



SERVICES | ADVANCED SOURCING
OPTIMIZER

Motrex Drives Better Transportation Deals

The Challenge

Motrex LLC is a service company providing core administrative services to Stryten Energy LLC and Element Resources DE LLC, including deep expertise in the sourcing of shared services such as transportation and logistics.

Transportation is a highly complex category, with hundreds of possible scenarios to consider when looking for the optimum bid awards. With plants and delivery destinations across North America and beyond, Motrex faced significant challenges in the areas of sourcing for truckload, multimodal and less-than-truckload (LTL) transportation.

Dustin Mimbs, Carrier Strategy Manager at Motrex, has been working in transport and logistics for almost 20 years and is responsible for the precise management and segmentation of more than 30 national and regional carrier relationships. "I grew up in an owner-operator carrier family, so I understand the challenges our suppliers face when maintaining a fleet," he says. "With the bulk of the truckload market serviced by small operators, it is necessary to rely on the third-party logistics market as well as critical asset-based carriers."

"We had to take a renewed look at our truckload carrier base due to Covid-19

related capacity issues towards the end of 2020. We needed to find a way to properly segment our network of current truckload and intermodal incumbent providers with new providers who would not drop most of our contracted rates," Mimbs adds.

Motrex did not like its position with regard to intermodal spend or the number of incumbent providers and sought expansion to include more lanes with a long-term outlook, not short-term market fluctuations. The challenge was to find a solution that would allow Motrex to award enough freight dollars and volume without over-taxing a provider's overall capacity to service the network at lane detail.

The Solution

Motrex invested in building a sourcing optimization and analytics team and selected the JAGGAER Advanced Sourcing Optimizer for transportation. With the implementation of JAGGAER in Q1 2021, Motrex identified five percent savings year-on-year throughout its truckload and intermodal network in the bid.

"Despite the challenges of Covid-19, we have still seen savings," says Mimbs. In addition, the company was able to increase its intermodal lane coverage by 10 percent.



Advanced Sourcing Optimizer (ASO) tools and reports allowed Motrex to achieve its desired outcome of not over-awarding a new provider to its network while rewarding a high-servicing incumbent provider with more freight revenue.

“In simple terms, Advanced Sourcing Optimizer makes it easy to herd cats,” says Mimbs. “We build scenarios and ASO allows us to segment those scenarios into pieces that make sense. It allows us to focus on weak points in the network while repricing certain lanes from incumbents with whom we want to continue to do business.”

The smart functionality in Advanced Sourcing Optimizer functionality enables Mimbs and his team to target the awards in such a way that bidding carriers do not feel cheated. Feedback has been positive, with bidders preferring the new process to traditional transport management systems.

As a repository of easily accessible sourcing data, Advanced Sourcing Optimizer makes it simple for Motrex to prepare for its next event. The ability to upload historical rates into JAGGAER for comparison and calculation of savings or cost investments will enable Motrex to improve and monitor its processes continuously in the coming years. “What this has also allowed us to accomplish is establish a solid carrier base that will feature heavily in rolling out our other transportation group initiatives, such as pool-point truckload shipments to LTL terminal deliveries,” says Mimbs. “Our customers and end-users will certainly reap the benefits of these future implementations.”

JAGGAER supports the Motrex team with expert strategic support services and industry-leading account management best practices.

“JAGGAER invited me to its global procurement conference, where I attended a certification course and learned useful information that my team has implemented,” notes Mimbs.

“The training was very beneficial, and video strips provided deeper understanding in real-time. I think the certification program is great for both novice and experienced users alike, and it has contributed significantly to the team’s success.”

To take even greater advantage of the benefits offered by Advanced Sourcing Optimizer, Motrex plans to use the program’s scorecarding function and conduct a trial of the Intelligent Award Navigator (IAN). IAN uses artificial intelligence to allow users to navigate through complexities and multiple outcomes in relation to variables and find their way to the optimum solution. “Having built up data through event histories, this could prove to be a valuable asset,” Mimbs says. “We are also looking to utilize best practices in using the tool for a future LTL bid event.”

John Hutchison, Director, Supply Chain Optimization and Analytics, says, “I have been very impressed with what Dustin and the team have achieved in a relatively short timeframe, and I fully supported his decision to extend the company’s relationship with JAGGAER.”

Benefits

- Support for complex sourcing events
- 5 percent savings in the first year, despite Covid-19
- Increased its intermodal lane coverage by 10 percent
- Ease of use of advanced analytics
- Ability to strike balance between savings and operational integrity
- Better visibility into bid history
- Trust built with carriers through transparency and ease of use

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