How Strategic Freight Consolidation Improved Retail Distribution Efficiency

Schreiber
HORIZON

BACKGROUND

A major national retailer moving a broad and varied product line across the food category was facing growing complexity in how goods reached its distribution centers (DCs). With products arriving from a broad network of suppliers, each shipment carried its own freight requirements, order minimums, and operational inefficiencies. As freight costs climbed and the market tightened, receiving separate, often underfilled trucks from individual suppliers was no longer sustainable.

Retail distribution is about more than moving product from point A to point B. It requires balancing supplier minimums, warehouse capacity, and freight economics at the same time. When that balance breaks down, costs increase, distribution centers become constrained, and slower-moving inventory ties up valuable resources without adding value.

The retailer needed a partner that could simplify this complexity by consolidating freight more intelligently, reducing the burden on its distribution centers, and doing so without disrupting existing supplier relationships.

THE SITUATION

The retailer's existing third-party logistics provider (3PL) added cost and operational complexity to an already strained network. Several challenges were converging at once:

- Rising freight costs and a tightening transportation market made single-supplier truckloads increasingly difficult to justify
- Supplier minimum order quantities (MOQs) forced the retailer to purchase larger volumes of slower-moving products than individual distribution centers required
- The retailer's 3PL charged labor-related fines and handling fees, creating additional and often unpredictable costs
- Budget and internal resources were limited, while teams were under pressure to identify savings and improve efficiency across the broader supply chain

Like many supply chain initiatives of this scale, the journey from recognizing the problem to implementing a new solution took eight to twelve months. The retailer carefully evaluated options, validated projected savings, and built internal alignment across supply chain, logistics, transportation, and warehousing before moving forward.

THE SOLUTION

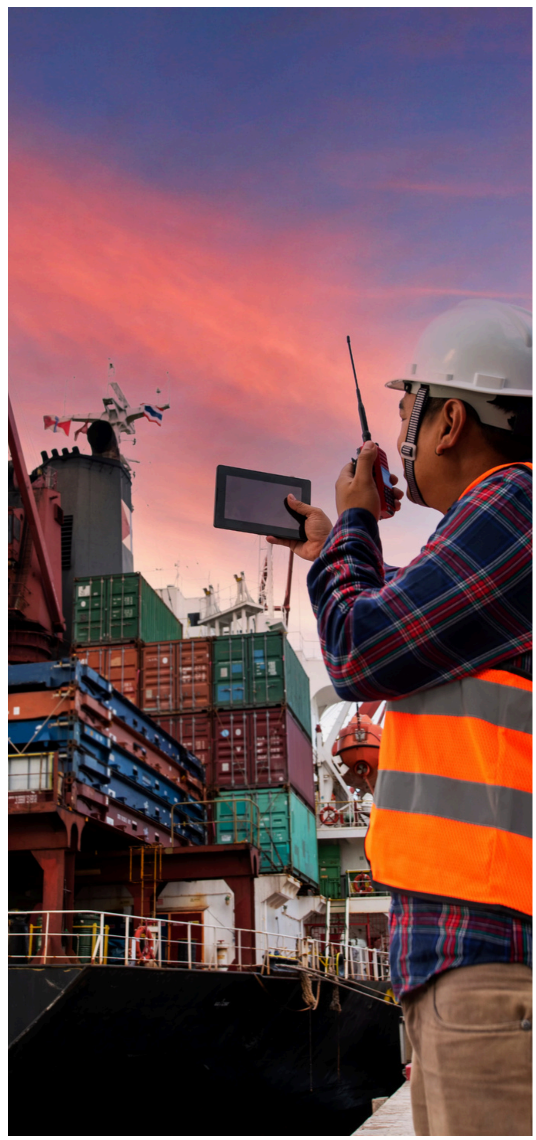
Schreiber Horizon's logistics solution, The Hitch, partnered with the retailer through a structured implementation designed to minimize disruption while improving operational efficiency.

Network Analysis

The Hitch team began by analyzing the retailer's supplier network, identifying where suppliers were located, where products were manufactured, and which Hitch consolidation distribution center would best serve as the retailer's freight hub. This assessment also determined the most effective operating model based on the retailer's needs, whether cross-docking, order picking, active inventory storage, or a combination of these approaches.

A Tailored Consolidation Strategy

Using the network analysis, The Hitch developed a customized solution and presented detailed projected savings. Because The Hitch uses an all-inclusive pricing model based on pallets or pounds, rather than multiple line-item charges, comparing costs to the incumbent model required a thoughtful review. Ultimately, the pricing structure offered greater transparency and predictability.



Detailed Onboarding

Implementation included supplier onboarding, item master setup, order intake processes, and EDI integration to support ongoing transactions and provide visibility into inventory moving through the network.

Throughout the transition, a dedicated project team managed inventory planning, ordering processes, and operational engineering. Because Schreiber product often moves through the same loads within The Hitch network, the team has a vested interest in ensuring shipments arrive on time and in full for both the retailer and Schreiber.

THE RESULTS

Once implemented, The Hitch's consolidation model delivered efficiency improvements across both inbound and outbound freight operations.

Smarter Ordering Across Suppliers

The retailer was able to move away from ordering based solely on supplier minimums and instead order what each distribution center actually needed, when it was needed, without being constrained by minimum order quantities designed around a single supplier's freight economics.

Full Truckload Efficiency Without Additional Distribution Center Strain

One supplier required the retailer to order six pallets of product per distribution center. While that volume was too small to create efficient inbound freight on its own, ordering a full truckload of that single product was not realistic without placing additional strain on distribution center capacity.

The Hitch addressed this challenge by receiving full truckloads from multiple suppliers and building mixed, consolidated loads sized to meet the specific needs of each distribution center within a given timeframe.

Reduced Distribution Center Capacity Constraints

Receiving consolidated, right-sized shipments instead of multiple partial deliveries reduced the need to absorb excess inventory simply to satisfy individual supplier minimums. This helped ease pressure on distribution center capacity while improving overall freight efficiency.

A Win Across the Network

The retailer realized efficiencies on inbound freight entering The Hitch's consolidation network and outbound shipments to its own distribution centers by utilizing full truckloads in both directions without maximizing warehouse space.

A RELIABLE CONSOLIDATION PARTNER

This engagement demonstrates how Schreiber Horizon's The Hitch helps retailers simplify complex, multi-supplier distribution networks. Through strategic network analysis, transparent pricing, and dedicated implementation support, The Hitch transformed a fragmented distribution model into a more efficient, flexible supply chain with room to grow.

Backed by decades of real-world operational experience, The Hitch delivers a practical, proven approach to improving distribution efficiency and supporting long-term supply chain success.

Ready to unlock what's next?

Whether you're moving more product, transforming operations, or accelerating innovation, Schreiber Horizon equips you with the tools, technology, and expertise to scale with clarity and confidence.

Let's Grow Together

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