

As a global automotive supplier of commercial and light vehicle systems, ArvinMeritor have built their reputation on 'solutions that move the world'. They were looking for a partner who understood how to keep those solutions moving – to exactly when and where they're needed. ArvinMeritor chose Ryder.



## A quick overview

### Their need

- Improve carrier invoice visibility and minimise administration at sites
- Consolidate and standardise freight procurement
- Reduce packaging costs and environmentally wasteful processes
- Find ways to reduce inefficiencies in inventory and freight lane management

### Our response

- Automated freight bill audit and payment services ensure invoices are 100% correct
- Combined buying power and improved shipping consolidation has increased savings and service levels
- Cost efficient packaging systems minimise the use of non-renewable resources
- Project savings have exceeded \$12m in the past five years of Ryder's involvement, which more than covers the fee

# integration

## The full story

### The customer

ArvinMeritor is a global automotive supplier of commercial and light vehicle systems and related aftermarket products - everything from roof and door systems to transmissions, exhausts and braking systems.

### The challenge

To ensure the design, engineering and development process best suits their customers' needs ArvinMeritor must carefully monitor and manage the elements of the supply chain so they're ready to tackle the most demanding production scenarios. No mean task for a multinational company with multiple suppliers and customers scattered across global supply chains.

ArvinMeritor didn't need Ryder to drive trucks or move packages, they needed them to drive their entire logistics process – to manage carrier procurement, negotiation and implementation; support carrier relationships and performance; and control freight billing, auditing and payment. Their European logistics challenge was to create a cost efficient supply chain model that provided central visibility and control of more than half a million shipments per year across 28 plants.

### The solution

Ryder Europe has worked closely with ArvinMeritor to develop a logistics strategy across Europe, giving the plants a clear lead in supply chain management. The benefits have been clear in a number of areas:

**Reduced freight spend.** Ryder has consolidated freight volumes through carefully selected carriers to gain below market rates and meet strict service levels – as well as consistently exceed its cost savings targets.

**Packaging improvements.** Ryder uses its close relationships with packaging pool providers to reduce wasteful empty packaging return and non-recyclable packaging. This helps ArvinMeritor cut transport costs, reduce storage space and meet waste reduction objectives.

**Improved supply chain control.** The unique Freight Bill Audit and Payments (FBA&P) system consolidates separate carrier charges onto one easy-to-manage invoicing process. It brings immediate benefits: identifying billing errors alone saves more than the cost of the service. It also provides vital information regarding performance of the transport network and other information critical to effective transportation management.

**Reduced inventory.** With unrivalled inventory management experience, Ryder has realised considerable savings on stock value held at ArvinMeritor's locations, improved cash cycle times at plant through improved purchasing terms and helped ArvinMeritor improve service levels to its own customers by achieving demand-driven replenishment.

**Warehouse sourcing.** Ryder worked with ArvinMeritor in strategically relocating warehouse operations in Europe. Activities included location analysis, service provider sourcing and negotiation, savings analysis, operations practice, implementation assistance and performance monitoring.

*“The Ryder Europe team has the logistics experience and flexible approach to get right under the hood of our production operation and challenge any weak links in the chain. They make it their business to understand our needs and keep us focused on our core competencies. The value they add speaks for – and pays for – itself.”*

**John Hite, Senior Director – Global Logistics and Packaging, ArvinMeritor**