

# Supply Chain Resilience & Cost Optimization Strategy

Diagnosing Post-COVID Margin Leakage in Western European Logistics

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PROJECT LEAD

**Geoffrey Mutuku**

Data & Strategy Consultant

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# The Diagnosis: "Patient Zero"

## Western Europe Drives Global Margin Erosion

Our data isolates **Standard Class** ground logistics as the primary failure point, accounting for 41% of regional penalty costs.

### PRIMARY INSIGHT

#### 41% of Costs

Generated by Standard Class shipments  
(\$202k)

Total Region Loss

**\$493,802**

Total Orders

**15,864**

REGION	FIRST CLASS	SAME DAY	2ND CLASS	STD CLASS	GRAND TOTAL
France	64,657	11,667	67,390	<b>97,803</b>	241,519
Germany	48,491	6,888	45,797	<b>73,037</b>	174,214
Netherlands	8,884	1,321	9,885	<b>14,581</b>	34,674
Austria	7,298	1,375	6,330	<b>10,101</b>	25,105
Belgium	2,844	790	3,834	<b>5,237</b>	12,706
Switzerland	1,308	0	2,067	<b>1,940</b>	5,316
Luxembourg	0	0	147	<b>116</b>	264
<b>Grand Total</b>	<b>133,486</b>	<b>22,042</b>	<b>135,453</b>	<b>202,819</b>	<b>493,802</b>

# The "Resilience Gap"

## Operations Failed to Capture Market Recovery

**2020-2022 (Crisis):** Internal costs tracked with Global Pressure (Green) as expected during the pandemic.

**2024-2025 (Divergence):** While Global Pressure normalized to near-zero levels, internal costs in France remained stagnant at crisis peaks.

