CASE STUDY:

Network Analysis Leads to $1.2 Million in Transportations Savings

ZIPLINE LOGISTICS

International ingredients supplier utilizes Zipline Logistics technology suite to improve supply chain efficiencies

CUSTOMER PROFILE

- Supplier of starches, sweeteners, proteins, polyols and organic ingredients
- Applications in human and pet food products, as well as industrial applications
- Presence in USA, Europe, Latin-America, and Asia

THE SITUATION

Zipline's customer was originally spending upwards of $5.5 million for U.S. domestic transportation each year for roughly 7,000 shipments. Without full visibility into its U.S. network, overseas offices were shipping ingredients to out-of-network distribution centers. This led to servicing of orders more than 1,000 miles away when much closer facilities existed.

These cross-country deliveries resulted in an accumulation of unnecessary costs and complications. Without considering impacts on domestic transportation, international offices were also pushing unintended price hikes and service issues to carriers, receivers, and end customers.

Zipline's client knew there were opportunities to improve its supply chain network and decision making process, but were unsure how to move forward with identifying inefficiencies. Looking to partner with a proven-service provider they asked Zipline for an in-depth network analysis. With the uncovered information, they hoped to drive increased efficiencies, reduce overall costs, shorten time to market and to customers, and ease inventory planning processes.

THE ANALYSIS

Zipline leveraged its technology suite to conduct a deep network analysis of their customer's data. With its proprietary analytics platform KANOPI and available mapping software, Zipline started by identifying which ingredient loads went beyond recommended mileage limits or were more-costly than target metrics. Once identified, Zipline compared rates for these loads from all possible warehouse locations and configurations to determine the lowest possible costs.

Wanting to utilize capacity rich markets, Zipline considered not only location density but inbound and outbound rates, truck availability, existing warehouse relationships, and future business projections while building recommendations.

CONTINUED

SPECIFICS

- ▲ $1.2 million + in potential savings identified
- ▼ 16 fewer outbound locations suggested
- ▼ $170.98 expected savings per load on average
- ▼ 120 fewer projected miles traveled per order on average
- ▼ 861,908 fewer projected miles traveled overall
- ▲ 30% increase in network efficiency

CASE STUDY:

Network Analysis Leads to $1.2 Million in Transportations Savings

Working with ingredients – starches, sweeteners, proteins and polyols – port proximity and state-specific drayage weight limits were also built into the analysis.

THE OUTCOMES

The data revealed that numerous delivery locations were underutilized and that others were redundant. With 24 different warehouses, overhead costs were high and optimum efficiency was out of reach. Eliminating and consolidating facilities was imperative to reducing expenses and improving customer service. With data-driven insights, Zipline recommended that their client operate with eight strategically placed warehouse locations to achieve optimal outcomes.

With these recommendations, Zipline's customer was able to streamline their U.S. domestic transportation and improve communication with overseas offices. With data leading the way, they were able to make more intelligent business decisions and revamp their operations to achieve projected 90 percent efficiency.

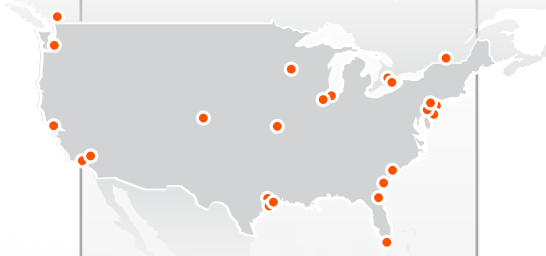
ZIPLINE'S KANOPI

Proprietary business intelligence platform that provides Zipline customers with easy access to key performance metrics and analysis tools.

CHANGE IN WAREHOUSE FOOTPRINT

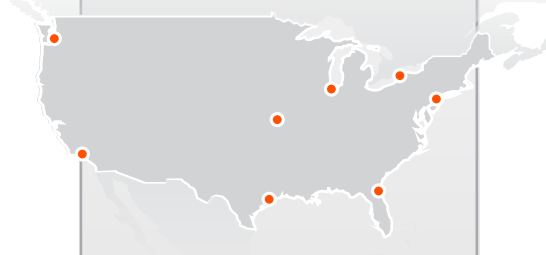
BEFORE

24 warehouse locations included both redundant and underutilized facilities



AFTER

Scaling back to eight locations equated to optimal network efficiencies, lower costs, and easier servicing of customers



ZIPLINE LOGISTICS

CONTACT US FOR MORE INFORMATION ON NETWORK ANALYSIS OFFERINGS

888-469-4754 or **www.ziplinelogistics.com**