

SMC<sup>3</sup> Case Study

# *Bid\$ense*<sup>®</sup>

## **Shippers optimize freight spend with SMC<sup>3</sup>'s freight transportation sourcing solution**

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Shippers, logistics service providers and industry consultants use SMC<sup>3</sup>'s Bid\$ense to streamline their RFP process, cut their overall transportation spend and awards their business with confidence. With Bid\$ense, shippers can access bid information from more than 500 LTL carriers and more than 1,000 truckload carriers, typically receiving responses from an average of 30 carriers for bids. This computing power attracted shippers IEWC and Central Garden & Pet to the transportation software, and though the two companies ship very different products, their experiences with SMC<sup>3</sup>'s bidding tool has led to similar less than truckload procurement successes.



David Knuth, logistics specialist at IEWC, a global supplier of cable and wire based in Wisconsin, is happy to

have modernized the RFP process, automating the entire LTL bidding procedure with Bid\$ense, SMC<sup>3</sup>'s automated truckload and LTL freight transportation sourcing solution. But when prompted, he can still recall what once was.

Before IEWC, a large part of his duties involved using a spreadsheet to create intermodal bid packages for carriers. Knuth detailed his company's volumes lane by lane, taking care to delete any errant keystrokes or misleading data. He would then email out the information to each carrier, taking time to respond to detailed technical questions about the spreadsheet data. Finally, he had to compile all the results, create an algorithm that would compare the carriers on each lane, and award the business.

"It was a huge undertaking. It took about four months to do," Knuth said of the old process. "It was almost a full-time job for that part of the year, every year."

At IEWC, he sat down with Bid\$ense on day one and was amazed at the capabilities. Knuth had never before used a bid tool.

"It makes the process extremely easy," he said. "It takes a lot of the communication off my plate in terms of how to enter everything and communicating with the carriers about getting data in."

"The backend analytics that it provides to compare everybody apples to apples and make sure IEWC comes out with the best possible solution for our business is extremely valuable."

—David Knuth, Logistics Specialist | IEWC

SMC<sup>3</sup>'s latest versions of Bid\$ense automate the process even further, taking truckload and LTL RFPs entirely online. The tool draws on RFP best-practices protocols to streamline the bidding communication process, enabling bidding carriers to respond accurately and promptly to shipper requests. The solution also does all the distribution work automatically, electronically submitting shipper bid data to carriers based on their actual service capabilities and performance records. Carriers are alerted with timely prompts for RFP deliverables, so shippers aren't waiting by the phone for responses.

Another benefit of automating the process is the data-cleansing assistance. When Knuth sent spreadsheets to carriers, data errors might cloud the bidding process; he might have to resend data or simply accept a price that did not truly reflect the costs of doing business. Data cleansing is incredibly beneficial, he said.

With uniform responses from each carrier, shippers can use Bid\$ense to quickly rank results and create unlimited "what-if" scenarios to make the optimal procurement decision.



Jesse Burnett of Central Garden & Pet experiences many of the same benefits. Founded in 1980, Central Garden & Pet has spent the last three decades growing from a small garden supply company to a provider of a range of products from dog chews and bird seed to soil supplements and natural insecticides. For much of its life, the company shipped these disparate goods via LTL and truckload carriers to retailers throughout the country, relying on each business unit to negotiate directly with their freight transportation providers. This arrangement worked fairly well for a small company, but as Central Garden & Pet expanded, leadership decided to consolidate decision making.

Using BidSense, Burnett helped create centralized transportation decision making. Before BidSense, every business unit operated independently as far as negotiating with carriers.

“We didn’t have master agreements in place—no national pricing at all,” he said. “The pricing from carriers was just all over the place, depending on where you were.”

The transformations he saw with BidSense were immediate. Burnett has been using the tool about every other year since its implementation at the company. Central Garden & Pet’s \$19.6 million 2019 LTL bid saved the company just more than nine percent when compared to its historical average. For Burnett, though, bid automation extends far beyond savings.

“BidSense really just gave us the platform where we were able to combine all these different locations, all these different freight classes, and get it all into one centralized location and provide us with a pricing output from a corporate, strategic level.”

When the company initially decided to centralize bidding, executives researched a number of different bidding methods. Burnett found that BidSense was both widespread and well known; his carrier partners already knew how to use the application.

With its robust, efficient communication and analysis protocols, BidSense achieves significant savings measured not just in dollars, but also in hours for IT, freight payment and procurement departments. The days of choosing the wrong carriers, the wrong service levels, the wrong discount scenarios, and even the wrong base rates are gone. And while BidSense has helped Central Garden & Pet unify its operations and streamline processes, price is a major driving factor in Burnett’s decision to continue utilizing the product.

“It definitely has helped drive savings,” he said. “Any time you go out there and you drive that competitiveness with the carriers and they know they’re in a bid environment, it seems to sharpen their pencils.”

## LTL Transportation Bid Savings





**Bid\$ense enables shippers to develop a strategic transportation sourcing plan that:**



Automate the onerous RFP process to streamline transportation spend



Evaluate carriers on performance metrics, rather than price alone



Save an average of \$150,000 per \$1 million in freight spend



Build relationships with carriers tailored to specific business

Whether customers are looking to streamline LTL bidding by automating the RFP process or create an entirely new, centralized bidding system, Bid\$ense has the analytical horsepower to get the job done.

**Why SMC<sup>3</sup>?**

Bid\$ense leverages SMC<sup>3</sup>'s lifetime of transportation purchasing knowledge, allowing customers to incorporate pricing, claims ratios, on-time performance and transit times into their bidding analysis. With its range of solutions that integrate seamlessly into current business systems, SMC<sup>3</sup> supports customers' needs as they grow, whether they're dealing with 10 shipments or 10,000 shipments per day. Shippers and 3PLs use SMC<sup>3</sup>'s peerless rating solutions to optimize their transportation spend, saving time and money on their freight shipments throughout North America.