

# Frequent, small size deliveries?

Many B2B distributors serve customers who expect on-time, in-full deliveries same day or next day. This can repeat multiple times a week to a single location. If the cost impact is not fully understood, the distributor cannot recover costs or structure economic options that motivate customers to consolidate deliveries.

What is noticeable by those on the front lines are half empty trucks, higher cost shipping mode mix, & more warehouse and dock touches. Over time, distributors become less cost competitive by 'peanut-butter' spreading lost profits in higher prices and charges, rather than using a 'needle-thread' to target cost outliers.

## Problem



Small, frequent deliveries to a single customer adversely impacts transport utilization and routing, shifts to higher cost freight modes, and adds more touches to same sales dollars and product weight



More at stake as prices surge...

- Diesel fuel up 64% year over year;
- LTL up 26% and parcel up 15%;
- Warehouse services up 21%;
- Rise in DC consolidation, driving up; distances to reach customers



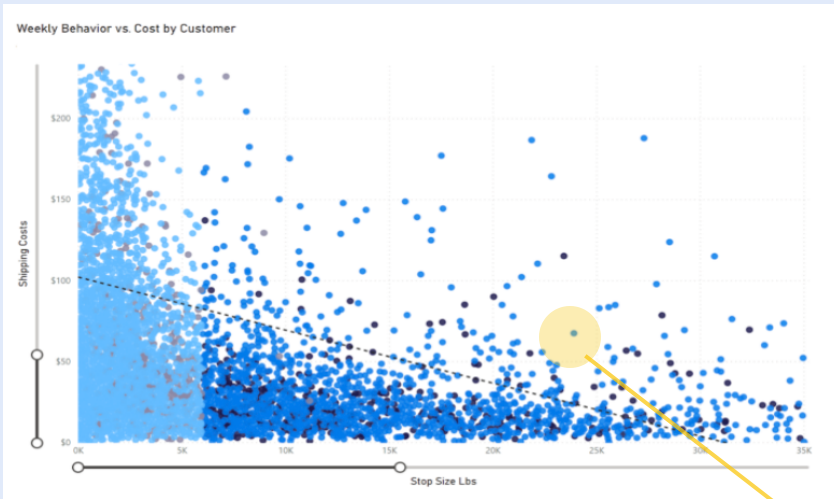
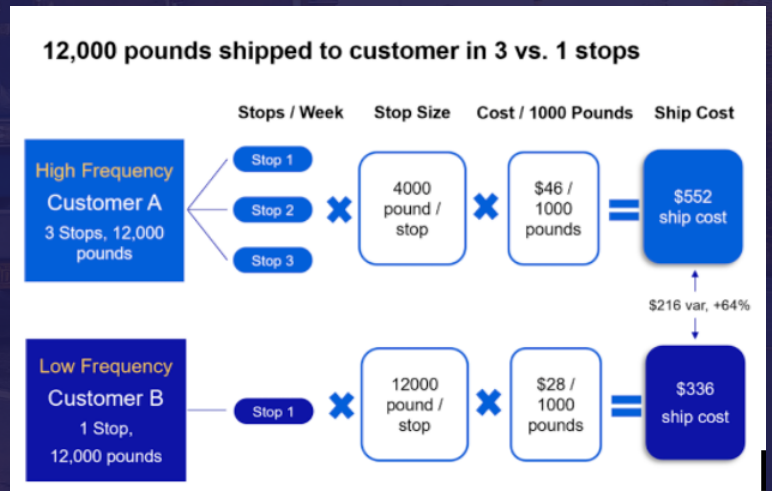
UN push to rapidly evolve global energy policies;  
Pending SEC carbon emission reporting requirements;  
Growing net zero pledges

# Understanding

Two customers with equal revenue can have markedly different profit margins

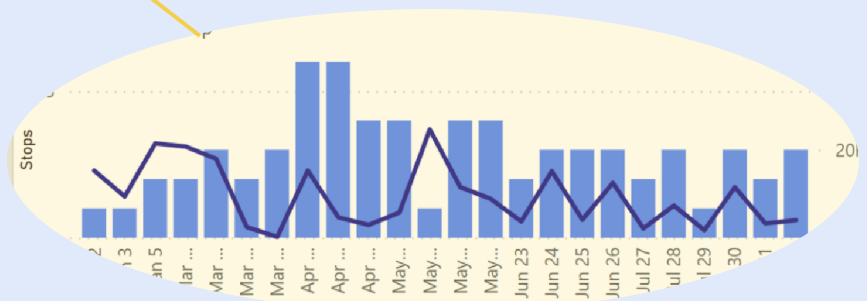


Spreading the cost of the truck, the driver, and overhead over less volume results in higher unit cost



