

# Portland led a national transportation review, implemented a Lead Management Provider model and rationalised the 3PL supplier base

## Supply Chain Project Scope

Supply Chain Strategy / Business Model	
Network Optimisation	Cost to Serve
Supply Chain Planning	Inventory Management
<b>Transport Operations</b>	Warehouse Operations
Manufacturing	Supply Chain Enablers

## Industry Segments

<b>Industrial</b>	<b>Construction</b>
<b>Mining</b>	Utilities
Consumer Goods	Food & Beverage
Retail	Services
Financial	Transport
Healthcare	Government

## Business Challenge

- Portland's client is a national industrial hire equipment company with >170 branch operations across Australia
- The client has an internal fleet of 200+ vehicles, supplemented with +500 transport providers providing highly variable freight services delivering everything from hand held items through to 30+ tonne excavators
- Transport is generally managed manually at a branch level
- A combination of high delivery service levels, short order-to-delivery lead times and no centralised coordination of transport requirements has led to poor utilisation of internal and 3rd party transport
- Portland was engaged to develop strategies to deliver sustained synergy benefits from an integrated transport network, and then build the model and supplier structure

## Our Solution

- Completed an assessment of all transport spend and capabilities across branch network
- Performed detailed routing and scheduling analysis to confirm benefits possible from improved routing and scheduling capabilities
- Developed the centralised Lead Management Provider (4PL) model to fast track development of client transport management capabilities and extract synergies from the network
- Assisted in the tendering and negotiations with short listed LMP's providing cost benefit models, heads of agreement and other documentation
- Engaged 150+ 3PL suppliers with different scales of operation and capabilities in a national RFP
- Supported the negotiations program through two waves of sourcing that included courier companies, tilt tray truck and float truck delivery specialists

## Outcomes

- Established a Lead Management Provider (4PL) for national management of transport requirements, with optimisation benefits >10% of transport cost base in metro areas
- Rationalised 3PL supply base to <20 suppliers for metro areas, and delivered ~10% savings
- Established a national common rate structure

