

Sustainable Parcel Spend Management:

A Case Study

Green Mountain Consulting partnered with a well-known retailer with store and internet sales channels to develop and deliver a sustainable parcel spend management solution. GMC prepared a short and long term road map for reducing cost and improving their customer experience while taking into consideration their network constraints and strategic objectives.

The Situation

From a centrally located distribution center, the client shipped primarily packages weighing less than 10 pounds with a service commitment of five days or less to its customers. Ground service was utilized primarily for the deferred shipments and Next Day 3 PM Air for customer upgrades. Common to many shippers, the company was constrained by the ability to make drastic transportation management system changes in the short term. However, over the long term the company had a goal to move from a single carrier network to a multi-carrier parcel network.

The Solution

GMC developed a roadmap for the client that provided for immediate savings through implementable network and package enhancements, while also providing longer term savings opportunities through a complete network overhaul. In the short term, GMC identified the following opportunities to implement:

- Changing packaging characteristics (size and material) would allow the company to lower the weight of the existing shipments and minimize dimensional weight impacts
- Shifting air packages to ground where transit time was the same
- Consolidating multiple packages being delivered to the same store addresses on the same day
- Eliminating address corrections to recurring bad destination address entries

For the long term, GMC identified the optimal ship mode for packages based on package profile and transit time requirements. GMC partnered with the client to develop a process to procure the proper contracts with two carriers that would optimize overall parcel spend. As a result, the client selected a postal consolidation solution to support less than eight pound shipments within five days transit, as well as returns. A parcel carrier was selected for the higher zone shipments, in addition to greater than eight pound packages and air / export services. **The savings were significant.**

Green Mountain Consulting, LLC, provides our clients with a customized, sustainable parcel spend management solution.

Tactical Excellence + Strategic Insight

Tactical excellence in our best in class parcel audit and invoice payment services provide the foundation for delivering ongoing strategic insight for our clients through advanced analytics, network optimization, visibility solutions, and strategic project and contract management support. GMC's business model is to strategically partner with the mega volume parcel shipper (greater than 4 million parcel shipments annually) by becoming an extension of their existing resources, learning their business, and working weekly to deliver value within a sustainable parcel spend management solution. We bring our clients a view of the market, proprietary analytical tools, expertise, and a bandwidth they would not or could not reasonably possess on their own. We charge a fee per shipment for our services and our clients keep 100% of the savings we help them realize. Contact us today by going to our website at www.GreenMountainConsulting.com and clicking on Contact Us.