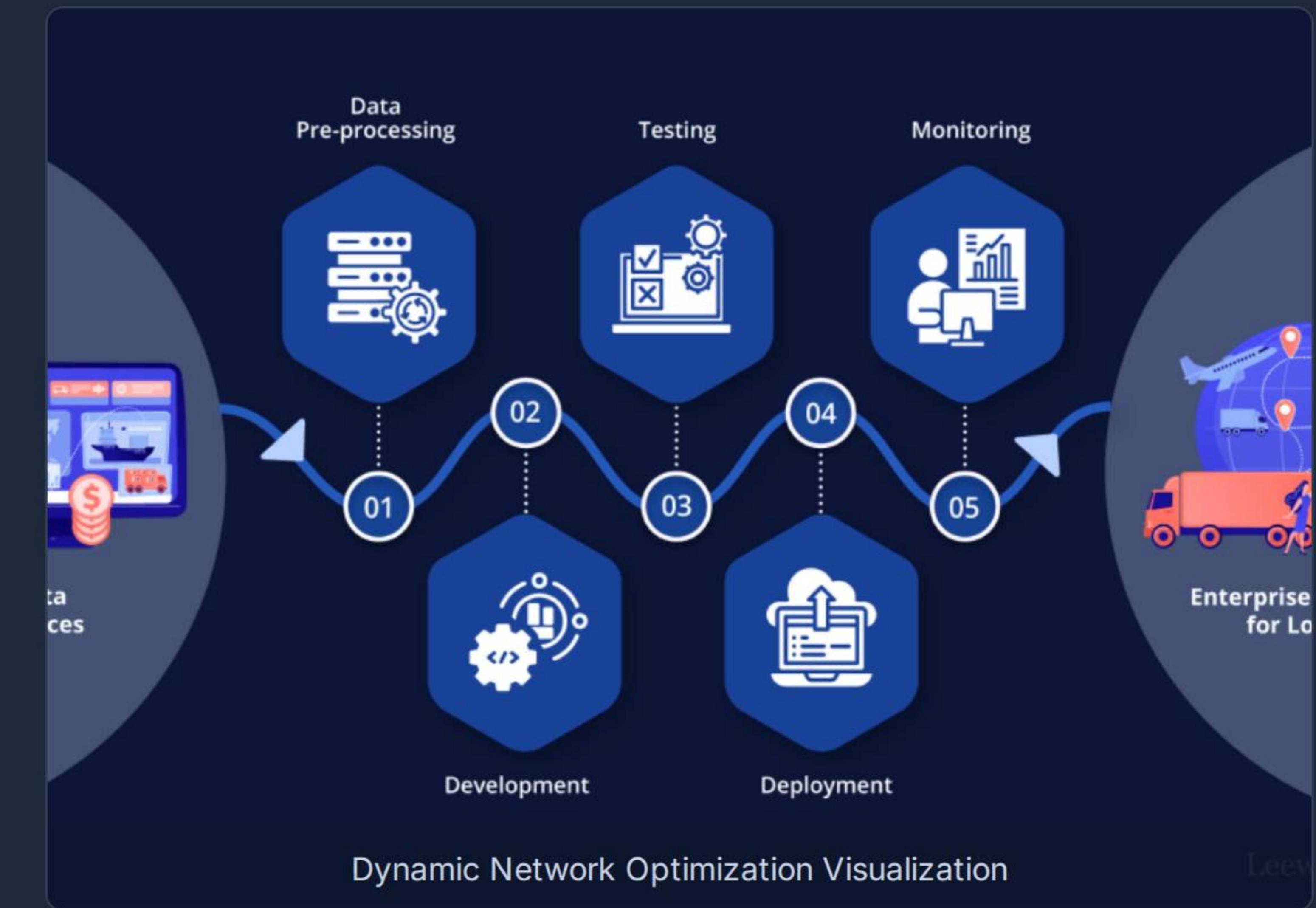
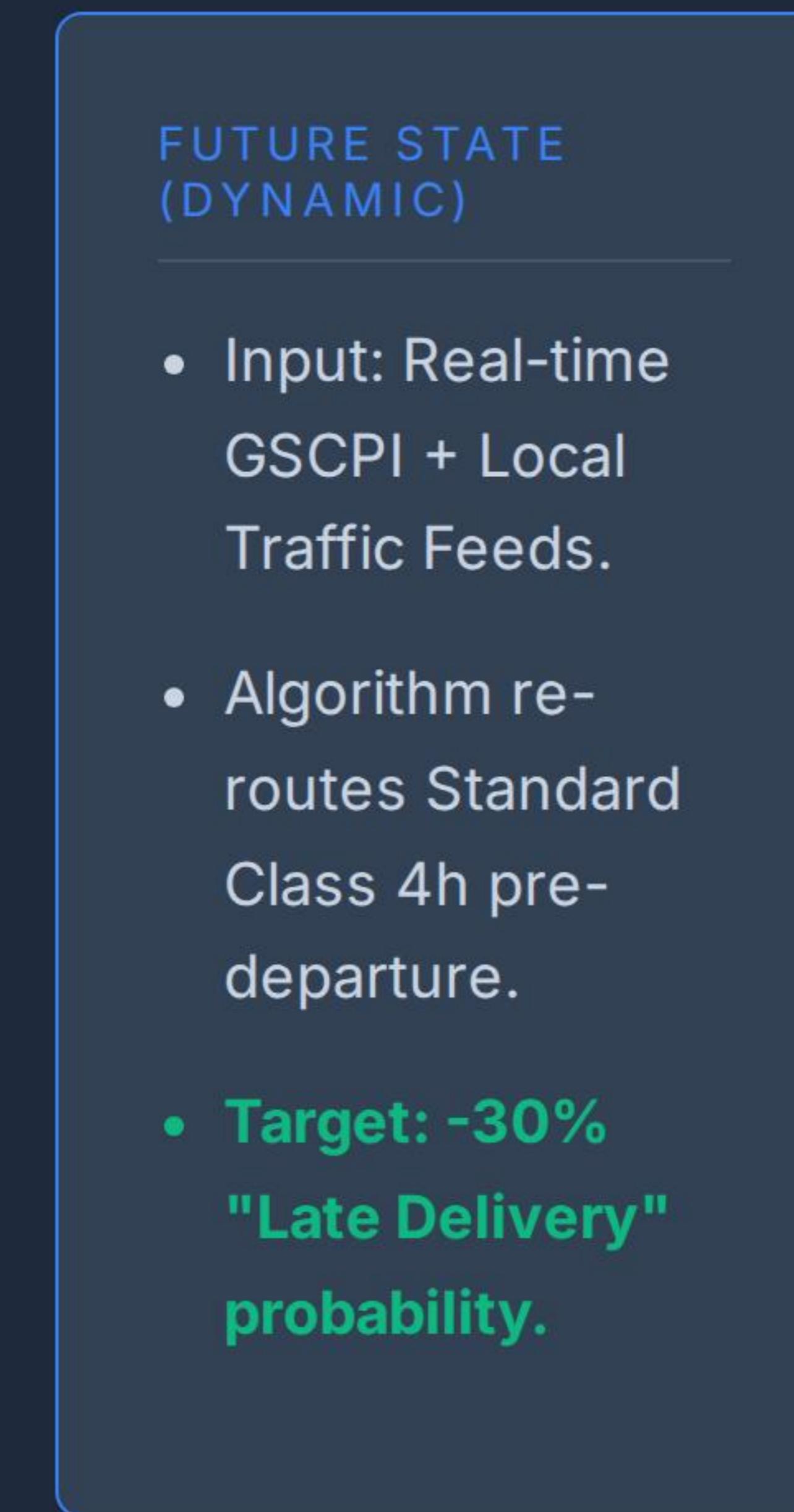
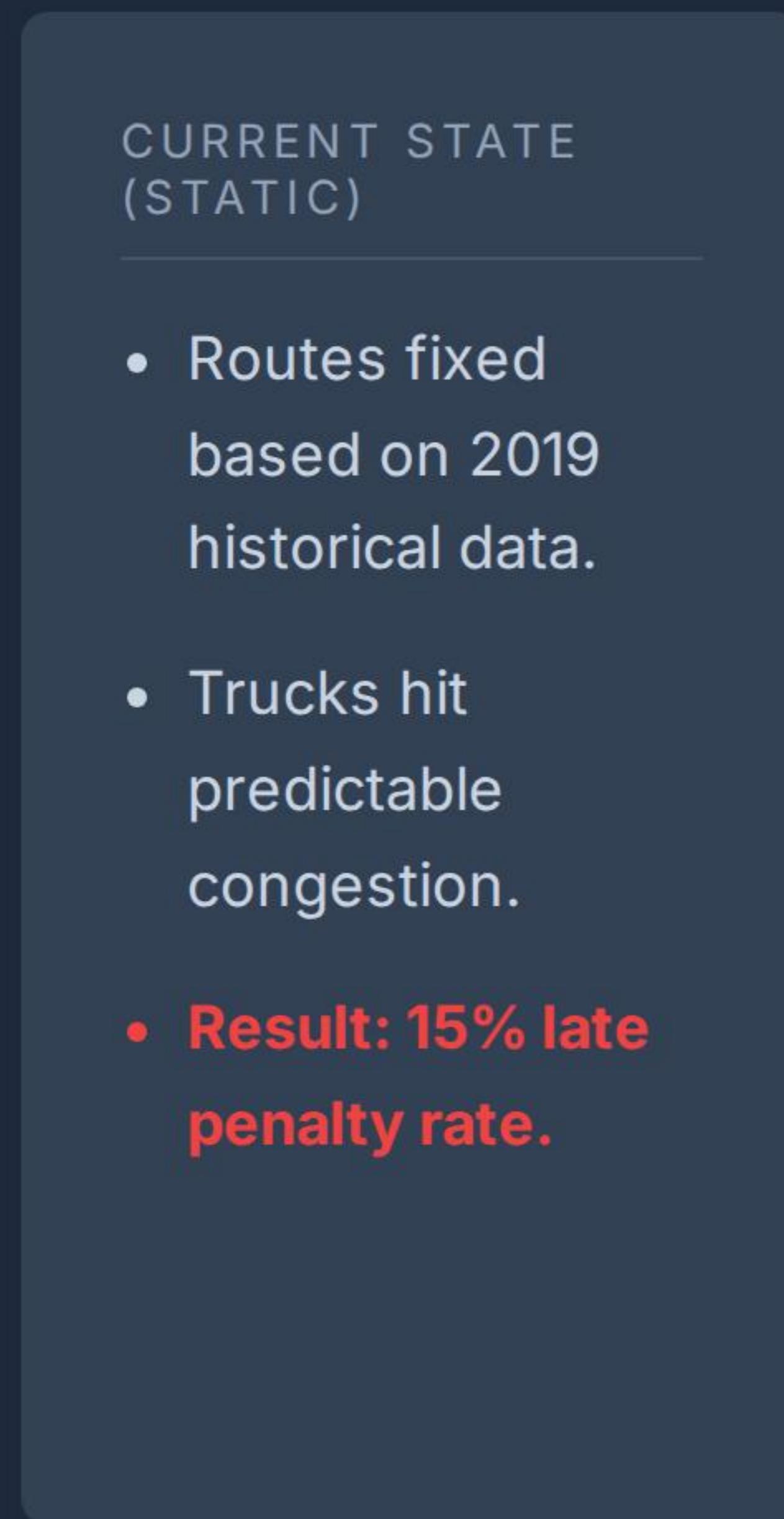
### So What?

Current leakage is structural, not environmental. We must intervene operationally.

France: Operational Cost vs. Global Supply Chain Pressure



# Proposed Intervention: AI-Driven Dynamic Routing



# Projected Financial Impact (Annual)

**\$494k**

CURRENT ANNUAL LEAKAGE  
(WESTERN EUROPE)

**30%**

TARGET REDUCTION  
(CONSERVATIVE)

**\$1.2M+**

PROJECTED SAVINGS  
(GLOBAL SCALABILITY)

## Scalability

If replicated across Top 5 regions (South Asia, US, etc.), total projected savings exceed **\$1.2M annually**. This initiative pays for itself within Q1 of global rollout.



### Strategic Recommendation

Immediate pilot of Dynamic Routing in the **France – Standard Class** corridor.

# Image Sources



<https://d3lkc3n5th01x7.cloudfront.net/wp-content/uploads/2024/03/13005815/AI-solution-for-a-LOGISTIC-1.png>

Source: [www.leewayhertz.com](http://www.leewayhertz.com)