

Amway

Amway finds a better way to procure freight and manage bids

CPG

HEALTH & BEAUTY

\$8.8 BILLION



Customer:

Amway is an \$8.8 billion direct selling business based in Ada, Michigan. Top-selling brands for Amway are Nutrilite™ vitamin, mineral and dietary supplements, and Artistry™ skincare and color cosmetics—all sold exclusively by Amway Business Owners. Global sales in 2016, which includes revenue from direct selling operations and other usiness holdings, made Amway the No. 1 direct selling business in the world. Present in more than 100 markets and territories, Amway manages a sprawling supply chain with manufacturing sites in the U.S., China, India and Vietnam, utilizing a network of hundreds of distribution centers around the world.

“Our previous sourcing tool did not offer the flexibility to create sourcing events tailored to our unique business requirements. On top of that, we now have access to powerful tools to analyze a huge amount of data in a relatively short period of time.”

- Brandon Clark, Manager-Global Transportation Amway

Challenges:

- › Generic e-procurement tool that was not focused on the specialized needs of transportation sourcing
- › Lengthy RFQ process meant that it took about four months from posting rate matrices to merging quotes received from carriers into a comparable format
- › Analysis relied heavily on Excel, an overwhelming process requiring hundreds of hours of data manipulation and cleansing
- › Inability to bring on new carriers due to a time-consuming onboarding process

Solutions:

- › Access to a **transportation-specific procurement tool** provides access to a supplier database and a collaborative environment to conduct sourcing events
- › A standardized approach with simplified rate structures and access to full Ticontract support **saved Amway more than 200 labor hours** during bid collection and analysis
- › The ability to quickly create an unlimited number of scenarios using the **combinatorial analysis** feature
- › Confirmation of **competitive market rates** by opening the bid up to additional carriers

Results:



TIME SAVINGS

Saved more than 200 labor hours by standardizing data and templating RFQ process



NEGOTIATING CONTROL

Ability to go to bid more frequently and compare complex award options with minimal effort



CARRIER SATISFACTION

More communication capabilities, faster feedback on offers and higher levels of professionalism in bid administration



REDUCED COSTS

Decreased transportation costs by more than 25% in some lanes and nearly 8% overall

Want to find out more?

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