

Ace Hardware

Ace Hardware leverages BluJay's Transportation Management to **reduce freight spend**

CHALLENGE

Founded in Chicago in 1924, Ace Hardware Corporation is America's neighborhood hardware retailer with over 4,000 stores in 50 U.S. states and 60 countries. Ace Hardware stores are supported by 14 world-class distribution centers and six freight consolidation centers, supplying over 65,000 products. Ace has annual sales of over \$3.5 billion. The Ace Hardware transportation network consists of 30,000 truckload OTR shipments, 8,000 intermodal shipments, 17,000 Ace fleet shipments, and 2,700 lanes. Ace spends about \$50 million in truckload transportation costs annually.

More than half of Ace Hardware's shipments – approximately 65 percent – move as freight collect, meaning Ace pays for the moves. Ace Hardware's inbound transportation process was managed manually with spreadsheets, utilizing inefficient processes and producing outdated information. Ace wanted better control of inbound transportation to automate processes, gain efficiencies, understand costs, and identify areas for improvement.

Ace was in the process of implementing an enterprise resource planning (ERP) solution, a project that was expected to take three to four years and consume many IT resources. Meanwhile, the company recognized the potential ROI of deploying a transportation management system (TMS) and decided to slate the TMS project in front of the ERP implementation, with the goal of finding a TMS requiring limited IT resources.

Ace established a list of goals for a transportation management system.

- Gain visibility into true freight costs
- Identify and manage inbound freight
- Centralize freight payment
- Obtain business intelligence to assess carrier performance
- Reduce freight costs

QUICK FACTS

- › Leading home improvement retailer with \$3.5 billion in annual sales
- › Founded 1924
- › Headquartered: Oakbrook, Illinois

BUSINESS CHALLENGE

- › Ace sought to improve visibility of inventory and orders, while gaining control of supplier performance and freight cost.

RESULTS

- › With improved freight routing, business intelligence, and visibility provided by BluJay's Transportation Management, Ace has saved over \$18 million in transportation costs while reducing lead time and inventory levels.

SOLUTION

Ace Hardware selected Blujay's Transportation Management platform to meet its needs and goals. The Transportation Management software transmits Ace orders to suppliers, then selects and tenders to the lowest-cost or best-match carrier. The carrier accepts the load through Blujay's Transportation Management, where the supplier has visibility to carrier acceptance and schedules an appointment. Blujay's technology platform gives Ace Hardware visibility to order and load statuses while providing information on true transportation costs.

"Blujay's Transportation Management runs our daily operations and we harvest the visibility of real-time information to gain better control of transportation performance and cost," said Ace Hardware's Director of Transportation. "Blujay's Transportation Management gives us the business intelligence and analytics to structure our carrier procurement; by providing better information to carriers, they can submit rates and service proposals based on actual transportation information."

With Blujay's technology, Ace Hardware gains many capabilities, including:

- Automate transportation tasks, including planning, execution, and settlement
- Leverage the Global Trade Network to manage inbound shipments for greater freight savings
- Use Blujay's Procurement application to automate spot market RFPs
- Utilize the BluDex® transportation lane index to compare freight costs to market
- Gain visibility of orders and shipment status

A VALUABLE RELATIONSHIP

The relationship between Ace Hardware and Blujay Solutions continues to evolve. Along with Transportation Management, Ace uses additional solutions integrated in the platform including Blujay's Procurement, BluDex, and Freight Management. Ace estimates that Blujay Solutions saved the company over \$18 million in transportation costs since implementation. The savings come from process efficiencies, such as selecting the right carriers and right modes. In addition, Ace has realized savings from Blujay's Procurement, leveraging the tool's real-time market information to negotiate better agreements with carriers.

Blujay's platform provides Ace with visibility and benchmarking data that helps improve lead-time accuracy and reduce inventory levels at distribution centers. Prior to deploying Blujay Solutions, Ace experienced low lead-time dependability from suppliers, thus requiring higher levels of safety stock. With the business intelligence provided by Blujay's Transportation Management, Ace identified the problem areas and made adjustments to reduce inventory, increase inventory turns, and improve lead-time dependability.

Ace Hardware continues to receive benefits from Blujay including:

- Improved real-time visibility and business intelligence
- Increased freight bill savings
- Reduced safety stock levels
- Reduced lead time from production to receipt
- Improved freight routing



"Blujay's Transportation Management is the gift that keeps on giving. Their solution runs our transportation network while opening our eyes to additional opportunities with broad supply chain impact. We continually evolve with Blujay"

Director of Transportation
Ace Hardware

ABOUT BLUJAY SOLUTIONS



Blujay Solutions delivers supply chain software and services to the world's most progressive retailers, distributors, freight forwarders, manufacturers, and logistics service providers. Transforming supply chain logistics with the Blujay Global Trade Network, we enable customers to unlock the power of more than 40,000 universally connected partners. With Blujay, companies can achieve greater trade velocity, transform their supply chain economics for disruptive advantage, and see beyond the horizon to optimize their future in the global economy.