

# Optimize Transportation to Cut Costs and Accelerate Deliveries

Coupa Transportation Optimization



## **Transportation Costs Continue to Rise**

The relentless rise in transportation costs is straining supply chains like never before. Global disruptions—from geopolitical tensions and port bottlenecks to climate-related restrictions—are driving unpredictable rate spikes, forcing businesses to absorb expenses. The traditional approaches to freight procurement and logistics planning are no longer sufficient in a volatile market where contract rates may not provide the stability they once did, and spot market fluctuations create further uncertainty. Without the right tools and strategies, companies face inefficiencies, unnecessary costs, and lost margins. To stay competitive, businesses must embrace transportation optimization—leveraging real-time data, predictive analytics, and dynamic planning to mitigate risks and control costs.

340%

reported increase in container rates in less than a year, from 2023 to 2024 according to Supply & Demand Chain Executive.

**Transportation Optimization,** part of <u>Coupa Supply Chain Modeler</u>, enables businesses like yours to streamline logistics and reduce transportation costs, all while adapting to real-time market fluctuations and disruptions.

# Unlock Savings with Integrated Network and Transportation Optimization

Unlike execution-focused systems that lock in constraints such as flows and delivery zones too early, Coupa integrates network design with transportation optimization and enables dynamic scenario testing—unlocking cost-saving opportunities by optimizing routing, fleet sizing, and mode selection in a single solution.

# **Key Features:**

#### Optimize inbound and outbound routes

Determine whether shipments should move via direct or multi-stop routes and identify opportunities for shipment consolidation. By optimizing both inbound and outbound shipments, you can reduce freight costs, improve lead times, and ensure the right mix of transportation modes for improved service and sustainability.

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#### Streamline multi-stop routes with continuous moves

Create a detailed transportation plan that optimizes multi-stop routes for existing shipments considering delivery windows, cross-docking, and asset utilization. This solution not only streamlines routing but also incorporates backhaul optimization and continuous moves, efficiently interleaving pickups and deliveries to reduce empty miles and maximize fleet utilization.

#### Right-size your fleet for maximum efficiency

Determine the appropriate size and makeup of your transportation fleet to maximize utilization across your planning horizon down to the last mile. Test various lane and volume configurations to ensure that fleet capacity aligns with demand, optimizing every step of the journey for both efficiency and cost savings.

#### Balance and schedule shipments to maximize utilization

Balance shipments across time to optimize delivery and pickup frequencies and manage load distribution. By strategically scheduling shipments, you can minimize congestion, avoid overloading, and maximize fleet utilization, leading to improved service reliability and cost savings.

#### **Master reverse logistics**

Develop a strategy for managing the returns process, one of the largest cost centers in many supply chains. Optimize the movement of returned goods, including refurbishments, depot repairs, and recycling to improve cost efficiency, enhance asset utilization, and improve sustainability across your circular supply chain.

## Gain a Competitive Edge With Coupa Transportation Optimization

**25%** 

Improvement in Fleet Utilization

On average

10%

Decreased transportation costs

On average

10-60%

Carbon Emission Reduction

From reduced CO2 emissions in Transportation

Create a transportation strategy that achieves tangible results

A major food service distributor faced inefficiencies due to manual processes, resulting in oversaturation of pickup and delivery routes in certain regions. With each warehouse managing its own data, there was limited visibility into truck availability and routing costs. To address this, they implemented a centralized data repository to automatically consolidate data from each warehouse. A transportation optimization model was deployed to continuously generate the most efficient multi-stop routes. As a result, the distributor achieved a 10% annual savings in logistics and transportation costs.

Ready to get started? Request a tailored demo today.

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