

Case Study: XO Commerce & RH – Reducing Air Freight Costs and Optimizing Global Supply Chain Visibility

Client: RH (formerly Restoration Hardware)
Partner: XO Commerce and Watchpoint Logistics
Solution: Transportation Cost Approval System
Industry: Home Furnishings & Luxury Retail
Region: Global

Background

RH, a leader in luxury home furnishings, operates a complex global supply chain to support its growing number of gallery openings across the world. As global expansion accelerated, RH faced rising air freight costs and a lack of transparency and control over international shipments, particularly from overseas factories.

RH needed a solution to:

- Control rapidly increasing air freight expenses
- Streamline transportation approvals between logistics and sourcing teams
- Improve visibility and accountability across global teams
- Accelerate shipments for time-sensitive gallery launches

The XO Commerce Solution

XO Commerce partnered with Watchpoint Logistics and RH to develop and implement a Transportation Cost Approval System (TCAS) — a centralized, digital portal designed to manage, review, and approve air freight requests originating from RH's global vendor network.

The platform enabled:

- Real-time cost visibility for RH's sourcing, logistics, and finance teams
- Standardized workflows for initiating and approving factory air freight shipments
- Integration with RH's ERP and PO systems to align logistics with purchase activity
- Data capture and reporting tools to enable cost and performance tracking

Results & Impact:

Within the first 12 months of implementation, the TCAS delivered measurable improvements across RH's global supply chain:

- 12% Reduction in Transportation Costs: By controlling unnecessary air freight use and improving decision-making through cost transparency.
- Lowered Administrative Costs: Automation and workflow standardization reduced manual entry, email approvals, and time spent reconciling freight charges.

- Enhanced Supply Chain Transparency: All stakeholders — from RH buyers to logistics managers — accessed centralized data to track shipment requests and approvals in real time.
- Streamlined Factory Operations: Overseas vendors gained clarity and consistency in the air freight request process, reducing lead times and errors.
- Support for Global Gallery Openings: Faster, more reliable air freight execution helped RH launch new gallery locations on schedule and within budget.

Conclusion:

XO Commerce's Transportation Cost Approval System transformed RH's approach to managing high-cost, high-urgency air freight shipments. The portal became a strategic asset, aligning supply chain agility with cost discipline — critical for RH's growth into new international markets.