DESC▲RTES™

Optimizing Transportation Operations to Drive Growth

Rea

Rea Magnet Wire, one of the world's leading suppliers of magnet wire and nonferrous metals, replaced manual transportation management practices with the cloud-based, shipper-focused Descartes Transportation Manager™ solution and the Descartes MacroPoint™ freight visibility solution. By automating time-consuming manual processes to track loads and manage less-than-truckload (LTL) and truckload (TL) rates, Rea saved time and reduced its transportation spend. Additionally, shifting to optimized API-enabled rating and LTL carrier selection helped scale top-line growth while enhancing the customer experience.

> "The Descartes TMS has been instrumental in reducing our transportation spend and the low upfront costs were an added bonus. Being able to optimize the carrier rate for every shipment automatically is the real strength of the system; we rely on it daily to control our freight cost per pound and protect margins as we scale growth. And, with MacroPoint, the connections were set up quickly between us and our carriers thanks to Descartes' extensive network.""
>
> **Brad Hood, Transportation Manager**
> Rea Magnet Wire

Company Profile
Rea Magnet Wire

Descartes Solutions
Descartes MacroPoint™
Descartes Transportation Manager™

About the Client
Founded in Fort Wayne, IN in 1933, Rea Magnet Wire Company Inc. is one of the world's largest manufacturers of magnet and nonferrous wire products, earning a reputation for providing an exceptional customer experience and first-class quality & collaboration. Rea produces copper and aluminum insulated magnet wire, electromechanical cable and bare wire used in the manufacture of motors, generators, transformers, and coils.

Quick Overview

Challenge
Costly Manual Transportation Practices

Solution
Automation Delivers Extensive Cost Savings

Results
- Enhanced Visibility
- Improved Resource Allocation
- Empowered Decision-Making
- Increased Productivity

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Challenge: Inefficient & Costly Manual Transportation Practices

Rea transports goods to distributors and OEMs nationwide from four manufacturing facilities via its carrier network. With customers depending on real-time fulfillment, Rea recognized that manual transportation practices were inefficient. The company was using shared spreadsheets and whiteboards to create routing maps/guides and manage shipment-by-shipment planning; assigning carriers manually to customers based on state; relying on emails and phone calls to communicate with carriers; shipping a high quantity of spot-quoted freight; and manually entering carrier information into its ERP system—time-consuming, labor-intensive, and costly practices. Rea also lacked visibility into inbound shipments from suppliers, even for the freight it managed. The high value of Rea's products added another level of complexity, requiring an extra level of shipment security.

Solution: Automation Delivers Extensive Cost Savings

With an extensive network of connected carriers, seamless ERP integration, and an easy-to-navigate, web-based user experience, the Descartes solution is built to address the needs of multi-mode shippers —a perfect match for Rea's requirements to ship full truckloads, as well as a range of smaller LTL shipments to distributors and OEMs across the U.S.

Adopting a phased approach, Rea initially implemented the Descartes solution at its plant in Lafayette, IN and, subsequently, at its three other U.S. facilities over the course of 18 months. The company eliminated manual transactions from its transportation operations, converted some lanes from spot rate to contract rate enabling further cost savings and reliability, and enhanced shipment security, while increasing productivity and cutting costs.

When some inbound freight converted from prepaid (supplier managed) to collect (Rea managed), Descartes MacroPoint was deployed to solve the problem of loads showing up without any early notification, which led to dock congestion and less than optimal production schedules. The solution's proactive alerts and predictive ETAs streamlined production at the plant, reduced unloading time, and improved carrier relationships.

"By automating and streamlining our transportation processes with Descartes, we realized efficiency and cost-saving benefits across the organization—from lower carrier rates to saving the accounts payable team the hassle of manually entering every invoice to also making our distribution teams more aware of freight cost and their role in reducing it," said Brad Hood, Transportation Manager at Rea Magnet Wire. "It's been a gamechanger for our organization."

To increase freight security, the Descartes solution was also configured to reflect Rea's unique shipping needs. "We implemented a special icon so our team can immediately identify HAZMAT shipments from the Control Center screen," said Hood. "And to reduce the risk of fraud and theft of high-value copper wire shipments, we created a secure load pickup number for each shipment that only the carrier and their facility have access to, ensuring the correct carrier and driver is picking up the load."

Results:

Increased Efficiency
Integrated with Rea's ERP for seamless data flow, the web-based Descartes TMS boosts operational efficiency by automating and optimizing daily tasks, such as rating, load planning, carrier communications, and invoice processing.

Lower Transportation Costs
Rea decreased costs by automating load tendering to determine the best rates, identify the optimal carrier, and combine shipments into full loads. By eliminating manual tasks (e.g., calling/emailing carriers), Rea can scale load volumes with less effort and labor.

Enhanced Carrier Relationships
Automating carrier selection with the Descartes TMS ensures seamless and efficient rate acceptance, load dispatch, and carrier payments. It's no surprise that carriers prefer shippers that schedule shipments electronically and pay invoices on-time.

Increased Visibility and Security
The combined solution enhanced freight visibility and gave Rea an extra level of protection to mitigate the risk of fraud and theft. Rea's team can quickly identify HAZMAT shipments, and unique load numbers ensure that freight is only picked up by the carrier selected.

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