



TRANSPORTATION MANAGEMENT &
LOGISTICS

JAGGAER's Sourcing Optimizer Solution Powers Transplace's Complex, Large-Scale Sourcing Events

Customer Profile

For the last eight years, Transplace has relied on JAGGAER's Sourcing Optimizer solution to help manage the vast amounts of data from its complex sourcing events to achieve the best possible results for its customers. Transplace knew that partnering with JAGGAER could take their operations management processes to the next level, as the source-to-pay provider's

reputation in the logistics industry gave them confidence they would be in good hands. Transplace is the largest third-party logistics provider of managed transportation services in North America. It manages large-scale, highly complex sourcing events, involving hundreds of carriers across multiple modes. The company needed a sourcing tool that allowed them to work on such an enormous scale.

Challenge

Since its founding in 1993, Transplace has experienced tremendous growth. "Back then, we might have done 15 large-scale sourcing events over the course of a year," said Ben Cubitt, SVP of consulting and engineering at Transplace. "Today, we have 15 happening at any one time."

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- Ben Cubitt
SVP, Consulting & Engineering
Transplace

By growing its services over the years—including domestic intermodal, cross-border, and international ocean and air shipping—Transplace has become a trusted resource for CPG, chemical, manufacturing, and packaging companies, placing them as a strong player in Gartner’s Magic Quadrant for Transportation Management Systems (TMS). “We want to deliver a complete global solution for our North American customers,” said Cubitt.

To serve those customers, Transplace manages very large, complicated sourcing events. “We do events from \$5 million to several hundred million dollars,” said Cubitt. He added that events of that size can involve more than 200 carriers and thousands of shipping lanes. For Transplace’s customers, from chemical companies whose products require special handling to large CPG companies delivering to demanding customers that fine shippers for early or late shipments, finding the right carriers is every bit as important as cost. To do that, Transplace leads its customers through an exhaustive analysis process, reviewing a year’s worth of carriers’ shipment history and matching it to the customers’ shipment patterns and requirements. This involves working with a tremendous amount of data. “It gets to be a data overload,” said Cubitt. Managing and communicating all of that information with dozens of carriers poses significant challenges.

Solution

Transplace has been using JAGGAER’s Sourcing Optimizer tool since 2009 to make sense of this huge and dynamic data set. “When you have 100+ carriers bidding on that many lanes, sometimes with different equipment types, it gets to be a challenge,” said Cubitt. “JAGGAER gives us the tools to keep all of that information organized and presented to the carrier base accurately and efficiently.” The solution facilitates a rigorous process of reviewing scenarios posed by the sourcing events with customers. The goal is to place the optimal carriers in the right places to best serve customers’ needs. While cost is important, it’s not the only factor. “If we just needed to find the lowest-cost solution, that’s pretty easy,” said Cubitt. “You can do that with a spreadsheet. But there are many more factors that need to be considered.”



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The power of the optimization solution, according to Cubitt, is that it makes it easier to review and analyze multiple factors beyond price. Customers will evaluate carriers based on their quality of service, having the right equipment, or their ability to service certain areas. JAGGAER makes it easier to consider all of the factors important to any customer, such as market competitive costs and committed capacity with strong core carriers.

Results

Transplace has been able to use advanced sourcing from JAGGAER to realize cost savings for its customers. “We’re in a fast-changing market where over the past few years every bid resulted in savings of five to 15 percent. This is a market where managing rapidly rising costs while maintaining high service levels is the goal,” said Cubitt. “That’s the true measure of success, along with meeting other requirements.” Those other requirements go

beyond dollars and cents, and revolve around ensuring the customers’ needs are met. “We partner with customers to get the optimal answers for them and their carrier partners.”

In a different market, where cost savings would be hard to come by, Transplace’s process, supported by JAGGAER, will still be important. “In order to keep up with all of the events we have, you have to have a tool that’s capable and reliable,” said Cubitt. “The ability to handle all the data in a nice, neat way, and streamline communication to participants. That’s the real power of optimization.”