

# Aligning rail operations across service design, fleet and distribution network

Maine Pointe took a 'client first' approach to supply chain transformation

## The challenge

The world's leading producer and marketer of concentrated phosphate and potash employs around 7,400 people in eight countries worldwide. Their business engages in every phase of crop nutrition development, from the mining of resources to the production of crop nutrients, feed and industrial products for customers around the globe. Their customer base includes wholesalers, retail dealers and individual growers in more than 40 countries. The management of rail operations was segmented with a relative lack of investment in rail capabilities (processes, people, systems, assets). As a result, the "net value" equation with the Class 1 railroad had degraded over time. Senior executives engaged Maine Pointe to help them review and rebuild their relationship with their Class 1 rail provider.

## The solution

Leveraging our deep experience of working with North America's Class 1 rail carriers, Maine Pointe's industry and practice specialists put together an action plan which included in-depth reviews of rail service design, rail fleet and distribution network. Maine Pointe's 'client first' approach to supply chain transformation included:

- Designing trains specifically "dimensioned" (sized and reserved) for our client on a daily basis
- Focusing on unit train movement, while maintaining flexibility to manage 25+ car blocks and carload traffic
- Providing stability, reliability and velocity by establishing a new hub and executing a strategic approach – a "through strategy" – at major urban junctions
- Integrating client and railroad supply management processes
- Optimizing car velocity within a fully integrated car fleet
- Facilitating growth through strategic capital investments at mine origins, hub yard(s) and on railroad networks
- Providing market competitive pricing, with further incentives to support a lower-cost supply chain model
- Creating a contingent service strategy, leveraging hubs and gateways to maintain fluidity and efficiency



## The results

As a result of the processes and tools we helped implement, the client:

- Achieved annualized identified and agreed savings of \$11.7M to \$15.0M in total from a new 7-year freight contract with their Class 1 carrier
- Realized freight rate savings of \$6.2M to \$9.5M (based on planned volumes), \$2.5M blocking incentives, \$0.5M growth incentives and \$2.5M fleet productivity savings to be realized over 12 months
- Achieved a 7.3:1 ROI

Want to take control of getting your products to market effectively?

Want to take advantage of Maine Pointe's experience to rebuild and strengthen partnerships with your rail providers?

Talk it through with one of our executives

Email [info@mainepointe.com](mailto:info@mainepointe.com) to arrange a call

## About Maine Pointe

Maine Pointe is a global implementation-focused consulting firm trusted by many chief executives and private equity firms to drive compelling economic returns for their companies. We achieve this by delivering accelerated, sustainable, improvements in both EBITDA and cash across their supply chain and operations. Our hands-on implementation experts work with executives and their teams to rapidly break through functional silos and transform the buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost to business. We call this **Total Value Optimization (TVO)™**.

Maine Pointe's engagements are results-driven and deliver between 3.5:1-12:1 ROI. We are so confident in our work and our processes that we provide a unique 100% guarantee of engagement fees based on annualized savings. [www.mainepointe.com](http://www.mainepointe.com)