

CASE STUDY

SUPPLY CHAIN TRANSFORMATION PROPELS GROWTH

A 20-year relationship between Jarrett and their longest client, a consumer packaged goods provider, continues to open new opportunities

www.gojarrett.com

info@gojarrett.com

877.392.9811

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OVERVIEW

A growing office consumer packaged goods company was expanding into a wide array of technology products and demand was increasing—as was the complexity of their logistics.

“We did not have the expertise in-house. And I looked at, do we want to bring that knowledge in-house or do we want to outsource it? So, I looked at both options,” says the executive vice president of the consumer packaged goods company.

For the well-known leader in business productivity, building a relationship with the right supply chain management partner was paramount. Luckily, that partner came calling.

“I just started calling, and it’s not like he picked up the phone on the first call,” says Mike Jarrett, founder and president of Jarrett with a laugh as he recalls the early days of his business.

It took a year and a half, but the two men got to know—and trust—each other. That was 20 years ago. Today the businesses are still working together, now as leaders in their respective spaces.

“We have grown together,” Jarrett says. “It’s a true partnership.”

The executive vice president agrees: “It’s all about success being shared.”

BACKGROUND

Mike Jarrett was already a seasoned veteran in third-party logistics (3PL) when he started Jarrett in 1999. At the time he noticed that most 3PL providers only cared about large corporations. Jarrett saw a chance to scale his company’s growth with that of the small and mid-size companies he chose as partners. As he puts it, he wanted to “provide Fortune 100 supply chain services to companies that were not Fortune 100 size.”

Jarrett is in the top 1% of third-party logistics providers and now has 250 employees. The company’s values haven’t changed since the days they courted their first clients, including the information solutions provider, a client they’ve been dedicated to retaining.



“I don’t think old fashioned values ever go out of style.”

- MIKE JARRETT

“(The client) and I are both old-school. When you have old fashioned values, you meet in person, you look each other in the eye, you tell them what you’re going to do and then you go and do it,” says Jarrett.

That may be true now more than ever.

“I don’t think old fashioned values ever go out of style. Post-pandemic our core values—the fact we’re family-owned and building relationships—are more important because of what we’ve gone through as a country.”

PROBLEM

As a consumer packaged goods provider that has prioritized diversification, the executive vice president’s early challenges started with inbound shipments.

“We had no notification of materials coming in. Our receiving department was pretty much reactionary every time a truck backed in. We didn’t know if that was going to be two cartons of product or whether it was 24 pallets of product,” he explains.

That created a staffing issue and a financial one; many of their suppliers were small, price-sensitive organizations.

“By the time we were getting freight charges, which were very tough to pass on to our customers, it was creating a huge burden for us.”

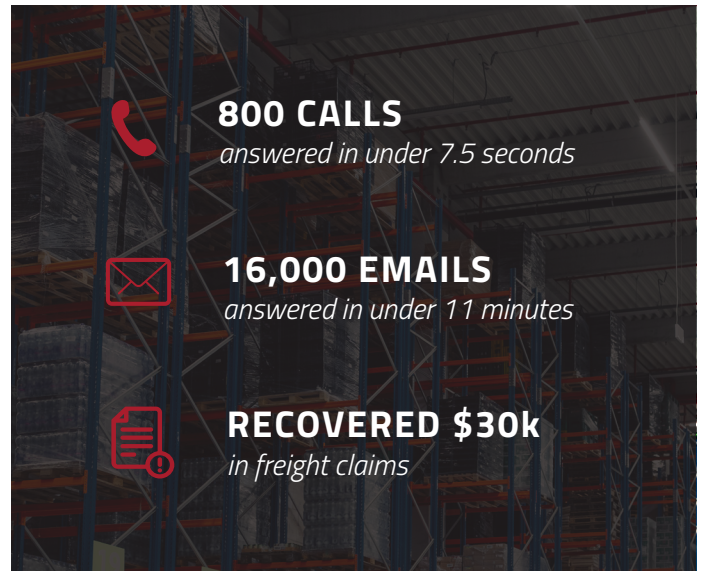
As the company has grown, they’ve relied on their Jarrett team to address other growth challenges proactively to reduce supply chain costs and improve efficiency.

SOLUTION

Jarrett has transformed the supply chain of their 20-year partner through continuous improvement. A relationship that started with less than truckload (LTL) freight has grown to address—and solve—broader issues like:

- Tempering higher fuel prices. Jarrett now provides LTL and full truckload freight to the client, and thanks to Jarrett's pre-negotiated fuel surcharge schedules with carriers, this client and others are paying less. "Working directly with carriers you're currently looking at a fuel surcharge that is 40%+," Jarrett says. "The fuel surcharge with us is currently 25%."
- Adding international shipments amid global uncertainty. Container rates have jumped from \$3,500 to \$4,000 for a 20-foot container from Asia to over \$20,000. "We are able to find the best international lanes for customers to ship in and negotiate the best rates. Most companies won't have that expertise in-house," Jarrett explains.
- Providing visibility, even as complexity increases. As the client looks to begin direct-to-consumer distribution, they need a transportation management system (TMS) that can handle a high-volume parcel business. Jarrett's newest TMS, jShip Elite, integrates with a customer's ERP and streamlines the process from the moment a shipment begins as an order. And all of it is visible on an easy-to-use dashboard in real-time. "That's the value above and beyond reducing transportation costs," Jarrett says. "We're a tech company engaged in the supply chain industry."

Since then, in 2021 alone the Jarrett Routing Center answered nearly 800 calls in under 7.5 seconds, responded to 16,000 emails in 11 minutes and recovered \$30 thousand in freight claims.



By allowing Jarrett to manage their supply chain they could focus on what they do best—and become the industry leader in business productivity. The executive vice president says their relationship has helped him "make very good decisions together" with the supply chain experts.

"I've never regretted this decision in the 20 years," the client says. "So that's why I'm still here 20 years later and hopefully plan on being for another 20 years or more."

RESULTS

There have been significant supply chain savings for the information services company in 20 years. Their executive vice president points to 15-20% saved on inbound freight charges, for instance, as one of the earliest signs that they'd made the right choice.