



Centrotherm

# Helping a Leading HVAC Manufacturer Cool its Logistics Costs

## Data Analysis Drives Cost Management and Supports Growth

### CHALLENGE

Centrotherm's growth plans required westward expansion with local delivery capabilities and better control of its largest expense center: logistics costs. Their instinct was to launch a new bidding process with all carriers.

### KDL Approach

KDL had been working with Centrotherm to integrate with its new ERP system, and instead of re-bidding carriers, recommended a comprehensive freight study. The data not only provided a clear picture of carrier performance, but also identified outdated freight policies being inconsistently enforced.

In addition, KDL quickly identified the optimum warehouse partners to facilitate Centrotherm's regional expansion.

### RESULTS

The freight study resulted in an overhaul of policies, and a new strategy for phased introduction of the market-based program. The trial, consisting of a revised carrier mix and updated terms, immediately contributed to a 23% reduction in freight costs. KDL and Centrotherm will continue to work together to adjust as the environment evolves.



*KDL gave us more than we expected- a full picture based on our own data. The factors affecting our logistics cost center continue to change, and if we don't diligently review our approach we will be at a competitive disadvantage.*

— TJ Culliton, Director of Operations



*We came at the problem from a freight cost bidding perspective, but KDL delivered a more comprehensive approach that enabled us to communicate the need for change, and realistic options for how to accomplish it*

— Anthony Almy, Logistics Manager

**People Drive Logistics**

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