

ReTrans Freight

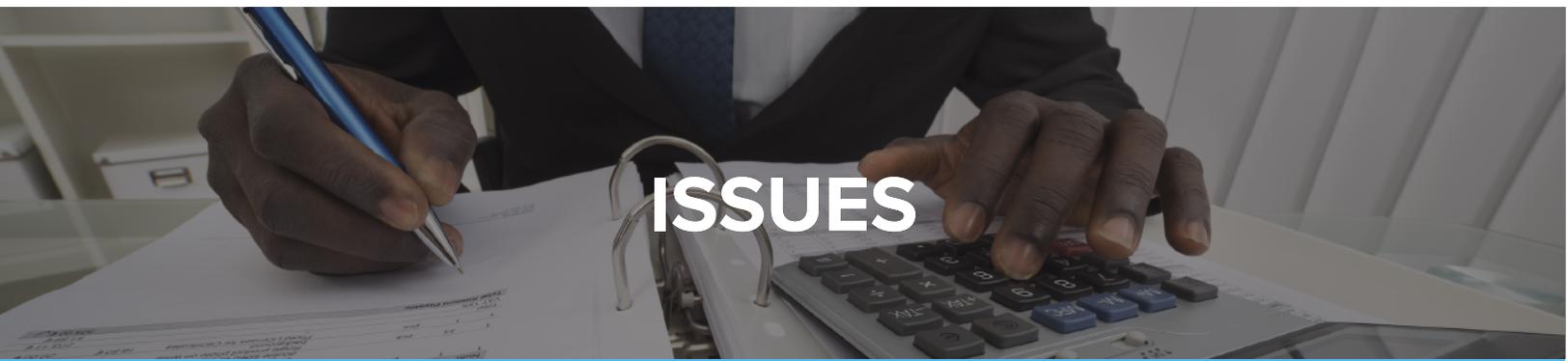
A Kuehne + Nagel Company

A CASE STUDY ON INTEGRATING ECOMMERCE SHIPPING



CUSTOMER

The leading seller of B2B equipment was one of the first dealers in their industry to venture into ecommerce sales and instruct their vendors to drop ship items directly to their customers. With shipments consisting primarily of large items on pallets, they have multiple locations and warehouses across the country and ship all over the United States.



- Accounting
- Data Matching & Cost Allocation
- Improper Classification Of Commodities
- Shipment Visibility
- Vendors Routing Freight Least Cost
- Customer Service
- IT Support

Prior to working with ReTrans Freight, the customer was performing all of their own freight related functions. Ecommerce systems and IT infrastructure was being monitored and maintained solely in house. Therefore, valuable resources were being utilized to try to sort out freight related issues rather than focusing on growing their ecommerce business. Without freight rates being tied into their ecommerce website, the customer was struggling with accurate freight invoicing and limited visibility of freight costs, transit times and shipments.

Allocating costs to the responsible divisions and/or locations became extremely difficult. Limited information affected forecasting and antiquated practices were time consuming. The entire operation was costly in more ways than one.

They were routing freight based on rate tables, which served as estimates, so they weren't accurate in their freight billing and estimating practices. Often times, they lost money on customer shipments that had already been quoted and billed at lower rates, which was a direct hit to the profitability of the sale.

Additionally, for the seller to make sure they were billing customers accurately, they had to wait until the invoice from both the freight carrier and the vendor arrived in order to match freight estimates to their actual costs. Even when errors were caught, it was usually too late to correct it. The customer had already paid for the order and the seller couldn't go back and bill the buyer's credit card for an additional amount after the purchase had been completed.

They were manually relaying shipping and routing instructions to vendors for customer orders, and freight rates for customer orders had to be retrieved manually from the carriers and then relayed back to the customer. Many commodities were improperly classed and they lacked the ability to fight reclassification charges for inbound and drop shipments coming from vendors who were writing the wrong class and descriptions on bill of ladings. This was creating billing errors and rendering unexpected freight costs, which detracted from their bottom line. Vendors were also costing them money unnecessarily by routing freight via the wrong carriers. Providing tracking information to customers was a time consuming process that was reliant on third party information from vendors.



