



Cutting Costs While Delighting Customers

North American companies increasingly are seeking data-driven supply chain strategies to lower costs while improving customer satisfaction. Robust technologies and advanced analytics drive the business insight needed to streamline processes and reduce costs from raw materials to end delivery. Sophie Dabbs, vice president of client solutions for third-party logistics provider Transportation Insight, discusses the art and science of how shippers can reduce cost while creating more customer value.

1. **Reduce cost-to-serve.** Gain understanding of true cost down to a customer and product level with an analysis that incorporates costs from transportation, production, customer service, and raw materials. Look for opportunities to consolidate orders and convert to lower-cost transportation modes.
2. **Gain visibility from end to end.** Door-to-door visibility enables companies to identify areas where they are incurring unnecessary costs. Connecting suppliers, carriers, and customers using a transportation management system (TMS), warehouse management system, and interactive mobile analytics allows you to quickly control cost.
3. **Eliminate waste.** By removing non-value-added activities, companies shorten lead times and save money. Solutions can range from reducing the number of times an order is touched in a warehouse to more complex inventory and working capital projects.
4. **Optimize network design.** Creating the most efficient supply chain lowers costs by eliminating unnecessary assets, facilities, processes, and suppliers. Network modeling software and analytical tools ensure optimal networks that deliver high customer service levels while staying agile to meet fluctuating demands.
5. **Find a partner.** Collaborate with an outside firm so you can focus on your core competencies. With a co-managed approach, you can maintain the control level you desire, whether that means continuing to handle transportation planning and carrier management in-house or outsourcing that function.
6. **Measure performance.** Regularly evaluating performance metrics helps to ensure customer service and meet on-time deliveries. Having measurements in place will help you see business trends and act quickly.
7. **Examine risk factors.** Onshoring and nearshoring create a shorter supply chain that lowers fuel usage, eliminates tariffs, reduces administrative time, and lowers landed costs while reducing the risk of a supply disruption.
8. **Consolidate loads.** Aggregating loads has the potential to lower logistics costs. Inversely, shipping less-than-truckload may be less expensive. It is important to understand your customers' expectations to help you decide. Other ways to lower costs include assigning ship day(s) of the week or utilizing multi-drop truckload.

9. Eliminate expedited shipping costs. Expedited shipments are sometimes unavoidable and you can implement strategies to manage those costs. Utilizing a TMS platform to quickly see cost and transit time will begin to increase cost impact understanding and change behaviour.

10. Understand the hidden costs. You can mitigate the hidden costs of freight invoice errors by partnering with a freight bill audit and payment provider. Choose a firm that audits against your bills of lading and carrier contracts, and delivers detailed solutions.

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Mandela Day July 18th



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