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Rockwool Gains an Edge in Ocean Freight Rate Benchmarking and an Understanding of Its Competitive Value Through Xeneta



Xeneta is more advanced than any other benchmarking software we have used. At the same time, its sophisticated design offers a user-friendly system. It would have been impossible to benchmark and manage our ocean freight spend and finally understand market directions without the Xeneta platform. We'd recommend it to any company looking to benchmark rates and gain the success that eludes so many.



Harry Patsos, International Category
Manager of Logistics at Rockwool

Company Profile

ROCKWOOL is a leading manufacturer of stone wool insulation for the building industry and value-added applications through multiple brands including Rockfon, Rockpanel, Lapinus, Grodan, Rockpanel and Technical Insulation. All brands utilize the benefits of natural stone wool for numer-

ous applications. The company is made up of 11,000+ employees, operates in 39 countries and maintains 45 manufacturing facilities. It spends more than 300M€ for logistics services and ships more than 20,000 TEUs per year.

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The Challenge

ROCKWOOL struggled for years with fragmented freight spend, visibility into ocean freight rates and reduced ability to benchmark the company's shipping costs against their competitors. In 2015 the company began exploring ways to leverage new systems and technology to overcome these problems.

"ROCKWOOL's primary challenges derived from international trade routes, particularly Europe to Asia, India to the Gulf, trans-Atlantic, and Intra-Asia routes," said Harry Patsos, International Category Manager Logistics for ROCKWOOL. "Managing freight spend for 55 TEUs on average per day was a logistics nightmare."

ROCKWOOL needed the ability to quote transport rates for inquiries and shipments to customers. This meant contacting ocean carriers to obtain rates. The slight-

est change in shipment details could dramatically affect rates, drive away or leave customers dissatisfied, while also creating a loss for ROCKWOOL in transport.

Previously, ROCKWOOL had used non-vessel operating common carriers (NVOCCs) and third-party logistics providers, but ROCKWOOL did not have any real insight into how it ranked against the freight rates offered to other shippers.

A simple attempt to review the past year's invoices would require a thorough review in the enterprise resource planning (ERP) system and countless hours auditing thousands of invoices. Still, ROCKWOOL would not have a granular view of spend, broken down to pre-carriage, ocean freight, OTHC, etc.

The Solution

ROCKWOOL chose Xeneta to gain visibility and real change management experience to unlock the value of true ocean freight management. Xeneta's systems allowed for an ongoing review of ocean freight rates, helping the company to understand its position concerning the rest of the market.

Customer service team members are able to check rates in real time for both contracts with service providers and ad-hoc projects, improving efficiency and competitiveness and reducing costs. In addition, procurement can complete a tender process for ocean freight in a highly educated manner and much more efficiently.

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Transparent ocean freight rates mean better accountability. Additionally, Patsos noted the value of time saved. “Instead of guessing if the price quotes they received from several ocean carriers were accurate or fair in the market, Xeneta provided

visibility into historical, actual and future market prices for “any” trade lane.” ROCKWOOL’s success reveals the difference understanding global ocean freight rates has on a company’s health.

Additional Ways Xeneta Enhanced Rockwool Procurement Activities

With a large company footprint, transparency into ocean freight rates among multiple carriers and across numerous locations was essential to ROCKWOOL’s success. Some of the primary benefits realized through Xeneta included:

- **Ability to use Xeneta services manually or automatically to benchmark rates.** Patsos now sets target rates for carriers in the tendering process, ensuring the company and customers get the best deal possible.
- **Real-time benchmarking of shipping costs.** Since ROCKWOOL understands how their freight spend compares to competitors’ shipping costs, it can quickly scale operations and identify ways to reach new markets and freight spend targets.

- **Better carrier relationships.** This benefit has been a primary driving force for better relations with carriers. Previous ways of doing business were not cost-efficient to carriers. Only 10 percent of quotes turned into business for the carriers. Now, Patsos can get the quotes necessary without threatening established relationships.

“These benefits will continue to push Rockwool forward,” said Patsos.

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