

# Global Manufacturer Transforms Supply Chain Through Logistics Performance Management

## Trax Technologies Delivers Blount Trusted Visibility and Increased Controls

### Trax Customer

Blount International, Inc. is a global manufacturer and marketer of replacement parts, equipment, and accessories for the forestry, lawn and garden, farm, ranch and agriculture and concrete cutting and finishing markets.

### Challenge

Blount sells products in more than 115 countries and operates regional manufacturing and distribution centers around the world. Due to regional variations in financial and legal requirements, site processing methods and general market differences, Blount lacked a consolidated view into its global logistics spend and what they were able to bring together was inconsistent, questionable data. This uncertainty in its data hindered the company from effectively making significant progress in its logistics or supply chain goals. Blount also struggled with obtaining the information it needed to both standardize and measure compliance to its financial controls requirements globally, further hampering its efforts to create efficiencies around the logistics settlement process. Making their data visible company-wide in a consistent format was an urgent priority.

Blount required a strategic partner with global capabilities and a presence in the markets it serves. It enlisted Trax Technologies to help improve operational efficiency and provide essential understanding to Blount's spend.

### The Trax Solution

Through Logistics Performance Management (LPM) – a discipline dedicated to measuring and improving supply chain results – Trax helped Blount drive efficiency gains, minimize risk and deliver savings. By focusing on data refinement and automation, as well as Governance Risk and Compliance (GRC) controls, Trax identified and stopped revenue and expense leaks for Blount and its LSP partners. Trax also automated the process that classifies logistics costs to the correct budget within Blount and provided immediate, reliable visibility into the company's logistics spend.

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Relative to analytics, Blount realized that it needed to augment its internal capabilities in order to be able to produce the outputs necessary to better align logistics to the overall supply chain strategic plan. Trax provided the tools, data, and analysis Blount needed to gain essential insights. Furthermore, Trax was able to enhance the value and utility of Blount's investments in its ERP and other technologies by providing refined underlying data that made these systems smarter and more effective. This ultimately improved Blount's supply chain margins.



### Blount International Inc.

Portland, Oregon

### Industry

Manufacturing

### Engagement

Global

### Core challenges

- Lack of visibility into global logistics spend
- Global controls not standardized
- Multiple freight cost management systems
- Decentralized business units and geographic centers
- Audit functions at a purely regional level
- High number of FTEs processing paper invoices
- No electronic transmissions from carriers

### Trax solution

- Normalized aggregate views of freight spend
- Created operational efficiencies across all invoice & payment functions
- Provided scalable technology and framework for ease of global deployment
- Found savings and efficiency gains for Blount
- Provided Blount tools, data and analysis to gain valuable insights and improve supply chain margins
- Increased the value of Blount's existing technology, providing a single global view



## Results

By partnering with Trax, Blount now has single source visibility into greater than 90% of all of its logistics spend. Unmatched granularity of information enforced within the Trax GRC control process delivered analysis and insights that highlighted areas of opportunity and allowed Blount's analysts to proactively attack issues before they became historical. As a result, Blount has been able to achieve a reduction of \$7M, or 4%, in overall global logistics spend over the 3 year partnership with Trax.

Additionally, Trax has positively impacted additional supply chain activities such as cost per kilogram and landed cost opportunities. For example, from India to the US, the cost per kilogram went from \$1.20 per kg, on average, to \$0.50 per kg.

## Trax Enables Win/Win

Both Blount and its logistics service partners benefit from having better clarity into their shipments. With trusted information on both sides, all parties are able to negotiate more accurate contracts based on specific services used. As a recent example, Blount was able to maintain service expectations and decrease costs by approximately \$1.6M with a major parcel service provider alone. In another scenario, Trax's ability to support granular billing codes and break up charge categories with a major global third-party logistics service provider led to a major shift in performance and value to both Blount and its partner.



Initiatives such as these have actually created opportunities for both Blount and the LSPs to become more efficient and enhance their partnerships. Better data and analytics allow partners to provide more strategic services and value-add, ultimately solidifying relationships for the long term.

"Blount set out to design and implement a single global freight audit and payment solution with Trax," explained Alfredo Camacho, Director of Global Transportation and Trade Compliance for Blount. "Now, the engagement is not about paying freight, it's about data accuracy and enrichment, and the endless possibilities of what we can do with that data."

## Conclusion

Blount is on a journey to derive value from its supply chain and improve the company's bottom line. This long-term vision includes driving clarity in landed cost, cost-to-serve at a SKU level, margin improvement, holistic supply chain visibility and centralized data integration. Trax is accelerating Blount's ability to make this vision a reality by utilizing Logistics Performance Management solutions to improve efficiencies and automation, apply proper GRC controls and identify on-going strategic opportunities that assure bottom line benefit.

## Results

- Identification of new upstream opportunities
- Increase in visibility to 90% of logistics spend
- Savings of 3-4% in overall global logistics spend
- Ability to negotiate better contracts with LSP partners
- Improvement in billing codes and LSP partner performance
- Implementation of exception-based processes for freight management
- Access to a robust year over year analytics platform enabling benchmarking & forward-looking scenario design
- LSPs now motivated to enrich data feeds
- Improved LSP billing capabilities now considered service-level differentiation competencies

**Trax specializes in creating game-changing opportunities and continuous improvement for its clients.**

Discover what Trax can do for you by calling **+1-480-556-8700** to schedule a no-obligation consultation or visit [www.traxtech.com](http://www.traxtech.com).



## About Trax Technologies

For more than two decades, Trax Technologies has been helping the largest buyers and sellers of global logistics to elevate supply chain effectiveness through better data, stronger controls and smarter insights. Headquartered in Scottsdale, AZ with offices around the world, Trax's Logistics Performance Management solutions, services and platform enable better collaboration and alignment between shippers, carriers and the technologies that serve them.