



Learn How a Customer Saved
More Than **\$2 Million** in Less Than
24 Months utilizing our
Global Procurement Solution



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Introduction

Our Procurement Solution is a Cloud Based Application that automates the process of issuing, receiving and analyzing freight rate bids on a global scale. You no longer have to normalize all the spreadsheets you receive from all of the different providers and then try to determine which provider is offering the most competitive rates. Now there is an application that can do all of this and more for you.



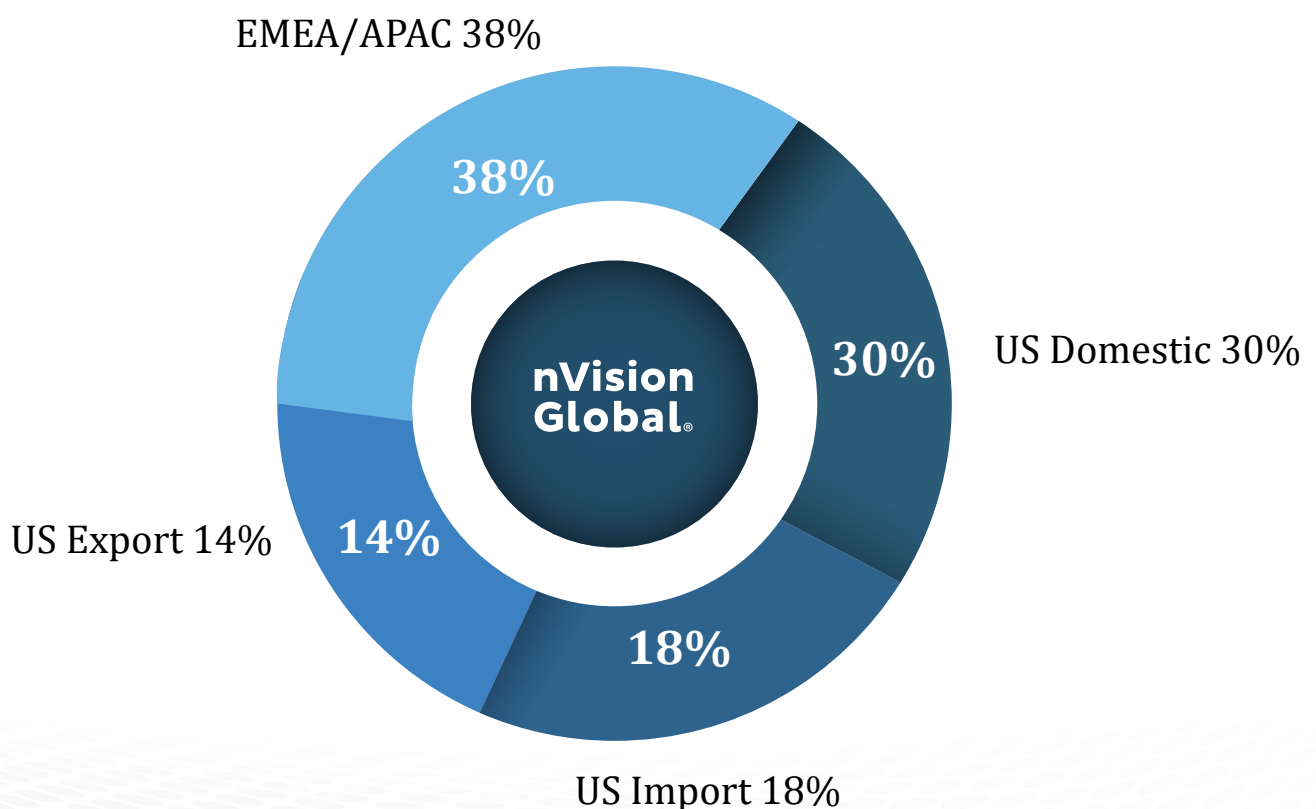
The Challenge

nVision Global undertook a Global Parcel Bid Procurement exercise on behalf of the customer.

This project was supported by our Data Analytics, iProcurement Tool and most importantly our experience in small parcel, and our business intelligence software.

Customer's historical parcel shipment profile included an annual parcel spend of \$20,000,000, and shipment volumes allocated as follows: US Domestic 30%, US Import 18%, US Export 14%, and within and across EMEA/APAC 38%.

The goal of the project was to secure the most favorable Parcel rates for Customers globally.



The Solutions

Project Scope / Assumptions: For the purpose of the exercise, nVision Global extracted several months of the customer's parcel shipment data within a broad range of shipment dates as the baseline for establishing historical activity.

Analysis included modeling of comparable service levels between the rate offers proposed by FedEx and UPS, and those of the customer's existing contract structures with FedEx and UPS as provided to nVision Global by the customer, among other exercises.

The following steps were included in the project:

◆ **Prepare & Manage Global Parcel RFP**

- Set baseline cost levels for top lanes and services
- Provide a Cost Saving Goal

◆ **Manage the Data from the Parcel Carriers into the iProcurement Tool**

- Work with the Transportation Providers
- Set baseline cost levels for those lanes

◆ **Provide a Procurement Template**

◆ **Review Bid Results**

◆ **Optimize & Map Parcel Lanes**

◆ **Provide a Routing Guide to Customer**

◆ **Participate and recommend Bid Award**

Executive Summary: As above- the primary purpose of the analysis was to determine which of the proposed rates offered by the invited Providers offered the best overall cost reduction within the context of historical processing volumes and the customer's existing rate structures held with FedEx and UPS.

Establishing historical volumes by Shipment Types, Weights, Zones, and Service Levels formed the primary target areas for Provider rate reductions and optimization, and Benchmark rate comparisons of Customer's current parcel rates to similar shippers provided the standard by which expected rate proposal results was set.

The Results

Parcel RFQ Results –

Participating Providers: FedEx, TNT, UPS, DHL Express

Note: FedEx and TNT participated jointly in a single RFP response as FedEx.

Operational Requirements: Both FedEx and UPS's responses to the Operational Requirements were approved by Customer. DHL Express had noted exceptions that eliminated them from being awarded certain lanes.

In the context of historical cost trends with the customer's current suppliers, FedEx and UPS, and the parameters established for the modeling exercises, **nVision Global** assessment found that in all modeled scenarios, there were significant opportunities for the customer to achieve savings on their parcel shipments.

Based on the analysis and procurement results, it was expected that savings in the range of 5 – 8% would be achieved through the Parcel Bid Procurement exercise.

Greater savings were anticipated through utilization of the correct provider and service level by incorporating nVision Global's robust, easy to use web-based Routing Guide. Through optimization of service timeframes by zone and lane the use of premium service levels, and with packaging adjustments to avoid dimensional weight billing costs were additionally expected to be reduced for overall total estimated savings in the range of 10 – 14%.

Total savings conservatively estimated through the parcel bid procurement exercise was \$2,000,000 for two years. Total estimated savings of \$4,000,000 for the timeframe was expected through the combination of the parcel bid procurement exercise and the Routing Compliance and Packaging Adjustments. At the end of Year 1 of the completed parcel bid procurement, Routing Compliance, and Packaging Adjustments exercise, actual savings tracked totaled \$2,516,000 for total realized savings of 12.58%.



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Contact us Today to Learn More About nVision Global's Solutions!

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