

Executing Retail Deliveries

THE CHALLENGE

The way in which food shippers manufacture and deliver finished product to retailers is misaligned with how retailers receive product. So, why is this happening? The high-pressure relationship of retailers and food shippers ultimately stems from our still-recovering economy and the retailer’s resulting need to maintain extremely low inventory levels. With the dawn of what we like to call “The Age of the Empowered Consumer,” retailers have begun to plan for and respond to demand differently than ever before.

The Food Shipper’s Challenges

- Working with production line schedules
- Optimizing warehouse space
- Handling pressure from the sales team
- Avoiding product decay
- Pick n’ pack

The Retailer’s Challenges

- Proper unloading at DC
- Receiving thousands of correct SKUs
- Maintaining low inventory levels
- Complying with specific schedules for DC and local delivery trucks
- Getting products on the shelves and to consumers on-time.

To expand, “The Age of the Empowered Consumer” refers to the current state of consumerism in North America. Consumers have a nearly unlimited amount of options when it comes to grocery retailers—traditional grocery stores, big-box retailers like Costco and Walmart, and now even drug stores like Walgreens and online retailers like Amazon and Peapod. This increase in the amount of choices consumers have has given them even more control over the grocery market. Retailers must now adapt their supply chain strategies accordingly in order to remain profitable and relevant, thus creating more complexities for the food shippers and suppliers.

CUSTOMER PROFILE:

One of North America’s largest confectionary manufacturers whose portfolio also includes pet care, food, and beverage units—delivers into some of the world’s largest big box retailers, like Walgreens, Walmart, Costco, CVS and many more.

PROJECT SNAPSHOT:

The Manufacturer called on LoadDelivered and, together, they created a custom supply chain program for over 250 complex shipments. LoadDelivered ensured on-time delivery and helped the Manufacturer maintain their relationship with their customer.

Repercussions

Difficult
Delivery
Demands

Missed
Deliveries

Chargebacks

Shelf
Displace-
ment

Damaged
Relationship

ADDITIONAL CHALLENGES

Capacity Shortage.

With 2-3 large seasonal shipping waves per major holiday, sourcing reliable capacity during tight markets was extremely difficult. The Manufacturer needed flexibility to have trailers on-hand to drive lean shipping and inventory efficiencies.

Increased Costs.

Due to high-stake receiving requirements, transportation costs into some big box retailers are higher than normal market rates.

Off-Peak Delivery Times.

The Manufacturer had to meet extremely tight delivery windows (sometimes as narrow as one hour) and off-peak delivery days and times (weekends and 3am deliveries were common).

Severe Non-Compliance Penalties.

The Manufacturer needed to stay at 100% OTP as retailers could impose a 3 percent penalty for late deliveries into their DCs ranging anywhere from \$1,500 to upwards of \$7,500 per truckload, depending on total cost of goods. Late deliveries, along with OS&D could have led up to a 10 percent reduction of The Manufacturer's overall revenue with this project. Consistent non-compliance across the board could have also resulted in shelf displacement.

Lack of Visibility.

With such high-stakes deliveries, The Manufacturer needed full visibility into their shipments at all times and a complete understanding of their carriers' performance. Without the help of a carrier partner with retail delivery expertise, they would not be able to accomplish this task.

SOLUTIONS

Guaranteed Capacity and Static Pricing.

Through our Dedicated Lane Management Program, LoadDelivered worked closely with our retail-ready carrier network to create a specialized routing guide that allowed us to contract our awards. This allowed us to strategically select 2 to 3 primary carriers to manage each specific lane. Similar to a waterfall system, the routing guide included an additional 3-5 vetted carriers that were contracted as back-up to ensure capacity commitments were met

Unparalleled Customer Service.

We utilized a proven geo-tracking platform that allows for accurate and non-intrusive communication to monitor all our shipments around the clock and provide complete visibility into each and every load. With the help of our experienced after-hours and weekend team, we were able to dispatch, track, and proactively solve any potential issues for The Manufacturer. Due to the irregularity of the retail deliveries, having our 24/7 coverage was incredibly valuable and earned us a 100 percent on-time delivery score.

Increased Optimization and Visibility.

We designed an effective drop trailer program which allowed our retail carrier network more fluidity with tractor utilization in times of decreased capacity and increased volume demand. We increased visibility for The Manufacturer through the creation of their own personal Dedicated Solutions Team and through our Carrier Scorecard Program, which provided them with insights regarding the performance of our Carrier Partners.

100%
On-Time
Performance

250+
High-Stakes
Shipments

Zero
Chargebacks

THE RESULTS

- We earned **100 percent** on-time performance for **250+ complex** and high-stakes shipment in under **two months**.
- The Manufacturer received **zero chargebacks** for delivering the product as-ordered and on-time.
- We bolstered the relationship between The Manufacturer and their customer.
- We strengthened our retail-ready network of carrier partners to be used for future “Holiday Retail Surges”.
- We solidified our partnership with our retailers, suppliers, and manufacturers. They now know they can fully trust our proprietary holiday capacity scheduling and execution.

THE BENEFIT OF HAVING BROKERS IN YOUR NETWORK

A well-matched broker or 3PL can add tremendous value to your supply chain by filling gaps in your asset-based network. Advantages include:

- Agility when dealing with last-minute changes
- Regional or niche areas of focus
- Proficiency in the right solutions you need
- Scalable capacity

To learn how we can add value to your supply chain, contact solutions@loaddelivered.com.

