

# Ferrara Candy

Ferrara Candy leverages BluJay's LaaS while preparing for **business growth**

## CHALLENGE

**Ferrara Candy Company is an international manufacturer of iconic confectionary brands, including Lemonheads, Now and Later, Atomic Fireball, Sather's and Trolli, with over \$1 billion in annual sales.** Headquartered in Oakbrook Terrace, Illinois, Ferrara has five manufacturing plants in the U.S. and Mexico; two U.S.-based distribution centers (in Bolingbrook, Illinois and Grand Prairie, Texas); and numerous co-manufacturing and co-packaging partners throughout the world. In addition, Ferrara Candy Company leverages 18 partners across 32 locations throughout the U.S. to assist with consolidated, regional LTL distribution. The company has about \$60 million annual freight spend.

In 2014, Ferrara recognized the need for a more modern and structured approach to transportation management, and implemented BluJay's Transportation Management (TMS) portal for outbound,

inbound and interplant Transportation Planning, Rate Management, Carrier Score-carding and Freight Analytics. The following year, Ferrara added the BluJay Procurement Tool as its application of choice for annual freight bid execution and management.

BluJay TMS proved to be a valuable application in aligning processes, increasing freight planning efficiencies and aligning carrier expectations. However, over the course of three years, the company's eight-person transportation team faced attrition and dwindled to just four people by November 2017. At the same time, Ferrara Candy Company was in the process of being acquired by Ferrero Group as a strategic play for the Nestle Confections portfolio. This presented a tremendous challenge for the transportation department: find a way to manage projected 70 percent volume growth within 24 months, shortly after the department had experienced a 50 percent staff reduction.

## QUICK FACTS

- › International confectionary manufacturer
- › Iconic brands include Trolli, Now and Later, Lemonheads
- › Headquartered in Oakbrook Terrace, Illinois
- › Annual sales of over \$1 billion

## BUSINESS CHALLENGE

- › Find a way to manage 70 percent projected volume growth within 24 months due to acquisition, shortly after the transportation department had a 50 percent staff reduction.

## RESULTS

- › With BluJay's LaaS, Ferrara improved efficiency and workflow while increasing internal bandwidth, providing staff the ability and time to focus on strategic initiatives. Better visibility to data and tracking capabilities yielded process improvements.

## SOLUTION

To meet these new transportation requirements, Ferrara made an initial attempt at rebuilding its transportation department with the hope of developing young talent who could expand the coverage of its network and increasing supply chain demands. However, talent was hard to find and harder to retain. Training and development requires substantial time and effort, which took time away from the transportation team’s current responsibilities in meeting the company’s logistics demands.

With the struggle of finding a team to manage logistics in-house, Ferrara considered outsourcing its logistics planning and execution to Blujay. Ferrara explored the pros and cons of Blujay’s Logistics as a Service (LaaS):

- **Pro:** *Blujay builds a team of experienced TMS users, essentially giving Ferrara “bench depth” without requiring training effort by Ferrara, filling the gaps of in-house talent and speeding the timeline to execution.*
- **Pro:** *Ability to leverage the platform to scale.*
- **Con:** *Ferrara had concerns about reliance on an outside party to comprehend and execute efficient planning and carrier management. They recognized that the transportation team – whether outsourced or in-house – needs to understand processes, customer expectations and how the company transportation network operates to leverage the tools and services most efficiently.*

## IMPLEMENTING LOGISTICS AS A SERVICE

Ferrara chose Blujay to manage its logistics services to gain a seasoned team who can leverage the full functionality of Blujay’s TMS. Michael Stautmeister, Senior Manager of Transportation & Execution at Ferrara, is responsible for the daily operations of the transportation department and oversaw the transition to Blujay LaaS.

“As with anything we do, we approached the project with the mindset that ‘communication is king.’ In some ways, the Blujay team is like new employees, so taking the ownership to teach them about your business and expectations is vital. They don’t know your specific operations or your behavior, but they do know their platform and how to leverage it to better meet the needs of your business,” said Stautmeister. “Having one of our team members actively involved in the development of the Blujay LaaS team was paramount to our successful rollout.”

Strategy for a Successful Implementation

- *Leverage pre-existing partnership with Blujay TMS and Procurement tools to capture three years of historical planning data to understand the network.*
- *Consistent interaction – including on-site shadowing and discussions to work through the nuances of the business and the current transportation team’s use of the TMS tool to meet company expectations.*
- *Inclusion on operational calls to understand company goals and metrics.*
- *Weekly review calls with customer service to better understand the customer network, requests and proactive communication of customer/Ferrara operational projects.*
- *Staggered rollout of executional responsibilities within the TMS. Ferrara started with inbound and interplant to see frequency and volume. The following week, they added outbound. After that, they transitioned more administrative duties, such as carrier interaction requests and bids.*

Ferrara followed a 12-week plan for the Blujay LaaS team to assume planning responsibilities, including nine weeks of implementation preparation and a three-week cutover process. An immediate benefit for Ferrara is the increased internal bandwidth. Internal Ferrara transportation team members have been able to shift their attention to strategic process development and system integration projects to improve efficiency and workflow. They have the ability and time to be more strategic since Blujay is managing the physical execution of transportation planning. Also, the increased knowledge and visibility to data has driven discussions for improved tracking capabilities to drive process improvement.



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Sr. Manager of Transportation & Execution  
Ferrara Candy Company