

# Sargento Reduces Freight Spend and Improves Visibility

## Large Provider of Dairy Products

Based in Plymouth, Wisconsin, Sargento Foods is a family-owned company that has been an innovator in cheese since 1953. With over 2,000 employees and net sales of more than \$1.3 billion, the company manufactures and markets shredded, sliced and snack natural cheese products to consumers as well as ingredients and sauces to the food service industry.

## Cost Control and Visibility Challenges

To gain control of transportation costs, the company sought to eliminate manual processes and improve order visibility. Sargento's existing transportation management system (TMS) was not able to meet operational requirements. Orders were planned into shipments without considering cost, service or contractual commitments to carriers, and there was an inability to accurately allocate transportation costs at the order level. Sargento chose to implement a flexible, scalable multimodal transportation management system that would meet their operational needs today and in the future.

### **The company established a list of goals for a new TMS to meet:**

- Integrate with 30 carriers
- Ship approximately 3,000 orders per month
- Transport an average of 24 million pounds of products per month
- Integrate with existing supply chain software
- Straight-through processing of order data via EDI

## Why e2open®?

E2open's application proved ideal for helping Sargento gain order visibility and eliminate manual processes that did not add value to drive significant process accuracy and efficiency.

Using e2open's Transportation Management for Shippers solution, Sargento is able to automate freight payments, reduce less-than-truckload (LTL) shipments and improve visibility and allocation of costs.

## Greater Efficiency and Accuracy for Shipping Operations

Sargento improved operational efficiencies by eliminating manual processes and non-value-added services. In the past, if a carrier charged an incorrect transportation cost, Sargento did not have the visibility to correct these charges prior to being invoiced for them.



“The multimodal transportation platform has allowed us to see a 15 percent reduction in our cost per pound, excluding the cost of fuel.”

**General Manager**

Sargento

Sargento would calculate the rates but were often invoiced using a different rate. As a result, they had a difficult time reconciling payments. Since the implementation of the e2open solution, each carrier has a contract in the contract management module of the system, where their rates are locked and paid accordingly with no discrepancies. Not only has the system helped Sargento manage costs, the automation has reduced the manpower required to reconcile payments from 15 hours per week to six hours per week, resulting in a 60 percent reduction in administrative costs for freight payment.

Accruals are done as soon as the product is loaded at the distribution center. The billing information is fed to the finance department and the accrual of transportation costs is done in real-time. Accessorial costs that occur during delivery are captured as part of the invoicing process and are also allocated down to the order level.

This helps to ensure the real cost of freight is captured for each customer. With e2open, the company is now able to evaluate charges during the year to better determine what the customer charges should be the following year, taking into account the back-end fees that each customer was accumulating. This allows Sargento to accurately allocate costs back to their customers and helps ensure profitability.

Prior to the implementation of e2open, Sargento was performing 10 percent of its shipments via LTL. With the visibility provided by the e2open TMS, the company is able to convert more of their shipments into full truckload (FTL), with only four percent now being shipped as LTL. With enhanced planning capabilities, Sargento can now plan multi-stop and multi-pickup routes, consolidating on average four different customer orders per shipment for optimal execution and further cost savings.

## About e2open

At e2open, we're creating a more connected, intelligent supply chain. It starts with sensing and responding to real-time demand, supply and delivery constraints. Bringing together data from customers, distribution channels, suppliers, contract manufacturers and logistics partners, our collaborative and agile supply chain platform enables companies to use data in real time, with artificial intelligence and machine learning to drive smarter decisions. All this complex information is delivered in a single view that encompasses your demand, supply and logistics ecosystems. E2open is changing everything.

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