



Accent Decor

Strategic Carrier Sourcing –
The Perfect Accessory to Control
Your Transportation Spend

THE COMPANY

Accent Decor is a national distributor of decorative glass and ceramic items in Norcross, Georgia. While Accent Decor does not sell direct to consumers, it has a large variety of clients, each with unique delivery requirements. These clients include event planners, retail outlets, interior decorators, and more. Although inbound freight is handled by vendors, the outbound freight spend is sourced and managed in house, utilizing a rate shop execution platform to compare freight carriers' cost. Given its ability to plan shipments dynamically based on least cost carrier, Accent Decor desired to negotiate its outbound freight agreements to capitalize on this strategic advantage.

THE OPPORTUNITY

Accent Decor wanted to explore the potential of what a strategic sourcing event could net in terms of cost savings and engaged enVista to do so. enVista collected 12 months of shipment level data and compiled a Variable Operating Ratio (VOR) model to identify and predict any cost reduction opportunities. The VOR model predicts carrier variable costs at a shipment level using carrier specific terminal locations, shipment characteristics, domestic labor, line-haul cost averages, and more. This proprietary tool allows enVista to quickly identify target areas of opportunity to leverage during the

sourcing engagement. The results of this model indicated that the opportunity for Accent Decor was substantial, at 7.5-10.5 percent savings.

ENVISTA'S SOLUTION

enVista crafted a complete RFP package that included shipment data, a company profile, RFP timeline, and RFP Response Templates for carriers to utilize. This RFP package also included pricing targets identified in the VOR model described. This data-driven approach ensured that Accent Decor captured all available savings, while also maintaining credibility with the carriers. In addition to inviting incumbent carriers to participate, enVista used its experience and understanding of the marketplace to recommend several more providers who aligned with Accent Decor's requirements. Once the RFP was sent out, enVista's team handled all bid communications with the carriers which saved Accent Decor valuable time and resources. Weekly status calls were held with Accent Decor's core project team to ensure they were continually involved in the process and were a stakeholder in all important decisions.

LTL agreement complexity is driven by many different factors including: geography, freight class, weight, rate base tariff, and more. To fully understand the value of each carrier proposal to Accent

Decor's unique shipment profile, enVista modelled each proposal and rated them against Accent Decor's shipment data set in enVista's proprietary AcceleRate rating platform. Carrier rates are then compared against one another with the help of a carrier matrix. An important part of response analysis is scenario management. The matrix allowed enVista to quickly manipulate the rating into endless scenarios. Carriers can be toggled off by location or region, IB or OB. In Accent Decor's case, it only had one distribution center and only managed outbound, but enVista was searching for no more than three carriers to be selected, with at least one being a southeast regional carrier. Complex carrier pricing terms and regionalized discounts make the carrier response matrix a key analytical tool in selecting the right carrier mix.

As mentioned above, Accent Decor's diverse customer base required several accessorial services. To formulate a beneficial accessorial negotiation, first enVista had to understand the frequency and dollars surrounding Accent Decor's most common charges. After reviewing the data set, enVista chose five frequently incurred accessorial charges and included them in the RFP, with targeted reductions. These accessorial characteristics and charges were also incorporated into the carrier response matrix. By taking the time



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to understand and address the accessorials that mattered to Accent Decor, enVista could drive further savings in addition to those negotiated in the tariffs, discount, minimums, and FAKs. Carriers were also more eager to negotiate knowing they had the historical data on Accent Decor's actual accessorial frequency.

Another significant challenge occurred when forming the optimal carrier mix. While one of the primary goals of the strategic sourcing project is to reduce cost, business requirements must always be considered as well. Given Accent Decor's customers, who are often ordering products for specific events, time in transit is very important. Not all LTL carriers operate with the same transit efficiency, and carriers are often able to give further concessions in price if allowed longer and more variable transit times. In this case, enVista had one national LTL carrier that submitted significantly lower rates on some of Accent Decor's most frequently used lanes. This would have placed them as the primary national carrier. However, enVista's experiences indicated that this carrier would be unlikely to meet Accent Decor's stringent transit requirements. enVista ultimately recommended Accent Decor remove that carrier from consideration until it could improve service

levels, or until Accent Decor experienced a shift in transit demand for a significant portion of its business. While both parties would have benefitted from the additional savings this carrier would have provided, it is better to go with a solution that stakeholders are confident will be sustainable.

THE RESULTS

Accent Decor decided on the enVista recommended three-carrier solution, giving the company at least two carrier options for each domestic client destination. When asked about the experience using enVista, Accent Decor's General Manager and chief stakeholder on the project stated, ***"Overall, it was an extremely positive experience. It helped us set the benchmark with our freight, and we are excited about the carriers, service and rates we have in place."*** After implementation of the new carrier mix, enVista was engaged to audit the new solution using enVista's SaaS based MyShipInfo® freight and parcel audit tool. enVista also provides Accent Decor with monthly savings reports showing an average of 8 - 10% savings over its previously sourced contracts placing Accent Decor's LTL program in a more competitive position in the marketplace.



For more information on enVista's services, please call +1 877-684-7700 or contact info@envistacorp.com.