



Case Study

CHALLENGE

Reduce carrier pricing without tendering a multi-carrier bid.

SOLUTION

Understand current costs, benchmark them with industry, create leverage with carrier, deliver superior cost savings.

RESULTS

- ⇒ Build Cost Baseline
- ⇒ Benchmark Pricing
- ⇒ Analyze Proposals
- ⇒ Negotiate with Leverage
- ⇒ Reduce freight costs

For more
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Small Package Freight Negotiation

Gaining negotiation leverage on parcel carriers nets \$21 million in freight savings

The Client

A top 10 pharmaceutical company. This client was undertaking an extensive cost reduction initiative in its supply chain operation. With its largest freight spend in small package, this was an obvious area to start.

The Challenge

This shipper has partnered with one integrator for many years. Service was exemplary. Like all best in breed companies, regression in service level was not an option. Yet, they wanted to ensure its pricing was excellent and market competitive.

\$21,000,000+ saved

The challenge was renegotiating rates without a competitive bid from other carriers.

This shipper knew the only way to get this answer was to utilize a third party with extensive parcel experience in the pharmaceutical industry. Knowing the rates of other top pharmaceutical companies is huge in this oligopoly. Knowing what concessions the carriers were willing to agree to is the leverage most shippers do not have.

The Solution

Trans-solutions saw great opportunities to reduce the small package freight expense. With Trans-solutions' extensive small package sourcing experience in the pharma space, the answer was at hand.

As with all negotiations, Trans-solutions built a baseline of cost from which to accurately compare each offer. With Trans-solutions' proprietary software, ©*Xact Negotiator*, actual, not estimated, savings was known as a result of new pricing. Benchmarking the shipper's pricing with other shippers with similar freight profiles provided insights in pricing not available to shippers. This knowledge brought targeted concessions from the incumbent and immediate savings to the bottom line.

Trans-solutions negotiated savings of over \$21,000,000.