

Full-truckload consolidation solution increases major retailer's reliability, simplifies supply chain operations

Summary

When traditional less-than-truckload (LTL) carriers had disappointed a major U.S. retailer with multiple supply chain failures—including missed delivery appointments, frequent damaged goods, chaotic unloading processes and inconsistent service levels—the company reached out to AIT Worldwide Logistics for support.

The results of AIT's customized, global solution demonstrate how clients can overcome the limitations of traditional LTL models while, at the same time, reducing environmental impact and maintaining cost-effectiveness.

The Challenge

The retailer needed a new solution that would streamline their supply chain operations, reduce costs, and eliminate the unpredictability associated with their previous carriers.

Their requirements included a new shipping model that would ensure efficiency and reliability, along with the ability to adapt to seasonal product demand changes.

The Solution

Pivoting away from the faulty LTL model, AIT designed a full-truckload (FTL) consolidation solution that aligned with the retailer's operational needs and shipping patterns.

Additionally, instead of using traditional class-based tariffs, AIT introduced a more efficient pricing model based on the greater of actual versus dimensional weight of the freight. This approach ensured cost predictability, satisfying the retailer's budget objectives.

Using a **heat-map analysis**, AIT's team determined that a disproportionate amount of LTL deliveries to the customer's U.S. distribution centers (DCs) were coming from suppliers' DCs and various manufacturing facilities around the country.

The team also coordinated with their customer's suppliers to **pick up and consolidate weekly shipments into 53-foot trailers** at AIT stations. The streamlined plan **replaced dozens of weekly LTL deliveries to the warehouse club's DC docks with full-truckload deliveries**. This significant reduction not only enhanced both delivery reliability and sustainability but also drastically decreased claims.

Case Study: Retail Logistics



Key elements of the solution included:

- **Dropped trailers:** AIT's solution leveraged dropped trailers rather than live unloads, alleviating bottlenecks caused by limited dock door availability at the retailer's distribution centers.
- **Consistent process:** A dedicated AIT team works together with the customer to handle inventory transportation to each customer DC—ensuring operational consistency.
- **Sustainability benefits:** Fewer trucks on the road resulted in reduced emissions, minimizing environmental impact by eliminating unnecessary idling and multiple LTL trips.

The AIT Difference Makers

- ✓ Robust **carrier relationships**
- ✓ Global network of **more than 150 locations**
- ✓ Proactive communication and **24/7 operational support**
- ✓ Deep **retail logistics** knowledge

The Results

The retailer expressed high levels of satisfaction with AIT's service, praising the account management team for their efficiency and responsiveness.

In the first quarter alone, AIT achieved a cost per pound that outperformed the original estimate. The optimized process has enabled AIT to handle the majority of the retailer's consolidation needs, significantly improving delivery reliability and simplifying supply chain operations.

AIT's model reduced operational complexity and allowed the retailer to focus more on seasonal product shifts for technology, apparel, and consumer-packaged goods, like moisturizers and toys. And, with smoother distribution to the retailer's DCs up and down the East Coast, the solution proved effective and scalable.

Discover what AIT can do for you

For more information about AIT's retail logistics solutions, visit www.aitworldwide.com/contact-us/ and click Request a Quote.

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