

BRIEF CASE ↘

Barilla's Focus on Accurate Fuel Reimbursements and Cost Reduction

Barilla is one of the world's leading Italian food companies. Established in 1877, the family-owned business is now an international group present in more than 100 countries. A world leader in the markets of pasta and ready-to-use sauces in continental Europe, bakery products in Italy, and crispbread in Scandinavia, Barilla symbolizes Italian know-how and a commitment to producing high quality and innovative products.



The situation

Barilla is always looking to drive efficiency and cost savings in its transportation network. Barilla America has plants in Ames, IA, Avon, NY, and Montreal, QC, and a handful of regional distribution centers. They opened the Ames plant in 1998, the Avon plant in 2007, and acquired the Montreal plant in 2021—shipping on lanes that operated above and below the national fuel average.

The challenge

Barilla's use of fuel surcharges based on national average fuel prices from the Department of Energy's (DOE) diesel fuel price index led to inaccurate fuel reimbursements to carriers. The DOE provides a once-weekly, single national retail average price based on a sample of less than 10% of all national fuel stations. This average fuel price significantly impacted Barilla's transportation budget – especially in today's volatile energy market. To align their fuel reimbursements with the market, Barilla needed a solution that reimbursed carriers at the wholesale price at which carriers procure fuel.

The solution

Barilla identified an opportunity to implement a reliable fuel reimbursement solution that moved

with the market for their for-hire U.S. and Canada freight volume – Breakthrough Fuel Recovery. This solution enabled Barilla to greatly improve its fuel reimbursement model by moving beyond one average price of diesel fuel to a market-based program that calculated a fair, lane-level fuel price for each of Barilla's shipments. Fuel Recovery accounts for the time, tax, price, and geography of individual freight movements, bringing much-needed accuracy to the fuel reimbursement calculation.



The Fuel Recovery implementation process was quick, with Barilla going live, only two months after the kickoff call. Breakthrough easily connected with e2open, Barilla's Transportation Management System (TMS) provider, through standard integration. The seamless connection between Breakthrough and e2open provided

access to the lane-level data needed to calculate Barilla's fuel reimbursement to carriers on each shipment.

The fuel reimbursement solution was implemented in parallel with a network RFP conducted by Barilla and the e2open Logistics as a Service (LaaS) team. During this event, detailed training was provided to carrier partners so they knew what to expect from the program. With the help of the dedicated LaaS team, Barilla seamlessly rolled the program out to their carrier base while procuring market competitive base rates for their upcoming year.



Barilla

Challenges

- Distorted fuel calculation led to fuel overspend

Solution

- Implement a reliable fuel reimbursement solution that is integrated with the TMS

Applications

- Transportation Management
- Breakthrough Fuel Recovery

Services

- Logistics as a Service

The outcome

Following the implementation, Barilla focused on continuous improvement opportunities to deliver additional savings and data transparency. They moved forward with a zero-base strategy as part of their Fuel Recovery program, ensuring carriers are fully reimbursed regardless of price changes, and continue to make Miles Per Gallon (MPG) fuel efficiency improvements in every Request for Proposal (RFP). These adjustments seamlessly integrated into their process, with e2open and Breakthrough account representatives actively collaborating in their meetings.

Through the implementation of Fuel Recovery, Barilla achieved more than a 20% reduction in fuel spend compared to their previous fuel program, delivering tremendous value to their bottom line and reimbursing carriers a fair and accurate price for the fuel consumed. Fuel Recovery provided clear delineation between their fuel and freight spend, allowing Barilla to make more informed decisions in their overall transportation strategy. Their carriers are also happier with the accurate reimbursement of fuel because of the market-based calculation.

Applications

- Transportation Management
- Breakthrough Fuel Recovery

Services

- Logistics as a Service



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E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 480,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 15 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™ Learn More: www.e2open.com

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