



Blog:

Standard LTL solutions weren't working for this retailer, so they turned to RXO.

The Problem

A leading retailer in the home accessories space with over 250 locations nationwide was facing challenges with their current less-than-truckload model. A mixture of storefronts, malls and stand-alone locations throughout multiple regions within the US required several different operational models to move their product from their manufacturing plant and distribution hub. After years of line-hauling palletized products to cluster pool points or direct to store, the company began seeing many challenges in meeting on-time delivery schedules and working within specific delivery requirements at different locations.

Despite being a cost-effective solution, it was not meeting service needs. The company's mall locations proved difficult to service using standard LTL providers with the delivery time frames and equipment needed. For stores located in less-dense areas, direct LTL out of their distribution center was also having challenges. The model did not allow store management to develop relationships with the drivers to meet service needs, nor ensure the drivers understood expectations and requirements to guarantee a smooth and seamless delivery experience.

The RXO Solution

After working with both local management and corporate logistics teams, RXO was able to develop a solution to move the customer away from a traditional LTL mode to a streamlined operation that allowed them to not only reduce costs, but meet service requirements:

- Established a centralized control tower for the customer, streamlining operations and providing a single point-of-contact for all cluster pool points.
- By directly managing the line-hauls, consolidating clusters became possible—reducing costs and delivering products to designated pool points at local cartage agents.
- The agents worked directly with the stores to determine desirable delivery days and time frames, and ensuring they understood each locations' requirements.
- Getting deliveries on the day and time expected allowed store to schedule the right amount of labor to manage the business, also adding to cost controls by reducing labor costs.

Results

By The Numbers



**Reduced delivery time by
~30 mins per stop**



**Improved on-time delivery
rate to 99.8%**



**Estimated \$1.3M in reduced
labor costs**

Summary

This new solution has not only improved operational efficiencies and helped cost controls, but also provided the customer with complete visibility into all of their logistics operations with the ability to monitor their service levels real-time. This ensured the new process continued to meet expectations and to help drive continuous improvement.

By utilizing a centralized control tower approach with local cartage agents, relationships between the stores and their drivers can aid in quicker reaction times to changing needs, and ensure delivery requirements are being met. Working with the right agents who have the needed equipment, knowledge, and experience helped to deliver a better solution and improved the overall experience of the company's logistics operations.