



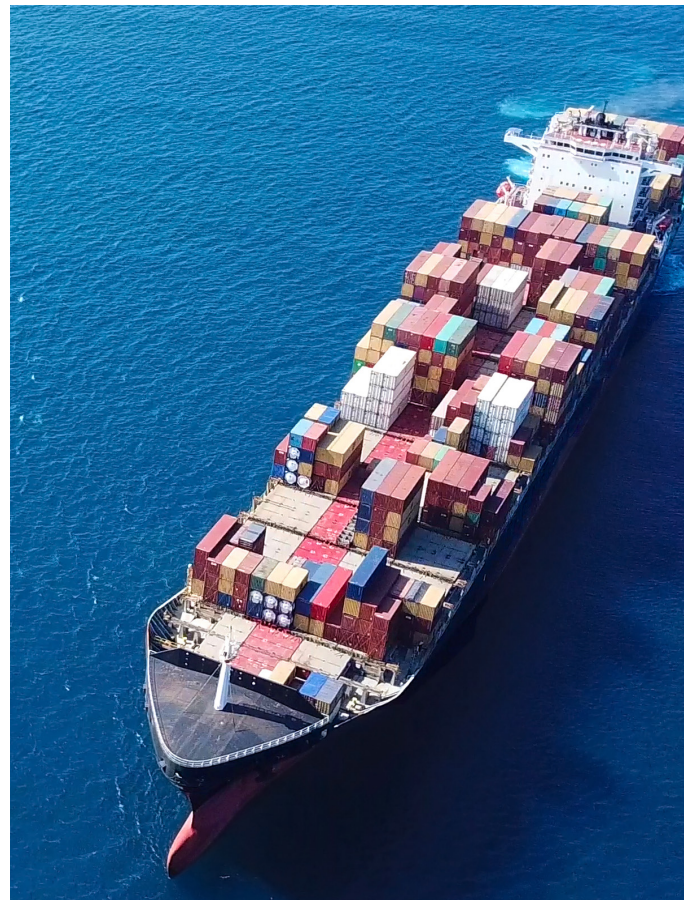
The Road Less Costly

How an Optimized Sourcing Strategy Delivered
30% in Annualized Savings

Business Transformed. Transformation Realized.

For organizations questioning whether their logistics model is keeping up with business demands, recent client work by FTI Consulting for a \$14Bn+ global white goods manufacturer offers a powerful reminder: freight is not just a line item — it is a lever for transformation, one that must withstand the strongest headwinds with utmost agility.

With \$90 million in annual addressable outbound linehaul spend across North America, the company set an ambitious but necessary goal — reduce costs by at least 8%, all while improving service, increasing asset-based carrier relationships and streamlining its carrier network.



The Hidden Costs of an Aging Freight Network

Many companies find themselves in a similar position — managing a sprawling, fragmented carrier base that no longer reflects their current footprint or strategic priorities. That was the case here. The client’s freight network was full of underperforming partners, uncompetitive rates and inconsistent service coverage. Without market-aligned benchmarking or a centralized strategy, inefficiencies compounded year-over-year. Legacy tactics and a notion of “we’ve always done it this way” had permeated through the transportation network.



A Strategic Rethink, Not Just a Sourcing Event

FTI Consulting was brought in not simply to support a procurement process led by a fourth-party logistics provider and ensure full transparency of the solution — but to design a better way forward. Together, the team launched a full-scale, multi-round request for proposal (“RFP”) across more than 700 outbound lanes, representing over 50,000 annual loads. What made the approach different was the industry expertise, operations-first mentality, bespoke modeling and unique market insights.

Why it matters: Too often, RFPs are treated as purely transactional events. By taking this strategic approach, it becomes clear how embedding strategy and analytics into the sourcing process can unlock exponentially greater value.



Scenario Modeling as a Decision-Making Accelerator

Rather than just defaulting to the lowest-cost bids, FTI Consulting analyzed more than 10 award scenarios, balancing cost, service reliability, sustainability and operational feasibility to foster mutually beneficial partnerships. A hybrid model favoring a cost-efficient asset-based carrier network combined with regional fulfillment alignment emerged as the optimal path. FTI Consulting approached logistics modeling as a dynamic and on-going process, rather than a static exercise, to ensure sustained cost management.

Why it matters: For companies grappling with how to evolve logistics without disrupting operations, scenario modeling offers a risk-aware approach to making smarter decisions. It reframes sourcing from a cost-cutting exercise into a strategic planning tool, placing optimal and efficient operations at the forefront.



Market Intelligence That Transforms Sourcing

FTI Consulting’s team also conducted in-depth market analyses around the client’s regional distribution centers. This uncovered a roster of previously overlooked carrier partners who were better positioned geographically and more aligned with the client’s operational needs.

Why it matters: Knowing your freight spend is only half the battle. Understanding the market you are buying in — terminal density, regional pricing trends and competitor benchmarks — equips you to negotiate from a position of strength and uncover untapped opportunities.



Finding Value Beyond the RFP

One of the most impactful moments came from looking outside the original scope. FTI Consulting identified truckload lanes excluded from the initial RFP and conducted a waterfall savings analysis. This led to a targeted “mini-bid” projected to deliver \$250,000 to \$750,000 in incremental savings. Separately, FTI Consulting analyzed demurrage and detention charges and developed a visibility tool to deliver cost minimization actions.

Why it matters: Freight strategies often miss hidden spend categories or legacy contracts. In some cases, a managed transportation provider, third-party logistics or fourth-party logistics may even “cherry-pick” lanes. Proactively identifying and addressing these gaps can yield quick wins and unlock continuous improvement pipelines.

The Result: Overdelivering on Every Dimension

The annualized numbers speak for themselves:

Metric	Initial Targets	Result Post-FTI Engagement
Annualized Savings from RFP	8%	Approximately 30% \$26.5 million
Incremental Opportunity		\$250,000 - \$750,000

Beyond the 30% estimated annualized savings — over three times the client’s original target — the organization emerged with a more strategic and data-driven logistics capability. Carrier rationalization, improved service reliability and the foundation for future market-responsive sourcing were all lasting byproducts of the engagement. Additionally, the client moved from a highly fragmented carrier base to a more focused, partner-based carrier network centered around mutually beneficial partnerships.

Why it matters: For companies navigating inflationary pressure, ESG mandates and volatile capacity, this case demonstrates how a more agile, intelligent freight strategy doesn’t just save money — it builds resilience.



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