

Case Study

A Leading Consumer Goods Packaging (CPG) Company is **Streamlining Processes** and **Reducing Freight Costs** with PCS

A U.S.-based Consumer Packaged Goods company is improving efficiency and saving money through a partnership with PCS that began in 2018.

About U.S. Consumer Packaged Goods Company

United States-based Consumer Packaged Goods Company (CPG Co) has been the market leader in its core business segments for decades with several iconic American brands. CPG Co generates over \$20 billion in annual revenue through a distribution network of over 300,000 retailers in all 50 states. To ensure products are delivered with peak freshness and high quality, CPG Co's Supply Chain team manages all aspects of transportation, including Direct Materials, Indirect Materials, and Finished Goods shipments.

The Challenge

CPG Co has a complex supply chain, with multiple operating companies assembled through acquisitions, each running on legacy systems with limited integration. Transportation planning and execution processes vary based on the underlying systems, resulting in manual work, duplication of data entry, and a need for end-to-end supply chain visibility.

The complexity of CPG Co's transportation processes was increasing supply chain costs. Shipment planning and tendering was a manual process, with shipments usually offered to a preferred carrier without consideration of other potential carriers and rates. Once products shipped, CPG Co lacked visibility into shipment status and the estimated time of arrival (ETA), resulting in multiple emails and phone calls to manage delivery schedules. Freight invoice reconciliation and approval were done manually, with limited detail captured in CPG Co's systems for accessorials and expected charges. In CPG Co's yard, trailers and contents were tracked on paper, tying up yard jockey time and increasing detention charges. Finally, CPG Co lacked a standard set of freight data to manage carrier performance and support new RFPs or bid processes.

CPG Co began looking for a new transportation management solution (TMS) to automate transportation planning and execution. They sought a partner that could:

- **Seamlessly integrate** with their Supply Chain planning and ERP systems
- **Eliminate manual processes**
- **Scale across CPG Co's operating companies and movement types** to support their different requirements

The Solution

CPG Co selected the Shipper TMS from PCS in 2018. PCS was chosen because its easy-to-use cloud-based platform enables CPG Co to automate Inbound and Outbound freight management across all modes.

"PCS was the right choice," said CPG Co's director of transportation. "They understand our business and bring us best practices to manage our freight better."



PCS initially partnered with CPG Co to implement the Core TMS module for carrier and contract rate management, tendering, spot quoting, and shipment management. CPG Co subsequently implemented the Yard Management (YMS) and Freight Audit & Payment modules of Shipper TMS. PCS is integrated with CPG Co's Blue Yonder system for supply chain planning and SAP for orders and shipment updates.

The Results

PCS is currently used to manage certain inbound and outbound shipment types across multiple CPG Co operating companies. It has provided significant benefits to CPG Co:

- **More competitive freight rates:** CPG Co has reduced costs by implementing bidding processes for spot shipments and leveraging the TMS's comprehensive freight data to support carrier RFPs and contract re-negotiation.
- **Improved shipment visibility:** The TMS provides real-time visibility to data on shipment contents and pickup scheduling.
- **Better trailer management:** PCS's YMS module gives CPG Co a complete view of all trailers in their yard, including trailer contents and status. This has improved the efficiency of yard operations while reducing detention charges.
- **Increased efficiency:** PCS automates routine processes for CPG Co with exception-based management and reduces time spent by team members on shipment creation, carrier booking, shipment status updates, and invoice reconciliation.
- **Eliminated redundant systems and processes:** CPG Co has identified opportunities to reduce costs by removing redundant IT systems and third-party vendors.

"PCS has helped us to streamline processes, improve visibility, and reduce costs," said CPG Co's director of transportation. "It allows our team to spend more time on strategic projects to find new carriers, negotiate rates, and improve our operations."

What's Next

CPG Co is working with PCS on a roadmap to implement the integrated TMS environment across the enterprise and adopt consistent processes for managing transportation. By extending the adoption of the TMS across the organization, CPG Co expects to deliver annual cost savings of \$1-2 million.

The project will extend the current TMS deployment to cover additional inbound and outbound shipment types, fully integrate supply chain systems and data flows, and employ other TMS capabilities for Advanced Scheduling and Shipment Optimization. CPG Co will also integrate TMS data into the company's datalake to enable improved reporting and analytics.

"We are excited to continue to partner with PCS to deliver our vision for fully integrated transportation management and look forward to delivering additional value to our organization," said CPG Co's director of transportation.



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**DIRECTOR OF TRANSPORTATION,
U.S. CONSUMER PACKAGED
GOODS COMPANY**

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