



CASE STUDY

Transportation Management - Procurement & Freight Payment

National Nail

After implementing TranzAct's Freedom Logistics and Freight Audit and Payment (FAP) programs, National Nail was able to significantly improve transportation processes, reduce clerical efforts, and realize an 8% Freight Bill Savings.

Company Background

National Nail Corp., an employee-owned company headquartered in Grand Rapids, MI, has served the building materials industry for over 50 years. The company is a manufacturer and distributor of high-quality, innovative product and service solutions for residential and commercial construction.

National Nail brands include:

- Pro-Fit® - collated and hand drive fasteners for general construction
- CAMO® - fastening systems for deck and other exterior projects
- STINGER® - underlayments, tools, and fasteners for roofing and sidewall applications

National Nail leverages global supply chain and distribution networks to serve the hardware wholesale, roofing wholesale, independent, chain, home center, and STAFDA channels. Their US domestic freight is approximately 90% LTL.

Business Problem

National Nail's transportation department lacked automated processes and tools. It operated largely manually. The intense manual effort strained resources throughout the Transportation Spend Management life cycle and, they suspected, caused errors that resulted in excess costs.

National Nail did not possess the resources to continuously negotiate and analyze the best rates while protecting themselves from rate increases. They lacked leverage and preferred-carrier relationships which resulted in higher costs and service issues.

Daily transportation planning and execution required time-consuming manual rate investigations through multiple websites and/or documents—and some even required calling or emailing carriers. In addition, Bill-of-Lading preparation was also manual.

Their transportation freight audit and payment process shared the same manual process issues. Both audit and approval were time-consuming and any rate disputes were difficult to adjudicate and settle. Paying carriers required a manual accounts payable process, and freight accruals were cumbersome.

National Nail wanted to accomplish two objectives. First, they wanted to manage their freight spend by reducing rates where possible and then paying all freight bills properly. Second, they wanted to significantly reduce the amount of manual effort required to manage day-to-day transportation. This reduction in effort was every bit as important as the proper spend management.

Solution - Procurement & FA/P

National Nail implemented multiple transportation spend management initiatives concurrently to reduce costs and daily effort. Through a 40-day process they implemented TranzAct's Freight Audit and Payment solution to pay all freight bills properly, only once, and only National Nail's bills. This also accumulated an accurate and complete database of actual shipment history for Business Intelligence and continuous improvement.

National Nail installed TranzAct's StarRate technology to house their rate database and provide a source for the day-to-day shipment planning and execution. StarRate provides quick and easy rate look-up and ensures



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compliance with National Nail's negotiated rates.

TranzAct conducted an LTL procurement under its Freedom Logistics program for National Nail. By itself, National Nail did not have sufficient annual volume to gain any leverage in an LTL procurement event, but the Freedom Logistics program provides small- and medium-sized shippers the buying power, business processes, tools, and technology to negotiate the best LTL rates. Freedom leverages the collective volume of scores of shippers operating through a common business system with a multitude of carriers to realize the best LTL rates and service.

The result of the FAP, StarRate, and Freedom implementation "closed the loop" on National Nail's spend management initiatives and when completed, delivered significant benefits.

Value Proposition

National Nail accomplished both of its key objectives. The initial Freedom procurement significantly reduced their LTL freight bill. Since that event, the Freedom program has limited rate increases and added carriers for National Nail to mitigate any increases. National Nail's primary carriers are providing extremely competitive rates—below market pricing.

National Nail believes that they were able to leverage

TranzAct's carrier relationships, industry knowledge, and volume to achieve a result impossible on their own. With all rates and lanes loaded into the StarRate tool, the transportation staff can seamlessly process BOLs—the day-to-day operation becomes much simpler and they can spend more time on strategic projects. The need to call, email, and perform web look-ups for carrier rates has been eliminated. In addition, TranzAct negotiates and maintains the rates, eliminating this burden from the transportation staff.

TranzAct's FAP solution allows transportation to quickly audit and approve existing freight bills. Duplicate payment checking and General Ledger coding is automatic, and manual effort has been eliminated. Accumulating carrier payments is automatic and the process for resolving disputes makes adjudication quick and easy (with a documented result).

The time savings benefits have had significant impact on the transportation staff. National Nail believes its staff is more engaged because they spend less time on manual tasks and the results are more accurate. TranzAct provides timely answers to questions when they arise and identifies opportunities for additional savings and process improvements. National Nail now has access to transportation competency without the burden of having to develop and maintain this expertise within their own staff. Overall, they operate more effectively and invest less time in the transportation process.



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