

CASE STUDY

PROJECT SPECIFICATION

Logistics costs optimization
(The Netherlands)

INDUSTRY

Consumer goods / Toys segment

SCENARIO, GOAL

The main intent of the company was to gain logistics (especially freight out) costs back under control and to budgeted level, after structural changes in product portfolio and distribution / customers structure in 7 west EU countries. Freight out costs measurement shown the costs, particularly country by country, from figures at budgeted level to figures more than 200% over budget. The goal was to bring savings from procedural changes and make supply chain more efficient and consolidated, whilst service level not decreased.

PROJECT OUTCOMES

- renegotiated groupage tariffs with 3PL provider for certain zones and shipment volumes
- established imperative rules at transport planning to gain balance between usage of groupage and parcel services, in order to utilize benefits offered by both types of haulage
- reviewed and balanced / decreased shipments frequency (with regards to particular consignee market importance)
- set up weekly meetings with departments involved / 3PL to review trends
- as the final result, 56% costs decrease achieved
- the same metrics indicated 14% savings even under the original budget (represents hundreds of '000 EUR in absolute value)
- as required, on time delivery / service level not decreased