

MODE OPTIMIZATION

OVERVIEW

Mode optimization is the practice of putting the right size shipment on the right size truck. When this hospitality company struggled with on-time LTL service at their hotels in Ohio, they began to analyze their current shipping environment and sought expertise from PITT OHIO to formulate a solution.

WHAT WAS THE PROBLEM?

In the hotel and hospitality industry, on time delivery by 4:00 pm is critical to successful staffing and hotel operations. Additionally, hotels prefer deliveries during non-peak hours for guests and require the products to be available in the morning for staff to complete their job of cleaning and restocking guest rooms. Without a dock at most locations, a lift gate is necessary and in most cases, the driver will need to enter the hotel to make the delivery. Serving as an extension to their business, the hospitality industry insists on friendly and courteous delivery drivers dressed in uniform.

In addition to service-sensitive requirements, the hospitality industry also experiences fluctuating shipping volumes throughout the month. Budgets are distributed to hotels at the beginning of each month and most spend their dollars in the first two weeks. At the beginning of the month, a hotel could receive an entire pallet, but by week three, the delivery may just be 1 box.

WHAT WAS THE SOLUTION PITT OHIO DEVELOPED?

The PITT OHIO Sales Representative consults with this customer on a consistent basis. By understanding their business model and changing needs in the hospitality industry, PITT OHIO was able to not only identify the issues causing poor on-time delivery service, but was also prepared with a recommendation to solve the logistical challenge.

Less-Than-Truckload was proving ineffective because of the lift gate requirements, delivery windows and fluctuating shipping volumes.

With a foundation of trust with PITT OHIO, the customer agreed to their first ever "mode shift" and PITT OHIO created a hybrid solution with a fleet of straight trucks and cargo vans. The straight trucks are equipped with lift gate equipment and are able to deliver the pallets of products ordered during the first two weeks of the month. The cargo vans are used at the end of the month to deliver the boxes of smaller shipments. During periods of spike at the beginning of the month, PITT OHIO will handle the overflow of pallets with our tractor trailers.

Although the customer was hesitant at first, PITT OHIO proved the validity of the solution in Ohio with consistent on-time, quality service. Today, PITT OHIO manages the relationship with 6 carriers to meet the unique delivery requirements in 21 different states.

RESULTS/ OUTCOMES

Although the customer was hesitant with the mode shift at first, PITT OHIO proved the validity of the solution in Ohio with consistent on-time, quality service. Today, PITT OHIO manages the relationship with 6 carriers to meet the unique delivery requirements in 21 different states.

Customer benefits from over 97% on-time service and a single point of contact through a dedicated account manager.

Customer is committed to strategic growth with core providers PITT OHIO identifies. At first, PITT OHIO handled only 3 lanes in Ohio. Today, PITT OHIO and our network of carriers handle 12 lanes for this hospitality company resulting in over 48% revenue growth across the Mid-Atlantic and Midwest.