

CASE STUDY



WeiserMazars Consulting: **Supply Chain** Evaluating Profitability in the Supply Chain Infrastructure **WeiserMazars. Exactly Right.**

A North American logistics company with more than 70 years providing transportation and warehousing-related services globally had recently added customers in a wide variety of different markets, from paper and building materials to food and beverages. In addition, the business base had shifted from a focus on distributing imports to a more complex customer mix that required import, export and domestic logistics.

The Challenge: The client found that as their business became more complex, the need to improve the accuracy and sophistication of their pricing evaluation and customer profitability measurement for growth was paramount for a valuable decision making approach. An immediate service model was required in light of eroding profits and margins.

Solution: WeiserMazars' Supply Chain Group helped the company to develop a highly effective pricing and profitability model for logistics services. The model evaluates each customer's costs to receive, handle, store, pick and ship products. The company can test any combination of pricing levels, inventory turns and cost improvements to determine how profitability is affected.

Results: The Company now has a clear vision on how decisions will affect the bottom line thereby giving them a strategic advantage. The new profitability model allows the company to set attractive and profitable prices for new customers and products, review pricing for existing ones, evaluate contract changes, pinpoint areas that are candidates for efficiency improvements, and monitor the proper mix of customers to minimize risk and maximize return. This all adds up to increased profits, happier customers and a return on investment that exceeds 10 to 1.

About WeiserMazars

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For more information about our Supply Chain Services, visit: www.weisermazars.com/services/supply-chain-consulting or email Jeffrey Cascini, Managing Director at jeffrey.cascini@weisermazars.com.



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