

Parcel Spend
Management
Optimization with
Large Kitchen
and Bathroom
Plumbing Fixtures
Manufacturer



THE COMPANY

Founded in the 1930s, the manufacturer is a global leader in kitchen, bathroom and commercial plumbing fixtures.

THE OPPORTUNITY

While the manufacturer is a large company, its parcel spend was relatively small, resulting in limited carrier leverage. Although primarily a Ground shipper, there was sufficient spend in Air service levels and surcharges to make a full-range negotiation appropriate. The manufacturer's primary objective was to analyze its shipping data to gain an understanding of the strengths and weaknesses of its incumbent agreement and to uncover any opportunities for negotiated savings.

ENVISTA'S SOLUTION

In order to understand where the manufacturer stood in comparison to like-shippers, enVista's team conducted a peer-based benchmark study, which suggested an opportunity of 28%-32% in cost savings. The benchmarked scenario also suggested that virtually all of the manufacturer's discounts and contractual concessions were lagging behind the market.

Due to the manufacturer's relatively small shipment volume, enVista's team determined that neither regional nor niche carriers would be a good fit for its shipping strategy. Therefore, enVista determined that a formal request for proposal (RFP), including both national carriers, would be the best strategy to achieve maximum implementable cost savings.

THE RESULTS

The initial round of RFPs was favorable but still fell short of the established targets. The proposals were slightly stronger than the manufacturer's incumbent carrier, but enVista was able to recognize that both in-scope carriers were probing for the acceptable boundaries of the request.

In order to drive better results for the second round, enVista provided guidance and adjusted the proposal. The final negotiated solution allowed the manufacturer to maintain its incumbent carrier and realize net savings of 29%.

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



Let's have a conversation.TM

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