

“In order to have a good procurement solution you can’t just discount service. Manhattan Associates allows me to find the optimal combination of cost and service for my customers.”

Barb Pitroski  
VP Carrier & Freight Solutions



# Manhattan drives increased 3PL productivity for Genco

## TRANSPORTATION PROCUREMENT SOLUTION ROLLS OUT IMPROVED EFFICIENCIES AND COST SAVINGS

Genco Supply Chain Solutions began in 1898 as the H. Shear Trucking Company with one horse-drawn wagon. Today it manages \$1 billion in freight annually for more than 150 customers and generates more than \$725 million in annual sales. The company specializes in reverse, contract and transportation logistics, parcel negotiations and audits, damage research, product liquidation, pharmaceutical services and government and technology solutions. This wide range of services has made it the second largest third-party logistics (3PL) provider in the U.S. and among the top 50 worldwide.

The company’s transportation logistics division, based in Green Bay, WI, is a non asset-based 3PL that offers customers consulting and transportation management as well as parcel business services. Barb Pitroski, VP of Carrier and Freight Solutions, explained that the challenge in meeting customers’ needs is that the same menu of options is not appropriate for each one. Each client demands a different balance of cost, service and specific requirements. “We spend a great deal of time with customers to define the value variables and to hone in on the spot on the cost/service continuum where we need to place them to be successful. Then we can tailor our procurement events towards meeting those objectives and goals,” she said.

## MARKET CONDITIONS OVERLOADED THE OLD SYSTEM

Over the course of one year, Genco began receiving more requests than ever for procurement solutions and services. Its internally developed analytics solution was unable to keep pace with the number and complexity of these requests, which could range from 100 to 10,000 lanes and include bids from 15 to 140 different carriers. Pitroski indicated that larger projects frequently required up to 100 hours of administrative time to process carrier responses before results were ever produced.



**Headquarters:**  
Pittsburgh, PA

**Manhattan solution:**  
Transportation Procurement

### Challenge:

Replace outdated transportation procurement system.

### Goal:

Implement a web-based procurement system with flexibility and analytics to keep pace with complex customer demands and improve productivity.

### Solution:

Manhattan’s solution provides greater flexibility, more analytic features, improved productivity and cost savings.

### Result:

50% productivity improvement, 4% -20% cost savings and 60% -70% reduction in time required to administer customer events.

In addition to developing rosters of carriers for customers, Genco routinely works on analytic projects for clients. These include comparing the costs of a dedicated fleet to outsourced transportation resources, evaluating the costs of intermodal versus over-the-road carriers, and analyzing the financial impact of changing the size of clients' intermodal containers. Such complex scenarios, which demand in-depth analytics, also clearly demonstrated the company's need for a more robust solution that could improve productivity as well as manage the increased volume that would accompany Genco's ongoing plans for growth.

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## MANHATTAN ANALYTICS AND FLEXIBILITY PROVIDED THE SOLUTION

After considering solutions from three different providers, Genco chose Manhattan's Transportation Procurement solution because of its analytical capabilities and flexibility. Once the decision was made, implementation was actually completed in only three weeks in order to accommodate a \$65 million truckload event. That event ended up serving as a live test of the new system.

“We only hit a few minor snags as we worked on the project with our customer sitting in our conference room,” said Pitroski. “When we had an issue, I’d excuse myself and get on the phone with Manhattan customer service, which was monitoring the process. Each time I called them, they were already working out the problem,” she added.

The Transportation Procurement solution has provided Genco with a tremendous increase in flexibility, which aids in addressing customer demands and reducing internal administrative costs.

- Lanes for events can be flexibly defined by city, state, zip code or facility and are capacity based
- Event parameters can be set to accommodate future changes—like added facilities or alternative locations—to provide pricing recommendations without having to run additional events
- Final decisions can be made based on carrier, lane, facility or even split between carriers

According to Pitroski, the most important feature is that the system correlates costs to any changes made in the analytic parameters.

“Manhattan’s flexibility allows me to be much more responsive to my customers’ needs at the same time I’m able to minimize my own back-end administrative costs,” she added.

## NEW EFFICIENCIES CREATE SAVINGS FOR GENCO AND ITS CUSTOMERS

In addition to improved responsiveness and flexibility, Manhattan's ease of use has created cost-saving efficiencies for Genco and its customers. This has greatly streamlined events, which Genco administers internally and for which shippers and carriers upload their own data.

The resulting efficiencies include:

- 50% improvement in productivity
- 4%-20% cost savings per event
- 60%-70% reduction in the time required to administer events

These benefits have enabled Genco to pass savings on to its customers and to bolster its already impressive customer service approval rating from 5.3 to 5.8 based on a 6-point scale.