

Case Study

Revolutionizing Supply Chain Efficiency: How ALS Transformed Operations Through Upstream Integration

Client Overview

One of ALS' clients, an industry leader in CNC manufacturing, serves the government defense industry by providing track systems, mechanical systems, armor products, fabricated structures, and rubberized products for off-road and tank vehicles. They also meet the needs of several other different industries including, aerospace, agriculture, and construction.

The Challenge

Prior to this client connecting with Automated Logistics Systems, they were with an incumbent 3PL provider that was not managing their supplier base effectively. The 3PL provider that they were with was running the majority of their transportation through the spot market during a time when transportation rates were at some of the highest the industry had historically seen.

Without an inventory release program or a supplier shipment schedule, the future client of ALS' had been reactive, instead of proactive with their logistics operations. The client was only providing their 3PL partner 24 hours of notice that an order was ready, which posed tremendous challenges with moving their products at competitive rates. In a perfectly executed supply chain, having advanced visibility to a client's shipping schedule creates the optimal environment to secure carriers at or below market rates. However, the client's supply chain wasn't organized in a fashion that created an opportunity for upstream visibility that ultimately would allow them to be proactive with their supply chain and take advantage of market rates. Not to mention, the client was without a supplier compliance program, designed to ensure that their suppliers met specific standards and requirements that help monitor, measure, and drive action on lead times.



Industry / Market

- Military
- Aerospace
- Agriculture
- Industrial Machinery & Equipment

Key Tools / Solutions

- Supplier Compliance
- Upstream Management
- Network Visibility



The Solution

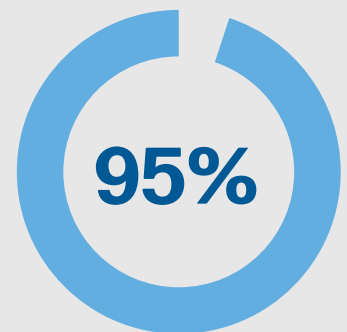
ALS was able to immediately take over the client's logistics operations and implement an improved logistics solution within 60 days. The strategic plan included crafting a logistics strategy that used ALS' crawl, walk, and run approach to ease the client into a successful transition to a new 3PL provider. The first step in the process was to incorporate ALS' freight capacity solutions team to keep the client's supply chain moving while looking for opportunities to improve upon the client's freight cost position. Not only did ALS successfully execute all the client's truckload pickups and LTL freight, but also, successfully implemented an improved logistics solution within 60 days.

Once the client's supply chain was stabilized, ALS worked with the client to integrate an upstream management solution, using API technology to connect directly to the client's release and purchasing platform. Then, ALS worked with the client to build transportation and budget goals that would set the benchmark for ALS to perform to the client's expectations. After a few months of learning more about the client's business, ALS then began on deeper-rooted client challenges. The ALS team created a process for securing proper lead times to procure effective transportation rates, supported by implementing a negotiated carrier tariff and implemented a supplier compliance program to bring visibility to the client's problematic suppliers.

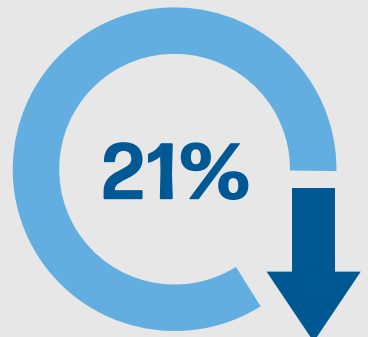
The Results

With the support of ALS, the client now has a logistics solution with upstream technology that connects their supplier lead times to a Microsoft Power BI data analytics dashboard where the client is provided a visual of each supplier's performance. With this new solution, ALS was able to absorb all the client's shipment data which provided the client with additional and substantial savings opportunities through static and dynamic optimization, new procurement initiatives, and routing guide optimization.

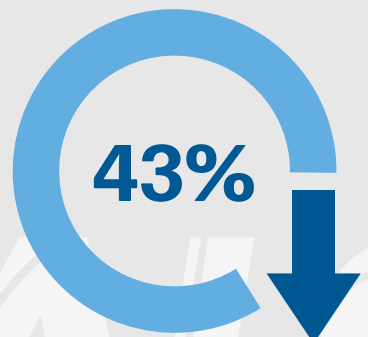
- ALS drove the customer's on-time deliveries up to 95%, inclusive of LTL and truckload shipments.
- ALS drove visibility to the client's lead time by the supplier, helping them identify problematic suppliers and made routing guide changes.
- The client's truckload cost per mile was reduced by 21%.
- ALS drove the client's LTL cost per pound down by 43% over their entire network.



Improved On-Time Delivery



Reduced Truckload Cost Per Mile



LTL Cost Per Pound Savings