

 CASE STUDY

AGRICULTURE DISTRIBUTOR

CONSOLIDATING COSTLY SMALL DELIVERIES
FOR +20% IMPROVEMENT IN TRUCK
UTILIZATION, NET COSTS, AND EMISSIONS

Key Points:

This business provides agriculture solutions across 20+ distribution centers. It was experiencing a widening gap in shipping costs to serve its customers (mainly retailers) in a seasonal business.

Small, frequent deliveries resulted in added product touches and half-empty trucks driving up costs within its owned & operated fleet and contracted fleet. With DC consolidation increasing travel distances and use of contracted fleet, the stakes were rising. The business needed to explore new ways to manage costs, turning to Synapsium IO.

First, Synapsium IO revealed order patterns driving cost outliers at the customer, location, and item-level. Then, these insights were translated into exception handling logic that could directly influence online ordering. Customers could have flexibility of choice with transparency into costs.

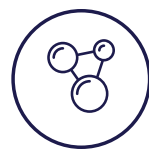
Saving 15-30% in net shipping costs and carbon emissions suddenly went from being a far-fetched plan to a near-term reality.

» GOALS

1. Understand what ordering behaviors drive outlier shipping costs and the price of these exceptions (e.g., lead time, added stops, non-assigned days)
2. Distinguish how costs are impacted in and off peak, and how DC network changes will impact future transportation costs
3. Incorporate exception decision logic into the ordering process to guide customers and the field to grant vs. price-in the costs of exception



» ACHIEVEMENTS



Shipping cost-to-serve model with first time granular view into customer, location, and item-level drivers of shipping costs



Historical and forward-looking projections of delivery consolidation on shipping costs and carbon emissions



Exception handling logic, pricing in the cost of exceptions (lead time, added weekly stops) with path to directly tie into online ordering



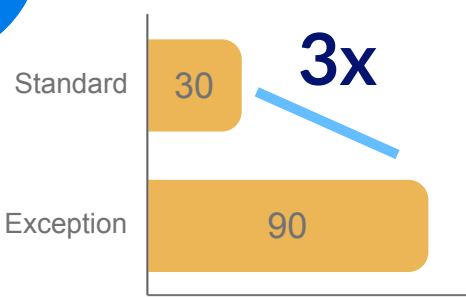
30% transport net savings

less shipments **25%**

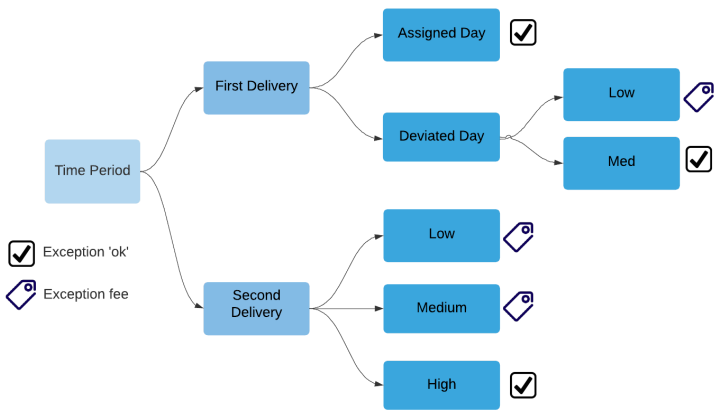
MTCO2e reduction **1K**



Cost outliers and segmentation



Exception decisioning and pricing



KEY RESULTS