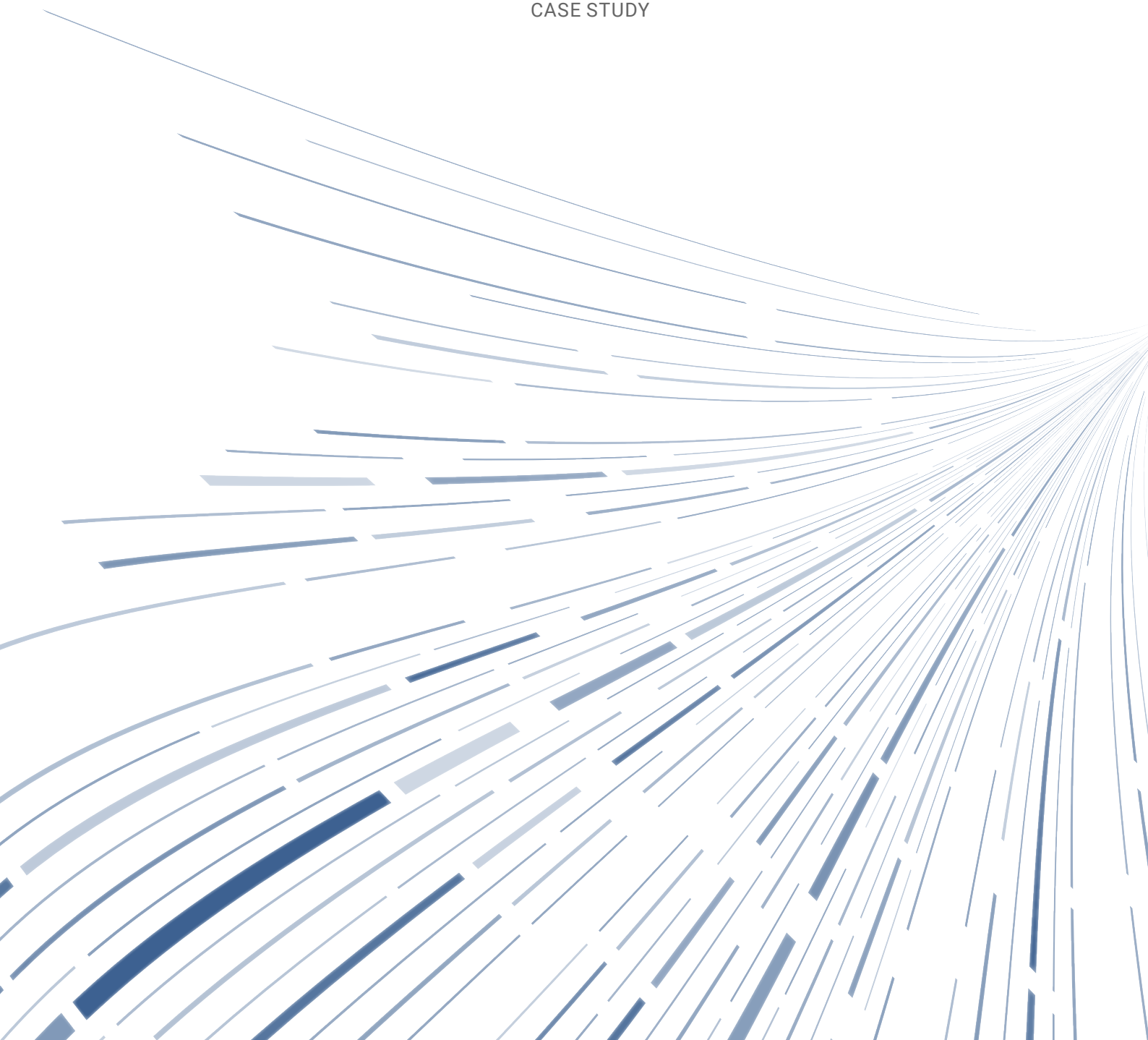


2PL | ADVISORS

RETHINKING LOGISTICS

Miele LTL RFP

CASE STUDY



Miele LTL RFP

CASE STUDY

The Miele logo, consisting of the word "Miele" in a white, sans-serif font on a dark red rectangular background.

The Client

Miele is a German manufacturer of high-end domestic appliances and commercial equipment. 2PL Advisors was initially introduced through a partner to provide advice and recommendations on a new regional carrier for their network.

