

Shipping & Fulfillment Spend Optimization

Put your business in the driver's seat to reduce shipping costs and optimize contracts.

Are You Overpaying for Shipping?

Shipping costs consume as much as 30% of the cost of goods sold, and with such a small number of carriers dominating the small parcel industry, shippers struggle to get the service they need at a price they can afford, causing 9 out of 10 shippers to overspend. Historically high carrier rate increases clash with the consumer expectations for free shipping, leaving only the shipper to foot the bill. Shippers desperately need help curbing these cost increases and restoring sanity to their supply chains.

SIB Can Help

SIB's team of shipping industry experts (from our Shipware division) employ automated data solutions, proprietary benchmarking, and decades of carrier pricing experience to ensure you get the best options, performance, and prices you need to turn shipping into a competitive advantage.

- Negotiate better contract rates and terms with your shipping partners. Better rates, fewer missed refunds, and an optimized carrier mix save you an average of 18% on annual shipping costs.
- Identify the best carrier options for your geographic distribution, time-in-transit requirements, budget, and technology needs. Reduce transit times while keeping your costs down.
- Leverage your data to make better business decisions. Identify service level improvement opportunities to meet your standards and exceed customer expectations.
- Gain peace of mind. Rightsize costs, optimize value, and protect margins with the data, technology, and expertise to make your best shipping and fulfillment choices.

10%-30%

Reductions in Shipping & Fulfillment Costs

Parcel & LTL Rate Negotiations

Save 5% - 30% annually to negotiating best-in-class carrier rates.

Invoice Auditing & Refund Recovery

Parcel & LTL shippers can save 1% - 5% annually & never overpay.

3PL Strategies & Procurement

3PL customers can reduce costs and implement SLAs (service level agreements) to improve service.

Carrier Mix Strategies

Mitigate risk with alternatives to FedEx & UPS while improving cost & service.

Case Examples

> E-commerce Perishables Shipper

\$1.1M in annual shipping costs saved

- 31.5% reduction in cost.
- Diversified carrier mix, shifting selected volume to FedEx to reduce costs and improve transit times.
- Implemented evergreen FedEx agreement with best-in-class rates and terms.

> Fortune 100 Multi-Brand Distributor

Optimized \$48 million in parcel spend for an estimated annual savings of \$6.5 million

- Moved shipper from GPO rates onto in-house carrier contract, saving 14%.
- Diversified carrier mix by implementing GLS, a U.S. Western regional carrier, to save an additional 3.6% savings over FedEx and improve transit times on region-specific deliveries.

> Third-Party Logistics Vendor

Introduced new carriers and optimized routing decisions, saving \$3.2 million annually

- Reduced annual FedEx spend of \$12.8 million by 25%.
- Engaged in multiple RFPs with UPS and FedEx as well as consolidators DHL eCommerce, Pitney Bowes, and Mail Innovations.
- Canadian parcel optimization to drive 14% savings on CA deliveries.
- New rates and services helped win new clients and spur significant growth.

> E-commerce and Brick & Mortar Apparel Company

\$1.1 million in annual 3PL cost savings

- Implemented cross-border solution for imported goods to save \$1M+ annually over incumbent 3PL vendor.
- Eliminated 80% of U.S. duties and taxes.
- Implemented new 3PL with best-in-class pricing and Service Level Agreements to meet business requirements and improve the customer experience.

Our Process



Collect Data

- We collect four to six weeks of your shipping data to understand the nuances of your shipping operations: discounts, services used, regionalities, and more.
- We execute an MNDAs for peace of mind – your data is safe with us.



Analysis

- We perform a transportation spend analysis breaking down services, zones, weights, accessorial charges, minimum charges, & more.
- We benchmark your rates against our internal data points and industry best pricing.



Review

- We uncover areas to optimize and estimate how much your business is overspending on shipping.
- We uncover hidden costs, misaligned discounts, subpar rates, minimum charge impact, accessorial impact, and unfavorable contract terms.



Strategy

- We build a customized strategy to meet your needs, which can include cost-reduction, time-in-transit improvements, service improvements, reporting, and carrier diversification.
- We support you throughout the entire single- or multi-carrier RFP process, guiding you every step of the way with proven strategies that cut costs and save time.



Implementation

- We help implement your new, reduced rates, supporting you with any reporting and/or technical requirements.
- We conduct regular business reviews and proactive monitoring to ensure your contract remains optimized throughout our engagement.

