

Distribution Center Load Plan Audit Nets Company \$300,000

Regular reviews of loading processes are key for maximizing load efficiency while getting the best return on investment.

When companies ship products the same way year after year, they often don't realize there might be a better or more cost-effective way of doing this. Routinely conducting an audit of or assessing your packaging process – from right-sizing your packaging to evaluating your shipping processes can bring substantial savings.

The Hunt for Savings

This was the case with one of Tyoga's customers – a ceramic filter manufacturer. Once Tyoga had evaluated its packaging to provide the most cost-effective solutions, they saw one of its distribution centers as an opportunity to bring additional cost savings to its customer. They planned to watch how they loaded trucks and develop a load plan that could potentially reduce damages, resulting in a cost reduction, or use different products for load securement that would save money for the company.

The Tyoga team spent four hours watching trucks and containers being loaded at the distribution center. By the end, they had identified a couple of different items that could potentially reduce the ceramic filter manufacturer's spend.

One of those solutions involved replacing steel load bars used as securement on the ceramic filter manufacturer's outbound one-way loads. During the evaluation, the Tyoga team noted that two bars were put in every container and tractor-trailer, and even though the bars are intended to be reused, the company never got them back. Because there was no closed loop in the process, they lost \$50-\$60 in steel bars per load.

Implementing the New Load Plan

The Tyoga team designed a new load plan for both their overseas intermodal loads and domestic loads to reduce the cost of materials per load while maintaining a high level of damage prevention. Tyoga removed the load bars and replaced them with strapping and airbag products at a significant cost savings. Once the load plan was completed, Tyoga got the ceramic filter manufacturer's insurance company to sign off, ensuring they would continue to insure loads packed with the new load plan.

The ceramic filter company is adamant about using scientific processes and required validation of the load plan. Testing took 6-months and involved sending marked loads to South Africa, China, Germany, and other locations and then receiving feedback on the load condition.

Once the testing was completed and the load plan approved, Tyoga trained all the employees on the dock to the proper loading practices based on the new load plan.

Significant Cost Savings Achieved

The change in load plan was a huge success and led to remarkable cost savings for the company. The change in the load plan at just the first distribution center resulted in an annual \$300,000 cost reduction. The company has several distribution centers around the country.



Why Tyoga

- ✓ You will minimize freight damage, increase load efficiency and see a better return on investments.
- ✓ Your specific application design is backed by over 50 years of Tyoga Team know-how.
- ✓ No matter the mode of transportation, you have access to the industry's broadest assortments of containment turnkey systems.
- ✓ We are your partner for troubleshooting to resolve load issues with prompt and personal service.
- ✓ Our expertise becomes yours, with custom, on-site instruction, and training based on best practices.