The Challenge

Miele had gone many years without taking a good look at their LTL network. While they had some good regional carriers, 75% of their transportation spend was with one carrier managed by a 3PL.

Miele had found themselves vulnerable if anything were to happen with that capacity; additionally, they had seen increased costs over the last several years. They were ready to entertain bringing new LTL carriers into their network; however, they had little carrier knowledge and experience outside of their own network. Miele offers a high end product shipped mainly to small dealers and they needed freight carriers that understood that and were well versed with handling the products.

Lastly, Miele had carriers on several different base rates, FAK's, and cost structures. They wanted a way to get everyone unified on the same pricing structure and needed expertise as to what the right base rate, FAK, fuel surcharge and accessorials to request. **They wanted to control the process and make the decisions, work with carriers directly, but needed help.**

The Solution

2PL Advisors was originally brought in to help Miele with selecting and implementing a new western regional LTL carrier directly, without any brokerage. After that project was successful it came to light that Miele was looking to do an entire network bid for both LTL and Truckload; however, they were looking for help. They had met with some companies but they wanted to charge 5-6 figures to run the RFP. The other option was with a 3PL that would take over the process, carrier relationships, and carrier pricing contracts. That's not what Miele was looking for.

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The 2PL Advisors team provided invaluable support to Miele during our highly successful freight bid. They provided market insights, procurement expertise, and brought many highly qualified transportation providers to the table. They were a fantastic resource to our team throughout all stages of the bid process.

– Chris Bertz,
Transportation Network Manager

Because 2PL Advisors runs RFP's regularly and all the relationships, pricing and contracts remain directly with the shipper (no brokerage) and the shipper can control as much or as little as the process as they wanted, and **it would not cost Miele anything for the support to run the RFP**, it was a perfect match.

Goals were set that Miele would like to keep their incumbent regional carriers but also gain a better understanding of new carriers and those that would fit well in the network while bringing down overall costs. 2PL Advisors would run an RFP that included their incumbent carrier base, but also a select group of new carriers recommended by 2PL Advisors based on experience with similar shippers.

A timeline was set and the first few weeks were dedicated to data gathering and cleansing. 2PL Advisors believes that a successful RFP starts with thorough, accurate data that carriers can trust to run their costing scenarios and ensure the best long term outcomes. Data was pulled from many sources and blended together to depict an accurate picture of the freight movement and network.

Time was also spent evaluating classes and densities to determine the best multi-tiered FAK structure to incorporate a diverse product list with varying densities. A base rate, fuel schedule, and accessorials costs were also selected that all carriers would utilize.

The select group of new carriers was developed based on 2PL Advisors experience with those carriers through similar shippers. This way Miele did not have to guess if the carrier would be a good fit for their network and product, it had already been proven.

Once ready, the 2PL Advisors team sent out the RFP, communicated with all carriers, fielded questions, kept everyone to the deadlines, and managed NDA's and other documents required. After proposals were received, a master cost analysis was generated to show multiple areas: how incumbent proposal costs compared to historical, how new carriers compared, savings per pricing zone, etc. Everything was put together so Miele had an interface to look at that showed the key areas and results of the bids and was also easily digestible.

The Result

Miele now had all the information it needed on pricing as well as advice and recommendations on new carriers to start making award decisions. After some additional negotiations all regional incumbent carriers remained in place and Miele awarded several new carriers, both nationally and regionally to build a strong carrier network. Even with taking some concessions to keep incumbent regional carriers in place, Miele realized **an overall 28.6% reduction in LTL costs with the new carriers providing a 36% reduction**.

2PL Advisors remained involved to ensure a successful implementation: communicating awards and pricing documents to all carriers, arranging for onboarding calls, and setting up accounts and logins with the new carriers.

While all day-to-day operations are now conducted directly between Miele and the carriers, 2PL Advisors remains involved to address any major issues, capture and report carrier KPI's, as well as conduct quarterly business reviews to ensure that the current carrier mix is the correct one and that cost saving metrics from the bid are being hit.



If you need help conducting an LTL bid, want to utilize your carriers, look at new carriers, and maintain control of the process, please reach out to 2PL Advisors.

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CASE STUDY – MIELE LTL RFP
(888) 966-0818 • INFO@2PLADVISORS.COM