

Industrial manufacturer now runs their logistics smarter, not harder

Better tools and smarter processes delivered major savings, stronger control, and dependable inbound flow.

The Challenge

Limited outbound carrier options, lack of inbound visibility, insufficient reporting

The Solution

[LTL Sourcing Program](#) and [Constellation TMS](#)

The Result

Financial and operation improvements including 22-30% savings in the first six months and 99.8% utilization of the lowest cost carrier with no service issues.

Company Background

A long-established manufacturer in the industrial cutting tool sector produces and sells expendable cutting tools such as drills, taps, end mills, and related products for industrial, maintenance, commercial, and construction applications. The organization operates multiple manufacturing and support facilities across the U.S., Canada, and Mexico.

The company functions autonomously, managing its own systems, processes, and transportation. It primarily ships and receives LTL freight.

Business Problem

The company used an automated Transportation Management System (TMS) to handle daily inbound and outbound transportation. However, the system lacked the capabilities needed to effectively manage their processes and freight spend.

They faced three major challenges:

1. **Limited outbound carrier options** Outbound shipments were managed through their TMS across multiple workstations, but the TMS provider controlled the LTL contracts and offered only two carriers. This restricted choice negatively affected both cost and service.
2. **Lack of inbound visibility** Most inbound shipments were vendor prepaid, meaning vendors selected and booked carriers without direction. The purchasing team had no visibility into inbound freight costs or delivery timing, leading to unnecessary expediting and pressure on limited receiving space.
3. **Insufficient reporting** The organization lacked the operational and management reporting required to understand performance, manage freight, and reduce costs. They were essentially blind to the operational and financial health of their transportation network.

The company needed better planning and visibility for inbound materials and sought to reduce both inbound and outbound freight spend.

Solution – Procurement & TMS

At the company's request, TranzAct conducted a Rapid Assessment to evaluate operations and freight spend. TranzAct then developed a Road Map to enhance transportation management capabilities, reduce freight rates, and increase visibility across all shipments.

Two solution components were implemented within two weeks:

1. A procurement and carrier management program

TranzAct's procurement solution leveraged collective buying power to secure lower LTL rates and consistent coverage. It provided access to a dependable network of vetted national and regional carriers, enabling immediate and sustained reductions in LTL spend while maintaining service quality.

2. A new Transportation Management System

TranzAct implemented a new TMS that replaced the incumbent system and delivered significantly expanded capabilities. In addition to planning, rating, routing, and booking outbound shipments, the company gained full control over inbound freight.

The TMS extended rating and routing tools to the purchasing department, enabling buyers to choose the lowest cost option, the fastest option, or a balanced solution. Buyers could then send routing instructions directly to vendors. As shipments were picked up, both purchasing and logistics teams gained visibility into inbound activity, improving planning and receiving.



The TMS also delivered comprehensive operational and management reporting, including:

- Overall Savings – a benchmark analysis comparing historical freight spend to the new program
- Transportation Performance Review – periodic summaries of freight volumes, rates, and carrier optimization
- Shipping Volume by Lane – outbound lane and customer data for sales and management
- Billing Exceptions – monitoring for class, rate, and weight discrepancies



Value Proposition

The combined procurement program and TMS—implemented and supported by TranzAct—delivered significant financial and operational improvements.

Initial projections estimated a 9–12% reduction in annual transportation spend. However, within the first six months, the company achieved 22–30% savings, far exceeding expectations. They also reached 99.8% utilization of the lowest cost carrier, indicating virtually no service issues.

Additional benefits included:

- Expanded carrier choices and lower freight rates
- The ability for purchasing to evaluate total landed cost and direct vendors to preferred carriers
- Improved inbound visibility, enabling better dock scheduling and reducing the need for safety stock
- More dependable inbound material flow, preventing production disruptions
- Flexible, customized reporting that supports continuous improvement

“While the cost savings we have achieved are significant, our greatest benefit is being able to control every shipment’s timing and cost—both inbound and outbound.”

- *Logistics Leader at Industrial Cutting Tool Manufacturer*

**Get the Structure, Visibility,
and Savings You Need**

Learn more about TranzAct’s
Constellation TMS →