

CASE STUDY

Sargento Foods

Kewill multimodal transportation platform steers Sargento towards increased savings and improved productivity

Industry
Manufacturing

Region
Americas

Benefits:

- 60 percent administrative cost savings by automating freight payment
- Improved allocation of costs
- Reduced LTL shipments

SARGENTO PROFILE

Sargento Foods Inc. is a family-owned business, employing approximately 1,300 people at four Wisconsin facilities, one in Washington, and one in South Dakota. They are one of the largest converters of cheese in the United States, offering a variety of cheese products marketed through four business divisions: Consumer Products Division, Food Service Division, Food Ingredients Division and Culinary Solutions.

INITIAL CHALLENGES

- Existing Transportation Management System (TMS) solution was not able to meet operational requirements
- Orders planned into shipments without considering cost, service or contractual commitments to carriers
- Inability to accurately allocate transportation costs at the order level
- Needed a TMS that would meet their operational needs today and in the future

OBJECTIVE

Implement a flexible, scalable multimodal transportation management system that would meet their operational needs today and in the future

WHY KEWILL?

Sargento chose the Kewill TMS because it was an on-demand solution with connectivity to a large logistics network as well as having a strong TMS functionality, including comprehensive freight payment capabilities:

- Integrated with 30 carriers
- Shipping approximately 3,000 orders per month
- Transporting 24 million pounds of products on average per month
- Works with existing supply chain software
- Straight-through processing of order data via EDI

“ The Kewill multimodal transportation platform has allowed us to see a 15 percent reduction in our cost per pound, excluding the cost of fuel. ”

KEITH HARTLAUB, GENERAL MANAGER AT SARGENTO

Results

60 PERCENT ADMINISTRATIVE COST SAVINGS BY AUTOMATING FREIGHT PAYMENT

Sargento improved operational efficiencies by eliminating manual processes and non-value added services. In the past, if a carrier charged an incorrect transportation cost, Sargento did not have the visibility to correct these charges prior to being invoiced for them. Sargento would calculate the rates, but were often invoiced using a different rate. As a result, they had a difficult time reconciling payments. Since the implementation of the Kewill platform, each carrier has a contract in the Contract Management Module of the system where their rates are locked and paid accordingly with no discrepancies. Not only has the system helped Sargento manage costs, the automation has reduced the manpower required to reconcile payments from 15 hours per week to six hours per week resulting in a 60 percent reduction in administrative costs for freight payment.

IMPROVED ALLOCATION OF COSTS

Accruals are done as soon as the product is loaded at the distribution center. The billing information is fed to the finance department and the accrual of transportation costs is done in real-time. Accessorials that occur during delivery are captured as part of the invoicing process and are also allocated down to the order level. This helps to ensure the real cost of freight is captured for each customer. With the Kewill platform, they are now able to evaluate charges during the year to better determine what the customer charges should be the following year, taking in to account the back end fees that each customer was accumulating. This allows Sargento to accurately allocate costs back to their customers and helps ensure Sargento remains profitable.

REDUCED LTL SHIPMENTS

Prior to the implementation of the Kewill platform, Sargento was doing 10 percent of their shipments via Less than TruckLoad (LTL). With the visibility provided by the Kewill TMS, they are able to convert more of their shipments into Full TruckLoads (FTL), with only 4 percent now being shipped as LTL. With enhanced planning capabilities, Sargento can now plan multi-stop and multi-pickup routes consolidating on average four different customer orders per shipment, for optimal execution and further cost savings.

ABOUT KEWILL

Kewill is a global leader in multimodal transportation management systems, providing organizations with a comprehensive end-to-end platform for managing the complexities of transportation, logistics and trade compliance. The Kewill MOVE[®] platform helps companies reduce costs, manage volatility and gain greater visibility across the logistics value chain. Trade, transport, store, comply, manage and integrate – the Kewill transportation management platform gives you the insight, agility and tools you need to deliver better customer service and streamline global supply chain execution for strategic advantage.

The Kewill platform supports supply chain execution activities for more than 7,500 companies in over 100 countries across 5 continents.

For more information, please visit www.kewill.com and contact us at:

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