



## Outbound Road Transportation of Carbon Black (Finished Products) in Paper/ Bulk Bags



### INDUSTRY

Chemical



### GEOGRAPHY

Durgapur, Mundra,  
Palej and Kochi



### CHALLENGE

Achieving savings from Last Purchase Price, RFQ standardization and addition of new LSP's



### SOLUTION

Due diligence of Logistics Service Providers, RFQ standardisation vendor meet and best suited negotiation strategy



### RESULTS

Addition of 5 new LSPs and Savings from LPP worth INR 3.89 Cr

### The Client:

Phillips Carbon Black Limited (PCBL) is the eighth largest carbon black manufacturer in the world. Part of the RP- Sanjiv Goenka Group of Companies, PCBL is known for its technical collaborations with foreign entities and state-of-the-art manufacturing facilities. Apart from manufacturing carbon black, the company also manufactures various grades of specialty black.

### Business Requirement:

mjunction received a mandate from Phillips Carbon Black Limited to enhance competition through introduction of new LSPs, carry out evaluation and validation of LSPs, formalization of best-in-class RFQ, and establish correct benchmark for negotiation to derive tangible savings.

### The Business Challenge:

- Sourcing of new Logistics Service Providers.
- Unavailability of standard industry specific RFQ and established benchmarking technique of market rates.
- Evaluating the annual market trends and their impact on the cost drivers to identify the proper benchmark price.
- Analyzing and re-designing a simplified destination matrix for 370 destinations to ensure competition amongst participating LSPs.

### Solution and the Strategy Adopted:

- The team succeeded in adding new and credible LSPs with their due diligence to meet eligibility criteria set by PCB and also conducted Vendor Meet to enhance the rapport between client & vendors and to boost vendor confidence for participation.
- Standardization of RFQ by incorporating industry best standard & voice of customer through experiential capability of the team.
- The team submitted analysed report on incremental freight rate from market information and major cost drivers associated with it.
- Adopted the best suited negotiation strategy .i.e. Progressive Dynamic bidding with No price matching to ensure a good price realization.

### Results and Achievements

- Total transaction value of INR 54.35 Cr
- Reduction from Last Purchase Price by INR 3.89 Cr
- 5 new LSPs added by mjunction