

TRANSFIX  wayfair

Wayfair Turns to Transfix for Innovative Drop Solution



Executive Summary + Detailed Case Study

EXECUTIVE SUMMARY

ABOUT WAYFAIR

- Business model: Direct-to-consumer furnishings retailer
- Annual freight spend: ~\$350M

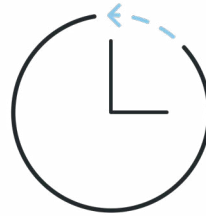
CHALLENGES:

- On-time performance was absolutely critical, given the company's delivery model
- Drop trailers were clearly a good fit, but Wayfair encountered difficulties securing reliable partners
- Sourcing/managing/tracking hundreds of asset-based carriers was too time consuming
- Utilizing multi-SCAC trailer pools made errors more likely

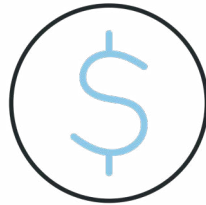
THE SOLUTION:

- Transfix sourced carrier partners who would more effectively address Wayfair's priorities
- Utilized appropriate assets from our network of mid-sized carriers

THE RESULTS



~2 hours per day saved



\$500K+ estimated annual cost savings



Exceeded 95% on-time delivery target

MEMBERS OF WAYFAIR'S MANAGEMENT TEAM SAID:

"[A] unique way to add value . . ."

"Transfix's carriers faithfully show up . . ."

"Enables us to service our customers in a high-quality way . . ."

"They do a great job of aggregating regional mid-size carriers."

OPERATIONAL CHALLENGES

MANAGING HUNDREDS OF INDIVIDUAL CARRIERS

Wayfair's network is large and complex, as they move thousands of loads every single day. Sourcing, managing, and tracking hundreds of asset-based carriers to deliver these loads was incredibly time consuming. In fact, it took an estimated two hours per day per carrier.

MANAGING MULTI-SCAC TRAILER POOLS

Wayfair often shipped many SKUs in a single shipment, and it was critical that the intended items be loaded to the correct trailer. Given that drivers were not present to confirm the BOL, utilizing multiple-SCAC trailer pools made errors more likely, due to the complexities of operating large facilities.

PERFORMANCE CHALLENGES

MEETING PERFORMANCE TARGETS WITH UNRELIABLE, RENTED TRAILER POOLS

Many brokers either do not provide Drop solutions, or provide them by renting additional trailers and then hiring power-only trucks. This model of adding new capacity did not provide the reliability or performance Wayfair needed. When markets tightened, it became difficult for vendors to source drivers (in tight markets, drivers often earn more by re-allocating assets, including trailers).

DELIVERING ON-TIME TO CUSTOMERS

Because the goods shipped were often delivered to de-consolidation facilities and then transferred directly to customer delivery vans, on-time performance was absolutely critical. In order to fulfill their promise to customers—delivery within a few days of purchase—Wayfair needed a reliable partner.

THE SOLUTION

TRANSFIX DROP NETWORK PROVIDED THE FLEXIBILITY AND RELIABILITY WAYFAIR NEEDS

Wayfair turned to Transfix for a better solution. By

understanding Wayfair's priorities, Transfix approached the problem in a unique way in order to deliver more reliable service.

As an aggregator of high-quality carriers, Transfix sourced carrier partners with the right truck-to-trailer ratio for Wayfair's network, facilities, and lane-level needs. By effectively utilizing existing assets within our network, Transfix was able to solve Wayfair's challenges and to drive higher performance. Some of those measures included:

- Identifying a reliable carrier for each facility, prioritizing those with highest performance for each lane
- Working with carriers to set up trailer pools that meet shipper-specific requirements
- Communicating appointment and load details seamlessly
- Providing tracking updates and proactively managing exceptions 24/7
- Partnering with Wayfair on operational inefficiencies at the facilities

TRANSFIX DROP STRATEGY

Better utilize assets from our network of mid-sized carriers.



of our carriers have
2-100 power units




trailers in Transfix
network

THE RESULT

TRANSFIX DROP SOLUTION DROVE SIGNIFICANT TIME SAVINGS AND EXCEEDED O.T.D. TARGETS

- By partnering with Transfix rather than managing trailer pools themselves, **Wayfair saved an estimated 2 hours per day**. For example, Wayfair previously spent up to 5 hours per week simply resolving the billing discrepancies among their many drop carriers. Working directly with Transfix allowed them to dedicate this time to more strategic initiatives, instead.
- The improved reliability of Transfix's Drop solution—such as the elimination of missed deliveries—helped Wayfair **save an estimated \$500K per year**.
- Reliability and performance were incredibly important to Wayfair's business model. Transfix's drop carriers **exceeded Wayfair's 95% on-time delivery target**, enabling them to ultimately deliver to their customers as promised.

A white semi-truck is driving on a multi-lane highway. The sun is setting in the background, creating a warm, golden glow. The truck is in the left lane, moving towards the viewer. The road has a yellow double line in the center and a white line on the right. There are trees and a guardrail visible on the right side of the road.

