junction's alerts and dashboards, and if it does not take action on an issue, Grand Junction's experts are actively monitoring and will contact the carrier to help. The wholesaler does not need to do anything to maintain a high-quality customer experience. By measuring quality with Grand Junction and actively managing each carrier, the wholesaler enhanced quality by reducing delivery issues by 26%.

With growing customer expectations and increased competition, the wholesaler needed consistency across its delivery network so it could retain customers as well as grow sales by attracting new business. The visibility and control over quality afforded by the Grand Junction platform gave the wholesaler the tools it needed to develop and execute new delivery service levels that its competitors still struggle to provide. One example is desktop delivery—delivery direct to a buyer's desk instead of to a corporate receiving dock or supply room—a

tool that its transportation management system (TMS) couldn't provide. Rather than worrying about whether its carriers and logistics team have the technology in place to effectively manage new delivery services, the wholesaler simply contacts Grand Junction experts. Grand Junction's Carrier Management team trains the carriers on the platform capabilities they need to ensure high-quality delivery service, while Grand Junction and the wholesalers' logistics team actively monitor the newly implemented services to ensure success.

According to a senior supply chain executive, "We'd been thinking about our customer delivery programs tactically, as something that happened as a result of a sale. Once we implemented Grand Junction, however, our courier network became strategic—something that could protect and drive sales. Grand Junction's software and experts give us control over quality across our enterprise, allowing us to increase customer loyalty by delivering exceptional service to our existing customers, and to grow sales by offering new delivery services.

Results Achieved

- ▶ 15% reduction in transportation spend with local carriers
- ▶ 50% of delivery surcharges eliminated
- ▶ "Reverse invoicing" eliminated invoice errors, and audits greatly reduced
- ▶ Reduced labor expenses by \$1.2 million through technology and process centralization
- ▶ Enhanced the customer experience by standardizing performance across the enterprise
- ▶ Decreased quality issues by 26%
- ▶ Grew sales and increased customer loyalty through new delivery programs

Contact our experts to learn how software can enhance the quality of your customer deliveries.



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