



Pet Food Manufacturer Recoups \$100K in Retailer Fines per Month With ISO

Consumer packaged goods companies face millions of dollars in penalties from retailers for failing to deliver on time and in full (OTIF). And, because many companies do not have the time or resources to refute these charges, they simply accept them as a cost of doing business.

But it doesn't have to be that way. A Fortune 1000 pet food manufacturer leveraged ISO's Retailer Fine Intelligence to revolutionize its approach to OTIF and retailer penalties.

THE PROBLEM

Pet Food Manufacturer Gets Bitten by Hefty Fines

This leading U.S. pet food shipper was incurring excessive retailer OTIF penalties. To overturn the fines, they had to manually cross-check each fine with every shipment in their TMS. This process was costly and inaccurate, and it took longer than the allotted time windows.

To avoid costly penalties for transportation service exceptions, they needed a way to:

- Pinpoint exactly why something happened.
- Prove who was responsible.
- Gather documentation to support the case for overturning the fines.

And all of this had to be done within the allotted time window. Until now, streamlining this process was extremely time consuming and spanned across multiple departments.

THE SOLUTION

Exception Workflow Uncovers Root Cause

Using ISO's Exception Workflow tool, the pet food manufacturer and carriers collaborated to establish the root cause and responsible party for each and every service failure.

Deductions specialists used the Bulk Search feature to input every order or shipment ID that had a fine associated with it and get a full report, verified by the carrier, of what actually happened. This report, in PDF form, contained all required documentation, such as a POD, for each exception that turned out to be unjust or at the fault of the retailer.

Using this process, responding within a supplier portal within the 30-day window went from impossible to extremely effective.



THE IMPACT

Shipper Claws Back Over \$100K in Penalties

In just one month, the shipper was able to successfully overturn:

\$24,000
in Petco fines.

\$70,000
in Target fines.

Recouped over \$100,000 networkwide penalties.

By mapping the service-level agreements (SLAs) from vendor compliance programs back to the performance data for individual shipments and orders, the pet food manufacturer was able to forecast the cost of transportation service failures before they were penalized.

“ We were able to fight over **\$100,000** in unjust retailer penalties in October. This leads to a huge reduction in costs over the course of a year.

— Head of Customer Logistics, Enterprise CPG Shipper



Stop Accepting OTIF as a Cost of Doing Business

ISO helps shippers with industry-leading performance management tools that enable them to balance costs versus service.

We help shippers:



Map carriers' service-level performance to retailer SLAs.



Forecast exposure to retailer fines.



Proactively recoup penalty dollars from all major retailers.

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