



INTELLIGENT AUDIT

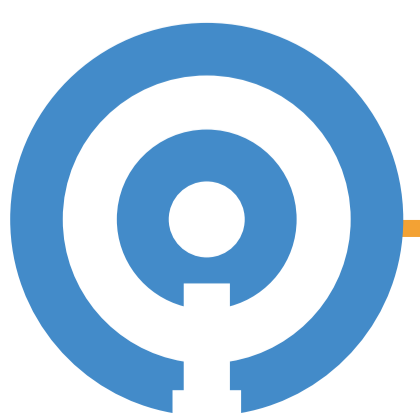
How Visibility Unlocks Path To Big Savings

High-end fashion retailer finds
50 million reasons to believe
in the power of data insights

A prominent fashion retailer, one that has been in business for well over 100 years, sought greater control over its expenses and partnered with Intelligent Audit for freight audit and recovery services. However, that was simply a starting point for uncovering actionable, rich data that helped optimize logistics processes, resulting in a huge reduction in total transportation spend.

Though unquestionably successful in a highly competitive industry, the retailer's leaders sensed in early 2020 that something was amiss. With a transportation spend of hundreds of millions annually, the retailer wanted to cut expenses but wanted to fully understand all its options and have the ability to quantify opportunities before presenting savings potentials to their executive committee. With no access to visibility and data-driven insights needed to formulate a solid strategy, it needed to either develop in-house technology tools or increase staffing significantly to analyze their data manually. Lacking the budget, bandwidth, and — perhaps most importantly — time, the retailer decided to seek out a purpose-built technology solution with an industry-leading team of experts in logistics spend management to help them reach their goals. Intelligent Audit answered the call.

After analyzing the retailer's current state and hearing their goals, Intelligent Audit made a bold pitch: Work with us and we can show you how to achieve significant savings in the first year alone. By laying out a plan, it was clear to the retailer that they had serious work to do and needed IA's help.



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CHALLENGES

No Visibility into Data

The large retailer knew it wanted to save 10% of their costs, had a good hunch from what areas, and what to analyze and optimize. However, the lack of real-time visibility and data-driven insights was holding them back from the ability to confirm where or what it could change to decrease costs.

COVID Adds to Volatility

The relationship with Intelligent Audit began in January 2020, right about the time COVID-19 first flared in the Pacific Northwest. An already volatile marketplace grew even more challenging. Shutdowns and cutbacks quickly became the new normal.

Transportation Mix Lacked Diversity

Capacity was super tight and the retailer needed to expand their carrier network. Regional carriers wanted to see solid data before committing their capacity. Parcel carriers were an option, but the retailer had no idea what the financial impact would be. The retailer wanted to conduct a sourcing event for parcel carriers but had no internal mechanism for capturing data, and didn't know how to grade or calculate the potential shift in service partners.








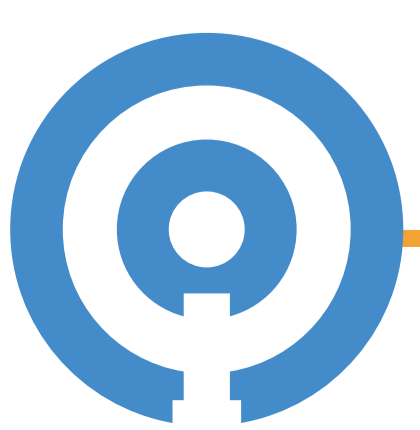
SOLUTION

Within days of having the retailer's data, Intelligent Audit easily showed them the biggest opportunities for savings that totaled up to \$50M.

To achieve those savings, the retailer needed to invest in technology (a new TMS and OMS) and a new warehouse location. A closer look at the data revealed that most of the retailer's shipments to California were coming out of Texas and Pennsylvania. The objectives were to:

-  Establish a distribution center closer to the highest density of their customers
-  Get a TMS to drive better execution
-  Get an OMS to consolidate shipments

Intelligent Audit's data and logic helped "train" the TMS to make better, automated decisions. For instance, the retailer had made some changes in its routing guide in response to a market shift. However, as things changed with carriers and their capabilities, the data showed a different set of changes was needed in the routing guide. The retailer took all the savings opportunities presented by Intelligent Audit, sorted it based on maximize savings potential, and started applying the data-driven changes.



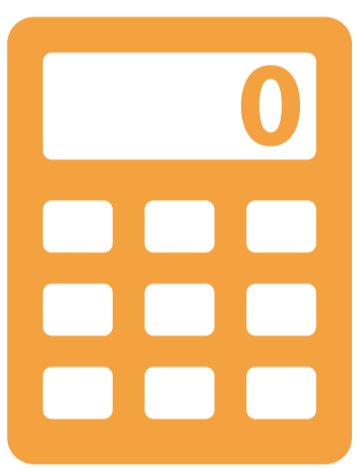


“Everything sounded good, almost too good to be true. We didn’t think everything you pitched would come to fruition, but you made my life so much easier. I can go back to my management team and quantify everything to support my internal business case for making investments and changes.”

Fashion Retailer’s Senior Vice President

RESULTS

Instead of making emotional decisions based on preconceived notions and past experiences, the retailer could now build the case for making the capital expenditures needed to support cost-savings strategies.



Quantifiable Savings Opportunities = totaling \$50M

- ✔ Air to Ground Downgrades - \$9,956,825
- ✔ Consolidation Opportunities - \$21,086,216
- ✔ Regional Hub Injections - \$11,346,096
- ✔ Service Optimization - \$1,600,000
- ✔ Eliminate Packaging Issues/Paying for Dead Space - \$6,600,000

Data-driven insights in conjunction with our team led the retailer to:



Move inventory closer to customers (eliminating coast-to-coast shipping moves)



Achieve a significant reduction in cost-per-package by eliminating internal operational inefficiencies



Normalize vendor name data, to track all expenses by the vendor and eliminate spelling errors



Optimize their footprint by shifting volume from 2-day Express to 1-Day Ground after moving to distribution centers that are closer to customers

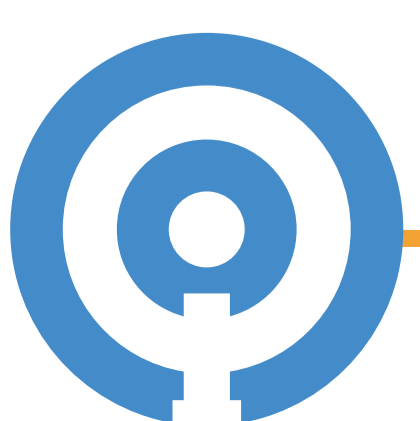


Leverage faster service options with regional carriers



A better customer experience by focusing on order-to-delivery date metrics and alleviating controllable delivery exception

By having unparalleled access to their shipping data, the retailer has greater agility to react to changing demands and market conditions. Our expert market intelligence, guidance, and support continue to empower the retailer’s executive team with valuable insights that are driving growth. According to CSI Market, the retailer experienced double-digit growth in revenue (more than 80%) and market share in Q4 2020.







Get Visibility Into Your Shipping Data And Make Smarter Shipping Decisions With Intelligent Audit

Intelligent Audit is an industry leader in the data analytics, business intelligence, and freight audit business, with a wide range of services available to clients looking to reduce costs, improve customer satisfaction, and discover new strategic opportunities to apply across their organizations.

Leverage Intelligent Audit's deep industry knowledge to gain valuable insight and a trusted partner that you can think of as an extension of your team.

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