



Delivery and Pick-up Analysis

Testing, Repair & Calibration services provider for Industrial Equipment

Identified actionable opportunities for revenue improvement by analyzing the historical delivery & pick-up data, routes associated, and benchmarking against the pricing of 3rd party carriers

Manufacturing company needs delivery and pick-up analysis

Picture this...

You're looking for analysis of the current logistics pricing, benchmarked against 3rd party carriers and identified actionable opportunities for revenue increase. Currently, you deliver/picks-up equipment that is rented out to the customers, and there is an opportunity to have a deeper understanding of the logistics revenues. The current logistics processes are not optimized, and the pricing is sub-optimal compared to other 3rd party logistics carriers, leading to revenue leakage.

You turn to Accordion.

We partner with your team to Identify actionable opportunities for revenue improvement by analyzing the historical delivery & pick-up data, routes associated, and benchmarking against the pricing of 3rd party carriers, including:

- 1) Leveraging Bing Maps API for analyzing distance between the company's base location and customer location against each invoice for different products and services departments
- 2) Assessing the existing delivery charges/mile by bucketing the invoices into different distance tiers and benchmarking it against leading 3rd party carriers
- 3) Estimating the incremental revenue impact by optimizing the logistics charges by different distance brackets

Your value is enhanced.

You have identified actionable opportunities to increase delivery & pick-up revenues by ~60% through optimized pricing. You have leveraged the analysis to revise rate agreements for delivery & pick-up with customers based on the analysis and insights.

DELIVERY AND PICK UP ANALYSIS

KEY RESULT

- ~60% delivery and pick-up revenue

VALUE LEVERS PULLED

- Bing Maps API
- Incremental revenue impact

Delivery & pick-up analysis for B2B industrial service provider

Situation

- The client delivers/picks-up equipment that is rented out to its customers, and there was an opportunity to have a deeper understanding of the logistics revenues. The current logistics processes were not optimized, and the pricing was sub-optimal compared to other 3rd party logistics carriers, leading to revenue leakage
- Partnered with the client and analyzed the current logistics pricing, benchmarked against 3rd party carriers and identified actionable opportunities for revenue increase

