Optimizing transportation spend delivers savings

GNC: Global invoice audit, payment and visibility solution

GNC Holdings, Inc., headquartered in Pittsburgh, PA, is a leading global specialty retailer of health and wellness products, including vitamins, minerals, supplements, sports nutrition, diet and energy products. GNC utilizes a unified commerce approach that is executed via bricks-and-mortar and eCommerce distribution, making transportation costs a core area of focus in the retailer's business strategy.

Opportunity

GNC had several opportunities for growth within its internal operations. The retailer needed help with contract optimization and carrier management, an area that delivers rapid and significant transportation cost savings if managed correctly. Additionally, GNC lacked full visibility into its transportation data. A purpose-built business intelligence (BI) tool would increase visibility in turn, uncovering cost saving opportunities. Finally, the retailer needed to optimize financial reporting and SKU-level analytics.

At a glance

Project goals
- Complete strategic sourcing exercise to evaluate carrier mix by transportation consulting team
- Gain visibility into GNC's transportation data with myShipINFO® and output actionable intelligence to make optimization decisions
- Streamline Quick Bill Pay activities for savings and compliance, and to build better carrier relationships
- Optimize financial reporting and SKU-level analytics

Solution
- Körber's myShipINFO® (MSI) solution
- Körber's Freight Audit and Payment (FAP) solution

Features and benefits
- Saved approximately 15.4 percent of original annual baseline spend
- Accrued more than $4 million in hard dollar savings

KÖRBER

GNC
LIVE WELL
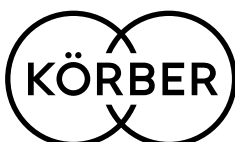
Solution

With GNC's challenges in mind, Körber's team determined that a comprehensive transportation spend management solution should be implemented to capitalize on the immediate opportunities while building the infrastructure to reap future rewards.

The team onboarded GNC to Körber's global invoice audit, payment and visibility solution, myShipINFO®, and began the data capture necessary to support further strategic initiatives. The team then executed a multi-stage strategic sourcing strategy for small parcel shipping to ensure optimal cost-to-value ratios were achieved and maintained over time. Finally, the team developed key performance indicators (KPIs) to support business objectives and tailored business intelligence solutions to role-based reporting, including root-cause drill down and querying.
A systems integration, designed to match executed shipment data to billed carrier data across all modes of transportation, rounded out a fully integrated and robust finance and analytics solution.

Results

Before this assignment, GNC had an annual baseline spend of over $26 million. After optimizing strategic sourcing, implementing a national postal consolidator carrier and holding a roadmapping workshop, GNC accrued more than $4 million in hard dollar savings, approximating 15.4 percent of its original annual baseline spend.

Further results included:

- Integrating carrier billing data with GNC's warehouse management system to drive billing compliance and BI

- Providing automated freight reporting within the BI tool

- Providing proactive network analytics and transportation finance automation

- Implementing outsourced freight payment and carrier integration solutions

- Providing COVID-19-related thought leadership and analytics

- Identifying and quantifying monthly savings resulting from the new transportation management system implementation

- Providing real-time business intelligence visibility into billed shipment activity at the KPI and GL coding levels

- Evaluating multiple scenarios in order to determine the cost of moving to a three-day customer commitment

These are only the initial successes. Körber will continue to partner with GNC in the coming years to ensure that the global health retailer's transportation network continues to be a competitive differentiator.

GNC savings quantification

Hard-dollar savings
Total: 15.4 percent

11.3% — **2**
1.3%
2.4%

1

Phase one
strategic sourcing resulted in hard dollar cost savings, with no degradation of service and minimal disruption of the carrier network.

Phase two
strategic sourcing resulted in the implementation of a national postal consolidator servicing approximately 1.3 percent of the order volume.

3

Roadmapping workshop
where 2.4 percent in cost optimization opportunities were presented