

# STREAMLINING FOR A TIER ONE SUPPLIER

## THE CHALLENGE

A Program Manager (PM) is an important asset to a company, especially in the automotive industry. They are responsible for overseeing a new program from beginning to end and will monitor and report progress throughout the process.

For one automotive company, confusion ensued and caused drastic discrepancies in their supply chain due to multiple PM's involved in the logistics part of the business. When they realized how much money they were losing in transportation costs, they reached out to ICAT Logistics for help.

Because this company was a tier one supplier, they were shipping directly to the original equipment manufacturer (OEM). **For this reason, they needed the experts at ICAT to:**

- Streamline the flow of data between the PM's;
- Reduce overall transportation costs; and
- Create a system that generates a reference number to be used as a freight cost identifier and assign this number to a particular job.

## THE SOLUTION

**The ICAT team gathered all relevant information, reviewed what was needed to make changes, and created the following solutions for this automotive supplier:**

- Appointed a customer service representative (CSR) who scheduled and routed all inbound and outbound freight;
- Worked directly with the PM's on a daily basis to meet their needs, schedule orders, and provide tracking information;
- Collaborated with the client to create an "FIS" (Freight Identification System) that assigns quoted costs to each shipment, limiting variances;
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## THE RESULTS

Since implementation of the system, the customer's freight costs have been **reduced by 28%** due to shipments previously moved through expedited service now being moved via LTL.

The system also sped up the processing time on an average freight invoice from 102 days to 41 days. The "FIS" eases the comparing of an invoiced amount to the accrued amount in the system, and only needs to pay one logistics company instead of multiple carriers. In addition, the FIS has also nearly eliminated service delays, going from 72% of shipments on-time to 99% on-time.