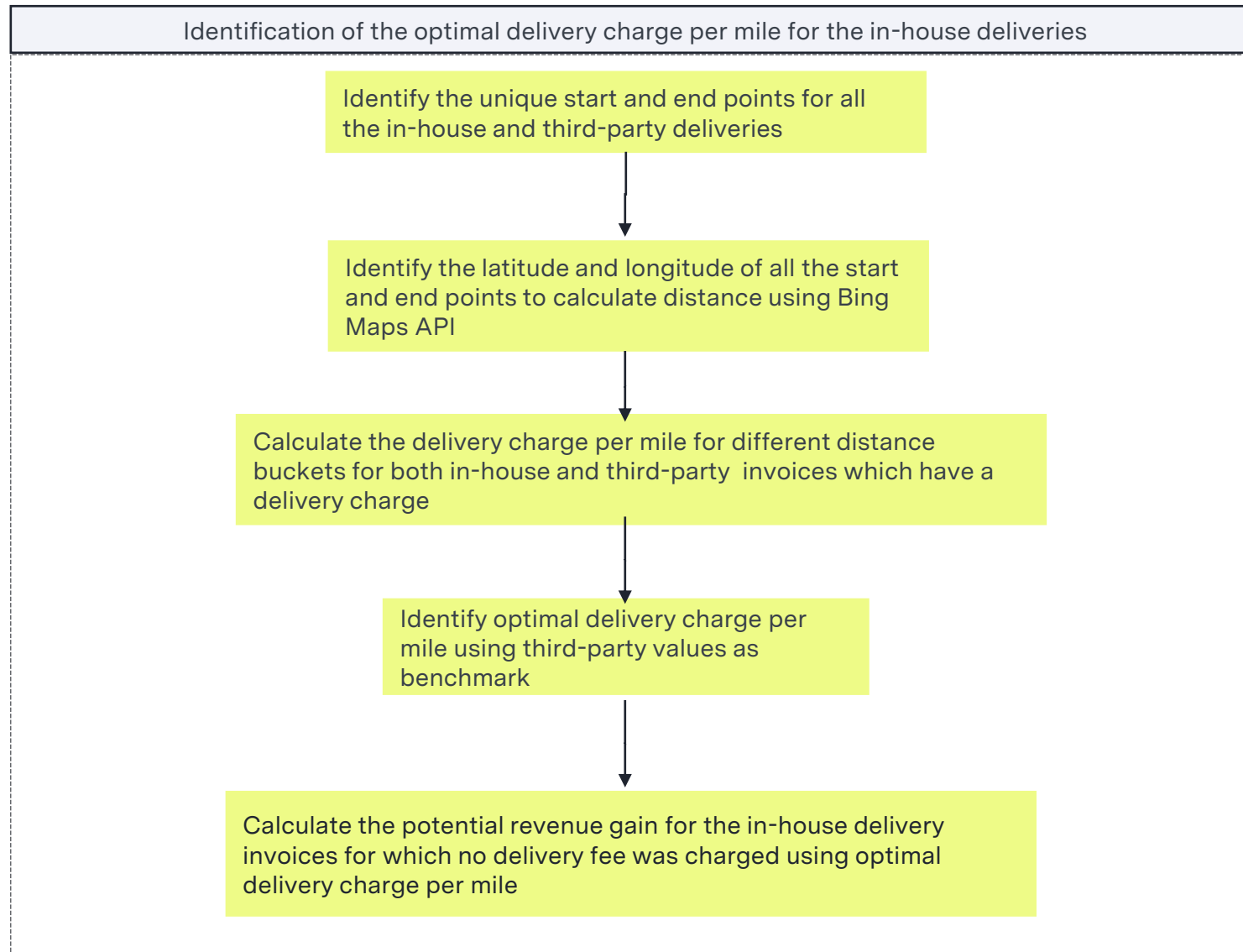
Accordion Value Add

- Leveraged Bing Maps API for analyzing distance between client's base location and customer location against each invoice for different products and services departments
- Assessed the existing delivery charges/mile by bucketing the invoices into different distance tiers and benchmarked against leading 3rd party carriers
- Estimated the incremental revenue impact by optimizing the logistics charges by different distance brackets

Impact

- Identified actionable opportunities to increase delivery & pick-up revenues by ~60% through optimized pricing
- Client leveraged the analysis to revise rate agreements for delivery & pick-up with Customers based on the analysis and insights

Approach & Methodology



Recommended delivery charge per mile and potential revenue gain

Calculating existing and recommended delivery charge per mile

Distance Range (Mile)	Existing Delivery Charge/Mile (\$)	Avg. third party Charge/Mile (\$)	Recommended Charge/Mile for Delivery (\$)
0-100	4.52	4.86	4.75
100-300	3.56	4.05	3.87
300-500	2.20	3.06	2.88
500-700	1.67	2.45	2.25
700-1000	1.20	1.80	1.65
1000+	0.98	1.45	1.25

Based on an agreed % discount on average third-party charges

Based on the recommended charge / mile above, the potential revenue gain (\$) is estimated to show the impact

Calculating potential revenue gain in delivery charges

Distance Range (Mile)	#In-house invoices without delivery fee	Total distance (miles)	Recommended Charge/Mile for Delivery (\$)	Potential Revenue Gain
0-100	1200	15,000	4.75	\$71,250
100-300	250	12,000	3.87	\$46,440
300-500	300	8,700	2.88	\$25,056
500-700	1500	121,000	2.25	\$272,250
700-1000	1600	186,000	1.65	\$306,900
1000+	2100	144,000	1.25	\$180,000