

AUTOMOTIVE INVENTORY CONTROL

THE CHALLENGE

Supplying the automotive seating market, a well-known manufacturer in Shelby, Michigan, operates with only eight hours of inventory on hand to keep its production line going.

Like most manufacturers, the company was challenged to manage freight costs for the components shipped from vendors across the country. Beyond that, when a product did not ship on time, it created line-side shortages.

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THE SOLUTION

ICAT offered a way to manage both the costs and outcomes for the automotive manufacturer. The company was interested in ICAT's LTL Rater, a software program that gives clients comparisons of different shipping rates. Presented with various options for addressing their concerns, the team chose the level of service that made the most sense.

"ICAT gave us a clear roadmap of all the ways we could save business costs by using them as a logistics partner to get materials to our plant," said Aaron P., Materials Manager at the company. An operations specialist handled the business and built relationships with

their suppliers to better track potential shortages and address them.



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THE RESULTS

Since starting with ICAT, the automotive manufacturer has reduced its freight costs more than 35%—from \$65 per \$1,000 worth of component material shipped, to \$44. That 35% translated to \$105,000 in transportation cost-savings over the first 15 months! ICAT also negotiated with one of its carriers to discount the rate an additional 10% for one of their supplier lanes. This represented savings of another \$20,000 over the next 12 months.

ICAT has continued to keep the company's supply chain in motion, reducing transit times an average of 1-2 days across the nation. In the ongoing flux of supply and demand, when an emergency arises that requires more than is available, the ICAT team only expedites what is needed.