"Transfix has found a unique way to add value in our drop-heavy network. Independent trailer pools that utilized one-off power units were not reliable. As markets tightened, service dropped. On the other hand, Transfix's carriers faithfully show up and deliver."

– **Alex Whigham**, Senior Manager, Carrier Performance Management & Strategy, Wayfair

"The Transfix team is super communicative, hits our KPIs, and enables us to service our customers in a high-quality way. They've helped us decrease the total number of vendors we need to work with, as they do a great job of aggregating regional mid-size carriers."

– **Brian Campbell**, Transportation Manager, Wayfair

The Wayfair logo consists of a stylized diamond icon made of four smaller diamonds, followed by the word "wayfair" in a lowercase, sans-serif font. A registered trademark symbol (®) is located at the top right of the word.



ABOUT WAYFAIR

Wayfair is a top e-commerce company who manages a complex supply chain, selling 10+ million items from more than 100K+ global suppliers directly to consumers. The retailer operates warehouses throughout the United States, as well as in other parts of North America and Europe.

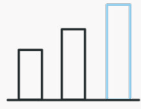
CUSTOMER SNAPSHOT



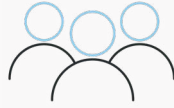
> \$9B revenue



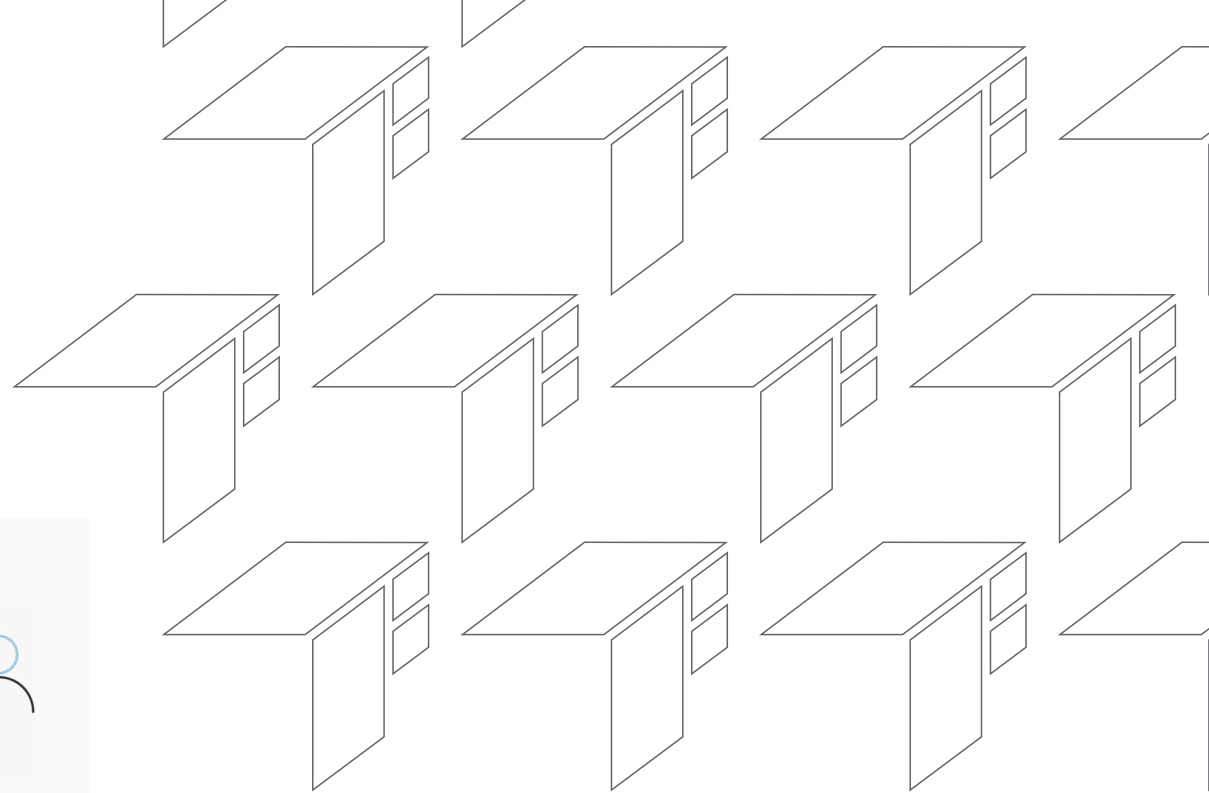
~\$350M
annual freight
spend



> 30%
YoY revenue
growth



10,000+
employees



ABOUT TRANSFIX

Transfix drives modern supply chain impact at scale with its Intelligent Freight Platform™. By combining enterprise-grade, machine-learning technology with intuitive software and dedicated supply chain experts, Transfix is enabling organizations to deliver with high performance and high reliability, drive long-term strategy and capacity planning, take empty miles off the road, and optimize their networks, at scale. Today, Transfix connects shippers to carriers with real-time, many-to-many freight matching and the visibility they need to make their supply chains more efficient and environmentally responsible. Learn more at transfix.io