

CASE STUDY // 2022

## TURNING THE SUPPLY CHAIN FROM LOSS TO PROFIT

*Jarrett ensures their largest client, global leader in the automotive industry, finds success across the supply chain through technology, service and expertise.*



### OVERVIEW

The world's leading automotive company engineers polymers into products for a variety of industries. With demanding applications in demanding industries like automotive and material handling, this global company requires an efficient supply chain.

But any efficiency gains they had made with their previous third-party logistics provider (3PL) were undermined by one key fact: "We were losing money," says the company's supply chain director.

That's when they decided to change course and go with a supply chain partner. Jarrett turned their inbound freight program into a profit center—when transportation was a net loss with their previous 3PL.

"We take raw materials and convert them," says the Director of Purchasing & Supply Chain - North America. "We were not experts in supply chain management."

### BACKGROUND

The automotive company's leadership had embarked on an aggressive acquisition strategy starting in the mid-

2000s, ballooning from 2 plants to 17 within seven years and straining the 3PL they had used for 10 years. "All they did was pay our bills," the director says.

In 2014 the company's chief sales officer had just joined their North American division from Europe tasked with transforming the supply chain. He took "a leap of faith" and transitioned to Jarrett.

Unlike their old provider, Jarrett had "off-the-charts" data analysis—not just the technology, dashboards and integrations, but the experts to make sense of it all. Eighty percent of Jarrett staff are customer-facing.

"Most of the people in our space have at least good technology. But technology is very limiting," says Matt Angell, Jarrett's chief customer officer. "Technology helps you identify a problem, but rarely is technology able to solve the problem." It takes people to solve those problems.

President Mike Jarrett founded the company in 1999 with the vision of fixing that. He wanted Jarrett to be the leader in customer experience among 3PLs, guiding companies through growth and building best-in-class tech inspired by supply chain experts. Today, Jarrett is in the top 1% of all 3PLs in North America.

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-MATT ANGELL, CCO, JARRETT

## PROBLEM

Working capital is a key performance indicator for the automotive company. That requires low inventory and full visibility into the raw materials logistics. Seventy percent of total cost is driven by those raw materials, and the company is entirely dependent on a strong inbound supply chain.

"One ingredient that doesn't get delivered or fails to be at the plant stops you from making that compound, which then puts a complete spin on scheduling and managing," explains the chief sales officer.

It became a monumental task to maintain that equilibrium during the pandemic, especially without warehouse space and with a tight budget. They were not alone.

The company also faced the challenge of importing materials from Europe and Asia with travel and transportation restrictions and without a domestic supply base to fall back on. That created uncertainty.

## SOLUTION

Jarrett worked to manage that uncertainty. In 2021 alone, the Jarrett Routing Center answered 2,500 calls in under 10 seconds and a quarter of a million emails in under 10 minutes, provided over \$300 thousand in proactive savings and \$41 thousand in freight claims recovery for their client.

"It's almost like Jarrett is an extension of (our) team," says the chief sales officer.

The partnership they've built has allowed both companies to double in size over the course of their engagement and maintain consistent growth. Today the automotive

company is conducting \$1.5 billion in North American business. Jarrett manages their truckload and less-than-truckload (LTL) shipments and provides advanced data analytics.

"Their ability to get control of their inventory, reduce it and improve their cash flow was a huge benefit," Angell says. "They have access to all of that information because of the proactive nature of the Jarrett Routing Center."

## RESULTS

Jarrett routes about 25,000 LTL shipments a year for the automotive company, about 7,500 full truckload shipments and around 500 expedited shipments. Every fluctuation in freight rates matters, and where the client previously made some "bad business decisions" they've refocused to better understand their exposure since working with Jarrett.



**2,500 CALLS**

*answered in under 10 seconds*



**250K EMAILS**

*answered in under 10 minutes*



**PROVIDED \$300K**

*in proactive savings*



**RECOVERED \$41k**

*in freight claims*

The result: Half a million dollars of hard cost savings in 2021 on transportation alone. The inbound program has generated nearly 4.5 million in profit for the automotive company in less than 7 years.

In 2021 when the automotive company's single largest customer of the year came up as an emergency order—without being budgeted, planned and forecasted—they were able to meet the demand. That was in part a testament to what they've found with Jarrett, the chief sales officer says.

"Our flexibility," he says, "drives productivity and performance."