

PROGENY

LOGISTICS

Client Overview

One of our clients is an international Fortune 100 company that utilizes multiple distribution centers within the United States and is heavily focused on loss and damage prevention. The high value product is shipped full load, LTL, and parcel. The client also desires to maintain insurance premiums paid to their insurance carrier, as the cost increases due to relaxed shipping processes could become substantial.

Challenges

Multiple challenges were encountered in ensuring the insurance premium was maintained and in implementing loss and damage prevention initiatives. Our initial analysis identified distributed freight claim procedures and slow to non-existent communication links between client departments, freight and insurance carriers, and client customers. The decentralized processes prohibited an accurate view of the client's claim environment. Without an accurate view of the claim environment, difficulties regarding the identification of troubled destination locations, troubled carriers, overages, shortages, loss, and damages would persist unabated.

Solutions

The solutions implemented were focused on improving communication links and centralizing data. Progeny assumed responsibility of filing loss and damage claims, implementing communication links with freight carriers, insurance carriers, and the client's sales and credit departments. The improvement of communication links was an effort to speed the flow of information to reduce waste in the supply chain and better forecast insurance cash flows needed for claim payments.

By utilizing our preferred claim filing and tracking software, MyEzclaim, Progeny was able to gain a better understanding of the client's claim environment. Continual analysis of destination locations and carriers were implemented to quickly identify issues. Progeny visited multiple distribution centers (client and freight carrier) to gain a better understanding of the operational flows, packaging, loading, and dunnage utilized within the process.

Results

The results of process centralization, improved communication, and continual analysis proved beneficial. The client's insurance premium has not been increased. Loss prevention initiatives have been implemented with freight carrier and client coordination, thus reducing claim volumes. The life of a claim has been reduced dramatically due to improved communication from distribution centers, freight carriers, and the insurance carrier.

Communication with the client's sales and credit department proves to be monetarily beneficial as invoicing of overages delivered to the client's customers now occurs. Increased communication with carriers, client customers, sales, and credit has also led to a reduction in false claim filing, which occurred in the past, thus reducing the potential of insurance premium increases.