

CASE STUDY

Leading Fashion Industry E-Commerce Company

Leading On-Line Marketplace Makes Parcel Spending Optimization Fashionable with Reveel

An industry leader in high end apparel proactively leveraged data analytics and advanced technology to transform its logistics operations using Reveel's innovative shipping intelligence solution.

THE PROBLEM - OPTIMIZING SHIPPING SPEND

This apparel company has a business model different from many in the industry. Sellers ship goods for resale to them for review and authentication - to ensure that the in-demand apparel they resell, such as sneakers and other in-demand fashion, are authentic. This lets the buyer of any resold goods be confident in what they're purchasing. Once authenticated, the goods are put up for sale, sold, and shipped out to the buyer by the apparel company. This means that a majority of the company's orders have both an inbound and an

outbound component to them.

That complexity is not lost on the company. They understand that this also means that it is critical to optimize all logistics operations, including shipping management.

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The company's team already knew it needed to proactively manage costs across its shipping program; however, it was newly interested in up-leveling their data analytics and agreement monitoring, while adding best-in-class self-service capabilities to empower their team's efforts at driving efficiency and cost-effectiveness.

The team would soon learn just how important real-time data and analytics are to a modern logistics operation.

REVEEL'S PARCEL SHIPPING MANAGEMENT 2.0 IS THE CORRECT FIT

The company had several goals as it set out to better understand and manage its shipping management operations. These included:

- Improving cost management across the shipping program and moving to proactive management
- Understanding what the optimal shipping rates should be and negotiating and selecting the best carrier plans
- Ensuring the correct service levels were selected to maintain customer satisfaction
- Optimizing their network across several warehouses
- Enhancing analytics and reporting to continually improve operations

The company's team were intrigued by [Reveel's](#) Shipping Intelligence™ Platform and its record of success in using advanced analytics, modeling and simulation, statistical analysis, and machine generated real-time insights to help businesses

understand where and how they can improve their shipping efficiencies and expenses.

Reveel's work began almost immediately. A proof of concept was conducted - and the Reveel platform discovered that this company was about to make a big mistake, one that many shippers often fall into unwittingly.

The company's team had recently completed a carrier negotiation. Reveel's cutting-edge

Parcel Spend Management 2.0 platform reviewed the new contracts and their impact on the company's bottom line, as a part of its agreement monitoring capabilities. Reveel quickly found that the

company would drop a revenue tier under the new contract, and that this change would cost the company some \$6 million dollars in fees with their carrier.

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Reveel’s platform takes the complex shipping invoice data from a company, cleanses and normalizes it, then presents it in an easy-to-use application. Advanced analytics comb through mountains of shipping data to find ways to optimize spending for cost-effectiveness, efficiency, and customer service.

The early success was enough to convince the company. They knew Reveel was the correct fit to help them optimize inbound and outbound shipping operations and stay ahead in the competitive landscape.

WORKING WITH REVEEL LEADS TO IMPROVED INSIGHTS - AND GREATER SAVINGS

In addition to the dual inbound/outbound component, the company has a very complex shipping process - and the goals to match.

The organization as a whole is very focused

on improving efficiencies across the board, while also taking steps to drive down expenses wherever possible.

The shipping operations included a diverse carrier base that would need to be optimized - and at the same time, it was critical that transit times and customer service levels remain at the exceptional level that both sellers and buyers have come to expect from the organization. The ability to operate securely and quickly was part of the company’s DNA, and it would need to remain that way - even as moves were made to drive down costs and add a level of data-driven decision-making and nimbleness to operations.

The early insights generated by Reveel had already proven very valuable. It was one of the organization’s top-line goals to become more data-driven, across the board, and once the team saw how powerful and useful Reveel’s actionable insights and agreement monitoring were, they knew it was a good fit.

Some of the actionable insights that the Reveel

platform provided were Service Spend (the total annual amount spent with a carrier); Surcharge Spend (total spent on carrier-initiated surcharges); Average Cost Per Shipment; Minimum Charges (percentage of shipments that meet or exceed agreed-upon minimum expenses); Shipping Weight (average shipping weight of a single shipment, the percentage of shipments that exceed a dimensional weight threshold), and the Average Zone (distance traveled by packages).

Paying close attention to these variables and how adjustments to each can impact the bottom line is one of the most important features of the Reveel platform. Prior to working with Reveel, agreements had to be manually monitored, or the company had to trust that its carriers would monitor any changes to the agreements, such as increases or required rebates. This was too manual a process, and required too much trust being placed in the company's carrier partners.

As the company began working with the Reveel platform, there were additional capabilities incorporated into the mix, each adding additional insights for the team. Specific shipping data could be tied back to order data to help the team better understand the business from a granular viewpoint. Returns and/or any damaged goods claims are also closely

monitored, as these are expensive - and can ultimately impact their brand reputation.

Better, more timely, and accurate data from the platform enables these issues to be monitored and to immediately impact shipping processes-related decision making.

ENSURING THE PERFECT FIT, OR MAINTAINING CUSTOMER SERVICE EXCELLENCE

Shortly after implementing the Reveel platform, the company was able to identify another major issue that could impact the bottom line. Reveel's technology quickly reviewed the current shipping lanes and regularly used service levels for the team. This analysis found several instances where package deliveries could be downgraded from an express service level to a ground service level, without any change in the delivery times or service levels that buyers had become accustomed to. This change alone would create more than \$1 million in additional annual savings - and do so without creating any delays in transit or delivery times.

The company believed that this optimization lever would have been overlooked if it continued to observe and adjust its contracts and service levels manually. Without Reveel, it is unlikely that their team would have investigated the



possibilities for improving what was seen as a regular cost of doing business - and was simply something it had grown accustomed to.

Overall, the Reveel platform proved to be an excellent fit. Agreements were automatically monitored for issues or opportunities for improvement, and material savings were achieved through process improvements. The continual feed of real-time data and immediate analysis gives the company's team what they need to make informed decisions quickly, and in a timely enough manner to have a real impact.

In the future, the company plans to work with Reveel to optimize carton and package dimensional impact, determine any outlier issues and investigate the possibility of establishing new facilities or relocating existing ones for better shipping results.

Reveel truly was the perfect fit from the start.