

When a leading Australian logistics company needed to improve its network operations

We helped it to improve its investment efficiency and reduce overall cost

The Challenge

One of Australia's leading logistics companies experienced issues with regard to its management of transport providers and its network operations.

These issues include:

- Difficult management of over 100 transport service providers
- Poor control of end-to-end distribution network
- Network costs being difficult to budget and forecast due to the availability of data
- The changing economic climate increased the pressure on our client to reduce its total cost of transport and its network.

How we helped?

Deloitte was engaged by the company to identify and implement ways of improving its network investment efficiency and reducing the overall cost of the network.

We provided the client with tailored advice, including:

- The development of an interactive baseline and optimisation transport cost model
- The creation of historic and forward-looking optimisation and scenario models to identify and quantify potential quick-wins for immediate implementation
- The development and coordination of the tender & evaluation process
- The development of a five year network capacity model to enable the business to identify and plan for capacity shortfalls and bottlenecks.

Value delivered

The project generated transportation cost net savings of 12% p.a. through the consolidation of transport providers. Reduction in network operating costs was also achieved through consolidation of service centres, rationalisation of suppliers by 80% and alignment of suppliers with their regional areas of strength.



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