



Company Profile

We were working with the largest U.S. based manufacturer of resin dryers for the plastics industry. Their association with another company broadens their business group to offer the largest line of manufactured resin handling equipment in North America. With a recently expanded line of offline moisture analyzers, they were able to provide offline systems comparisons to determine best options for material drying analysis. Only by comparing drying capability and energy efficiency can an informed decision be made about which dryer is best for your application.

Design emphasis on product innovation provides new and updated products that save energy, space, and reduce maintenance while always providing superior performance at competitive prices. More and more processors are moving to this company and their increase in market share is evidence of that. Their customers remain their first priority with a commitment to bring plastics processors the highest level of quality through their products, services, and personal attention.

“*they felt it necessary to initiate premium pricing to protect the higher value shipments because they had no system tools to manage the ability to determine when a lower value and rate might be available. Plus, they had no benchmarking to give them visibility of the excess cost incurred.*”

The Issues

1. High Liability Rates
2. High Pricing for Every Shipment
3. No System Tools for Pricing
4. No Benchmarking
5. Blind to Excess Cost Incurred

Opportunity

This resin dryer manufacturers' shipping profile consists of support parts and service items to high end manufacturing equipment that has a high cost requiring added liability protection. Their existing carrier agreements were structured to protect the high end value shipments. As a result, pricing was negotiated with a liability per pound of \$50. This high liability rate resulted in premium pricing for every shipment even when the shipment value was much lower than the contracted liability rate.

The Simplified Solution

Simplified Logistics performed an analysis of the resin dryer manufacturers' shipping patterns and profile. This analysis indicated that **only 5%** of their shipments had a value that exceeded standard carrier liability rates. We were able to negotiate lower rates to support the majority of their shipments while providing protection for the higher value shipments. Simplified customized our TrueDoc module to allow their users to enter a declared value for the shipment. This declared value will filter the choice of carriers and pricing to only those that will provide a liability rate that covers the value of the shipment. The result allows them to utilize quality carriers and least cost pricing that is no longer costing them a premium for every shipment. As a result, **the resin dryer manufacturer has experienced LTL savings of over 18%** from their previous pricing while implementing efficiencies in the shipping decision process.