

## Logistics - Ocean & Air

### The Customer

A large global technology company in the US with reported annual revenue of \$100+ billion.

### The Challenge

The strategic sourcing team has responsibility for managing the customer's global category spends for logistics (including freight procurement and negotiations, supplier performance management, contract management, and governance of logistics and distribution partners) across the company's various business units.

Spreadsheets were relied on for sourcing processes. But due to the large amounts of data involved, much valuable time was being spent on administrative tasks, analysis and manual sourcing processes that were extremely resource-heavy and prone to error depending on the team's Excel skill level and the ability to consolidate files correctly.

Having a slow and cumbersome process in place was harming business as the customer was unable to optimize their sourcing to find the best results. As the market was so volatile, they had to charter entire planes – sometimes paying double the market rate – in order to get enough capacity to move their freight.

### The Goal

While running the company's most significant global air and ocean RFQ, the customer identified a need to optimize results based on business requirements using an online tool that focused on ease of use, workflow automation, supplier engagement, and scale – particularly as increasing turbulence was leading to dramatic changes in the logistics industry, decreased capacity, and increased costs.

Leadership was concerned that the current sourcing process was not optimal for managing costs and that it lacked data insights and visibility to support decision-making that met business requirements.

Changes in the supply chain were happening quickly. The customer knew that to remain competitive, they needed a software solution that could enable them to monitor costs to ensure they were not over-spending. They were also looking to move from a traditional cycle-based sourcing strategy that focused on large annual events with long-term rates to a dynamic market-based sourcing strategy that took supply chain volatility into account and allowed for greater cost and risk optimization.

**“Keelvar, at the click of a button, will tell the best-case scenario based on everything that's come through in a few seconds.”**

- Senior Strategic Sourcing Manager, Global Logistics



## The Solution

The customer identified a list of features they needed from a new sourcing solution and researched what was in the market. While comparing solutions, Keelvar was selected due to the depth and power of Sourcing Optimizer's features that enabled the customer to improve their processes, including:

### Automation To Manage Bids More Effectively

Before adopting Keelvar's solution, the customer was limited by the number of bids and suppliers they could effectively manage. Keelvar's tool has allowed for more flexible bidding options for suppliers, and bids spanning tens of thousands of lanes can be handled effortlessly with the help of the tool's automation feature.

### The Power To Run Larger, Complex Events

Using Keelvar's solution, the customer has moved from one annual air and ocean event with locked-in rates to quarterly or even monthly RFPs as required to match market dynamics. As a result, the customer can react much more quickly to volatility and run more complex events that can be easily replicated or adjusted in the tool to fit their strategy.

### Improved Efficiency and Time Savings

Manually managing bid processes placed a heavy workload on the customer's sourcing team and took up their time with administrative Excel-based tasks. Keelvar's solution has enabled the team to be more strategic, focused on results and expanded the depth of their work in the function.

While not identified as one of their initial criteria for selecting a solution, the customer quickly discovered that the **quality of the Keelvar team** supporting their journey was another standout feature, thanks to our experts' knowledge of the industry and their ability to bridge the gap between problems and solutions in ways that best utilized Keelvar's tool.

## Results

- **\$60M cost avoidance in the last 12 months**
- **A shift from running one annual RFP with fixed rates to 17 bid events in the last 12 months**
- **Smooth creation of new events, which can be replicated easily**
- **Improved time savings, decision making and an ability to react quickly to market changes**

Since adopting Keelvar's solution, the customer has met their target for Continuity of Supply with few problems in getting capacity due to having such a strong market pulse.

The customer has also improved risk management due to constant market visibility within Keelvar's tool; they can decide when to lock in rates and for how long.

The impact in terms of time savings and efficiency has also been significant. The tool has enabled the team to focus on being more strategic, reviewing results and understanding what the business needs instead of data analysis and correcting mistakes. The customer has also been able to move away from chartering flights to move freight – saving money in the process.

### About Keelvar:

Founded in 2012, Keelvar is moving procurement forward with our best-in-breed SaaS software for intelligent sourcing optimization and automation, designed for easy adoption, scale, and productivity. Our customers are global, blue-chip corporations and mid-sized companies using our solutions across transportation, direct materials, indirect goods and services, and packaging categories.

Contact us for pricing and a demo: [www.keelvar.com](http://www.keelvar.com)