

Ace Hardware Leverages e2open®'s Transportation Management to Reduce Freight Spend

America's Neighborhood Hardware Store

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 over-the-road (OTR) shipments, 8,000 intermodal shipments, 17,000 Ace fleet shipments and 2,700 lanes. Headquartered in Oakbrook, Illinois, as a leading home improvement retailer, Ace spends about \$50 million in truckload transportation costs annually.

Priority One: Deploy a New TMS

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inbound transportation process was managed manually with spreadsheets, utilizing inefficient processes and producing outdated information.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 sought to improve visibility into inventory and orders while gaining control of supplier performance and freight costs. The company established a list of goals for a TMS:

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

Why e2open?

Ace Hardware selected e2open's transportation management solution 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 the transportation management solution, where the supplier has visibility to carrier acceptance and schedules an appointment. E2open's technology platform gives Ace Hardware visibility to order and load statuses while providing information on true transportation costs.

“BluJay’s [now e2open’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 [now e2open].”

Director of Transportation

Ace Hardware

“BluJay’s [now e2open’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 [e2open’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 e2open’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 e2open’s procurement capabilities to automate spot market RFPs
- Utilize e2open’s road freight rate index to compare freight costs to market
- Gain visibility of orders and shipment status

A Valuable Relationship

The relationship between Ace Hardware and e2open continues to evolve. Along with the transportation management solution, Ace uses additional solutions integrated in the platform, including e2open’s logistics procurement service, road freight rate index and e2open Logistics as a Service. Ace estimates that e2open 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 e2open’s logistics procurement service, leveraging real-time market information to negotiate better agreements with carriers.

E2open’s platform provides Ace with visibility and benchmarking data that help improve lead-time accuracy and reduce inventory levels at distribution centers. Prior to deploying e2open, Ace experienced low lead-time dependability from suppliers, thus requiring higher levels of safety stock. With the business intelligence provided by e2open’s transportation management solution, 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 e2open, 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

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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