



## **KDL'S APPLIED INTELLIGENCE FINDS NEW OPPORTUNITIES**

KDL Logistics offers a suite of services to help companies optimize their shipping operations and improve profitability. Our Applied Intelligence process generates an in-depth analysis identifying areas for improvement and providing actionable recommendations. Detailed lost opportunity analysis and network alignment modeling can optimize carriers and recommend shipping locations.



## A Better Approach to Carrier Selection

Companies commonly seek our support in cutting shipping expenses by asking us to negotiate reduced carrier rates. This is often the wrong medicine for what ails them. In a recent case, KDL's Applied intelligence showed a client that their true ailment was failing to select the best carrier for each order, leading to \$800k per year in added expense. We demonstrated where inbound, outbound, and lane opportunities exist, and trained their team on using our portal to manage their vendor list and to quickly choose the correct carrier option for each outbound shipment.

Renegotiating rates with carriers in this case had the potential to produce a 10% savings on a \$4.6M spend, or \$460K. *The chart below illustrates how our recommendations could generate an additional \$978K in total cost reduction.*

Carriers Used	Inbound	Interco	Outbound	Third Party	Grand Total
ODFL	\$ 132,677.80	\$ 8,779.75	\$ 899,790.26	\$ 7,874.47	\$1,049,122.28
NPME	\$ 39,060.45			\$ 2,193.10	\$ 41,253.55
RDWY	\$ 21,136.99			\$ 5,739.96	\$ 26,876.95
JEWE	\$ 1,040.89		\$ 20,226.23		\$ 21,267.12
DYLT			\$ 11,737.90	\$ 135.00	\$ 11,872.90
ROSS	\$ 6,676.79		\$ 526.33		\$ 7,203.12
RLCA	\$ 91.14		\$ 1,014.21		\$ 1,105.35
UPGF	\$ 342.38		\$ 200.04		\$ 542.42
FXFE	\$ 528.94				\$ 528.94
SAIA			\$ 481.92		\$ 481.92
HMES	\$ 200.99				\$ 200.99
PYLE			\$ 198.82		\$ 198.82
<b>Grand Total</b>	<b>\$ 201,756.37</b>	<b>\$ 8,779.75</b>	<b>\$ 934,175.71</b>	<b>\$15,942.53</b>	<b>\$1,160,654.36</b>

Optimized Carriers	Inbound	Interco	Outbound	Third Party	Grand Total
RLCA	\$ 61,947.75	\$ 3,093.25	\$ 459,097.78	\$ 1,945.11	\$526,083.89
ODFL	\$ 57,861.55	\$ 3,451.41	\$ 259,195.15	\$ 7,416.43	\$ 327,924.54
JEWE	\$ 16,110.15		\$ 35,718.29		\$ 51,828.44
RDWY	\$ 182.08	\$ 469.98	\$ 5,859.89	\$ 156.66	\$ 6,668.61
PYLE	\$ 961.38		\$ 1,000.60	\$ 1,312.79	\$ 3,274.77
DYLT				\$ 145.70	\$ 145.70
<b>Grand Total</b>	<b>\$ 137,062.91</b>	<b>\$ 7,014.64</b>	<b>\$ 760,871.71</b>	<b>\$10,976.69</b>	<b>\$915,925.95</b>

<b>Savings Potential</b>	<b>\$ 64,693.46</b>	<b>\$ 1,765.11</b>	<b>\$ 173,304.00</b>	<b>\$ 4,965.84</b>	<b>\$ 244,728.41</b>
<b>%</b>	<b>32.1%</b>	<b>20.1%</b>	<b>18.6%</b>	<b>31.1%</b>	<b>21.1%</b>
<b>Annualized</b>	<b>\$ 258,773.84</b>	<b>\$ 7,060.44</b>	<b>\$ 693,216.00</b>	<b>\$ 19,863.36</b>	<b>\$ 978,913.64</b>

## The Right Warehouse Locations Make a World of Difference

Applied Intelligence is also used to perform warehouse relocation and network optimization studies. These studies help our customers determine the most cost-effective locations for new warehouses and identify the best shipping lanes to use within existing locations.

For a customer considering a new warehouse on the West Coast, we used historical data from current facility locations to model options for potential new locations. *The chart below highlights cost by carrier, transit times, and totals — providing the customer with two highly effective options.*

Carrier	Shipments	Anaheim LLC Rates	Average of Transit
HOLY	32	\$ 2,803.18	1.0
RETL	26	\$ 8,328.38	1.1
UPGF	20	\$ 5,368.80	3.1
FXFE	16	\$ 2,716.37	1.6
OAKH	6	\$ 1,168.11	1.0
SAIA	1	\$ 358.34	4.0
CNWX	1	\$ 705.20	4.0
<b>Grand Total</b>	102	<b>\$ 21,448.38</b>	1.6

Carrier	Shipments	Reno LLC Rates	Average of Transit
FXFE	45	\$ 7,016.47	1.4
RETL	32	\$ 7,649.00	1.3
UPGF	23	\$ 5,385.73	3.0
SAIA	2	\$ 1,024.38	4.0
<b>Grand Total</b>	102	<b>\$ 21,075.58</b>	1.8

KDL also optimized the rest of their current network by identifying which warehouse would be most effective at servicing their customers resulting in an additional \$111K reduction in shipping expenses.

### LET'S WORK TOGETHER

These are just two recent examples of how Applied Intelligence can help maximize profitability for shippers.

Contact us today at [info@kdlog.com](mailto:info@kdlog.com) or visit [kdlog.com](http://kdlog.com) to learn how we can help your company.



**People Drive Logistics**

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