

CASE STUDY

PROJECT SPECIFICATION

Distribution Network Structure Audit
and Transition to the 3PL
(Czech Republic)

INDUSTRY

Food

SCENARIO & GOAL

The client asked to provide a complex overview, map of goods distribution network and operational processes of shipments preparation related to both their business divisions B2B and B2C.

The main goal was to prepare a comparison of service level and costs output to help with the final decision whether to continue in self-serviced freight out and last mile distribution (connected with further investments into old lorries and vans replacement), or, to transfer entire part of the distribution process to 3PL. The main challenges were connected with incomparable business models of both divisions, fragmented customers portfolio across CZ and SK, and very small average shipment volume.

PROJECT OUTCOMES

The volume analysis provided, traffic map audited and resulted in following plans, decisions and actions:

- identified big differences between the distribution models of B2B and B2C segments, that did not allow to consider common distribution solution for both divisions.
- The B2B segment distribution model found in the position to be ideally left as is, without major changes of the model
- Unlike the B2B, the latter segment was considered as ideal opportunity to consider change in transition to the external provider
- Multi-rounded Logistics / Transportation bid organised, all shortlisted 3PL providers introduced their offers and KPIs, their referencing customers were contacted to review the providers service level and credibility. The bid resulted finally in picking a 3PL provider, specialised in small shipments distribution in both related countries.
- As the last leg of the assignment, transition project support was provided to help fluent transition to the selected 3PL and accommodate the client`s processes reliably in the 3PL`s process map and distribution structure.