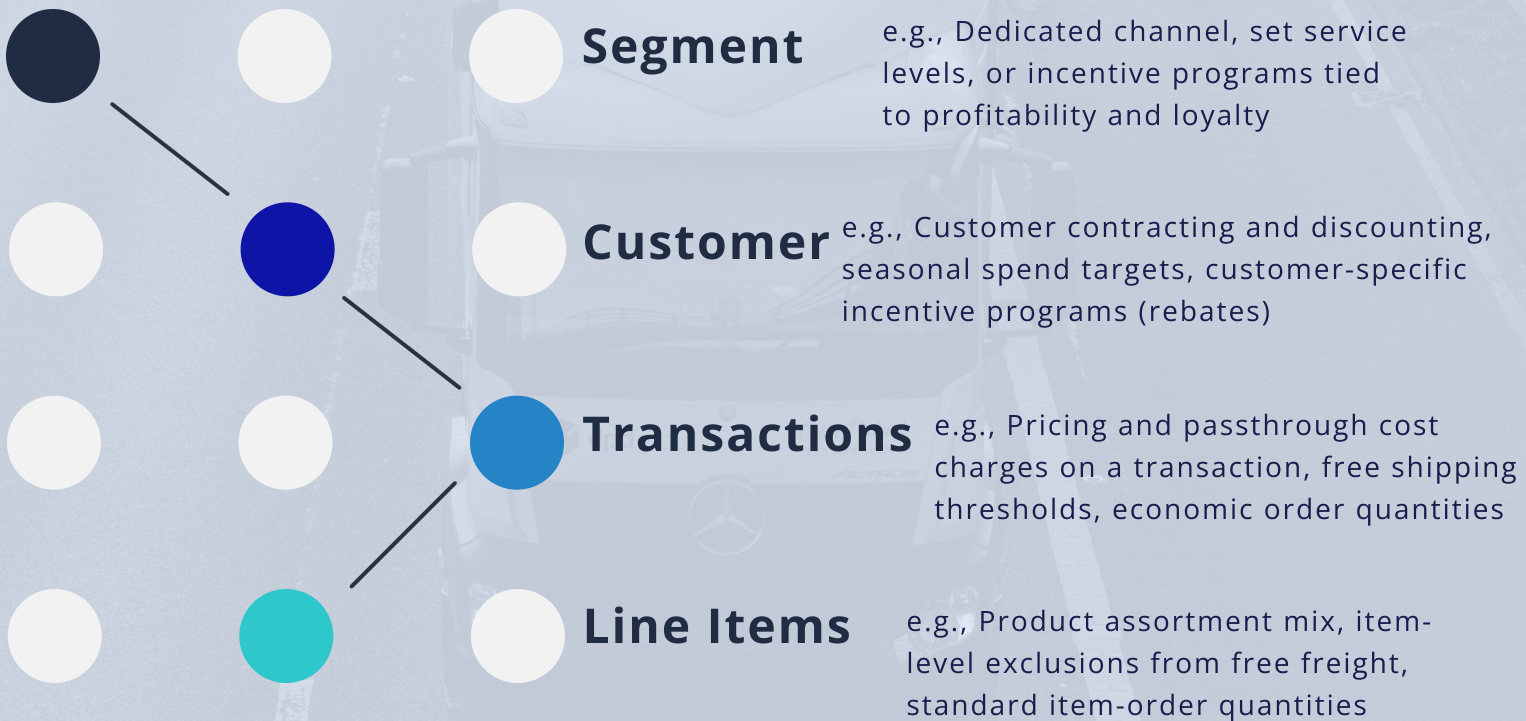
Patterns across customer deliveries by week show the relationship between delivery size and frequency on cost over a season

Double-clicking on a single customer shows aggregate profit impacts over time



# ACTION

Cost clarity starts at the line level on a transaction. Once understood, level-up to drive targeted cost recovery and reduction at higher levels of the business.



## Wrap

Meeting customer expectations does not have to come at the cost of profit. Businesses have choices in how they recover and reduce cost outliers. Work with customers to drop costs in exchange for better pricing or shared savings. Or provide options in the online ordering experience that shape more cost-efficient orders with customers in the driver seat.

Whatever path is right for your business, Synapsum solutions can help. Synapsum transforms B2B distributor data into actionable cost intelligence that reaches across internal functions to drive returns.

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