The customer knew of ReTrans Freight through a professional industry association in which they were both members. After hearing ReTrans Freight give a keynote speech on ecommerce and freight rate integration at an industry conference, the customer engaged the services of ReTrans Freight to help them simplify and automate their ecommerce operations. By partnering with ReTrans Freight, the company immediately saw a return on investment.

To date, ReTrans Freight has processed more than 492,000 invoices for the customer and passed all of the audit savings back to them, totalling more than \$945,000. The majority of the corrections have been class and accessorial related, which requires a good deal of time to correct because we are matching the information on the bill of lading to the information presented on the delivery receipt and verifying that all charges are true and correct.

The customer has 24-7 access to their freight information via our web portal. ReTrans Freight provides the customer with vendor compliance reports, giving them the tools necessary to monitor and manage their domestic supply chain. We provide custom G/L Coding of seven (7) locations as well as a divisional breakdown, and freight reporting is pushed to the customer via e-mail including three (3) detail reports that are sent weekly and twenty-three (23) custom summary reports that are sent to them monthly.

ReTrans Freight worked with the customer to correct and expand their product catalogue, helping to eliminate inaccurate classifications and descriptions written on bill of ladings by their vendors. A customized and branded vendor routing portal was setup for the customer's vendors and integrated real time routing was built into their vendor routing portal, which allowed their vendors to route freight least cost efficiently. The vendor routing portal also provided the customer with visibility of shipment detail throughout multiple departments, which reduced the amount of time and money they were spending on having their staff lookup and track down information for their customers. Additionally, it afforded them the opportunity to better keep their customers involved and informed of the delivery process, which increased customer satisfaction to their advantage.



SOLUTIONS

- Vendor Routing Portal
- Customized & Automated Reporting
- Updated Product Catalog
- Freight Rate Integration With Ecommerce
- Freight Bill Audit
- IT Support
- Customer Service Support

ReTrans Freight provided them with the tools necessary to offer their customers an easy checkout on the web with full visibility of freight and assessorial costs. We built an API to integrate real time LTL shipping and handling charges into their website for their customers to see the freight costs at checkout and integrated special delivery options into their ecommerce shopping cart. ReTrans Freight and the customer were the first to integrate “White Glove” service offering through ecommerce with one of the top 5 LTL carriers in the industry.

On average, ReTrans Freight receives more than ten (10) customer service requests daily for this customer. Primarily, requests are for freight charges, proof of delivery, investigation shortages, re-consignments and re-deliveries. Response times are often almost immediate. Allowing the customer to dedicate more of their own resources towards other issues besides freight, which has improved customer service and, ultimately, sales. ReTrans Freight’s ecommerce solutions enhanced the industry-leading site and helped them pave the way to increased sales of 400% over the course of 4 years.

ReTrans Freight provides the infrastructure to support their ecommerce business, with focus placed on redundancy throughout the network. Multiple Internet Service Providers using dissimilar technologies and networks are utilized and Link Balancers, Firewalls, Load Balancers and Databases are configured with high-availability failover. Web Services are virtualized across multiple physical servers for improved availability, load management and scalability. We support their ecommerce operations with 24x7 external systems that monitor and maintain a minimum 99.83% rate of web service availability, which means there is hardly ever any downtime. Customers have the availability to shop on their website and obtain freight rates virtually 24x7.

ReTrans Freight has provided the customer with numerous efficiencies and process enhancements that give them complete visibility of shipments and information throughout the company and each department. This added visibility allows them to accurately bill customers faster for the freight charges, and it has given them the ability to better plan for inbound vendor shipments, which has reduced operating/staffing costs. Now that their freight rates are tied into their ecommerce site, customer service has improved as customers are now informed of the delivery process from the moment their order is placed. As a result, the customer has experienced unprecedented sales growth through ecommerce and is now the top B2B commercial equipment seller in their market both online and offline. Other dealers have entered the marketplace; however, with help of ReTrans Freight, they continue to be the industry leader.

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