

Supply Chain Resilience & Cost Optimization Strategy

Diagnosing Post-COVID Margin Leakage in Western European Logistics

PROJECT LEAD

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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	97,803	241,519
Germany	48,491	6,888	45,797	73,037	174,214
Netherlands	8,884	1,321	9,885	14,581	34,674
Austria	7,298	1,375	6,330	10,101	25,105
Belgium	2,844	790	3,834	5,237	12,706
Switzerland	1,308	0	2,067	1,940	5,316
Luxembourg	0	0	147	116	264
Grand Total	133,486	22,042	135,453	202,819	493,802

The "Resilience Gap"

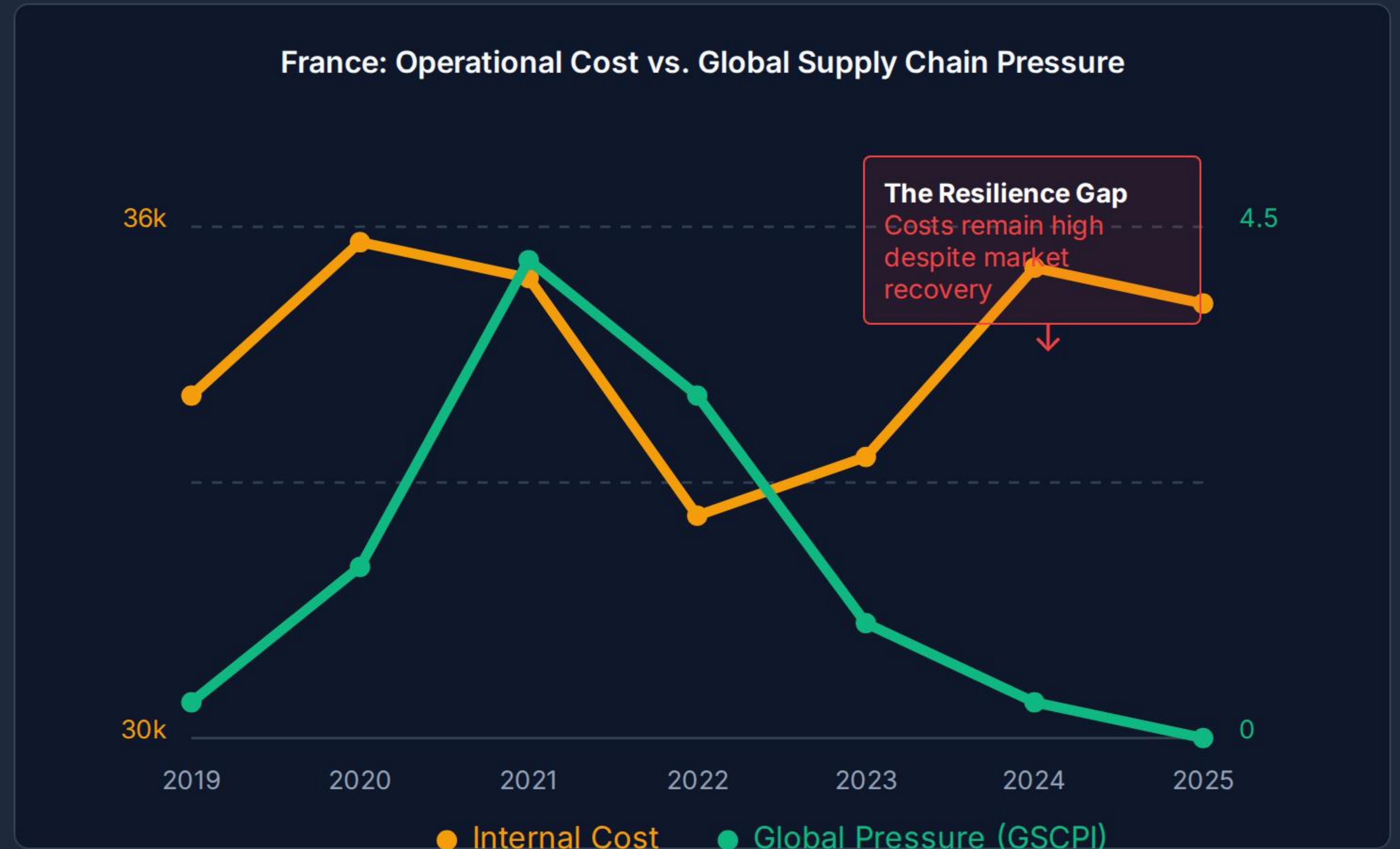
Operations Failed to Capture Market Recovery

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.



Proposed Intervention: AI-Driven Dynamic Routing

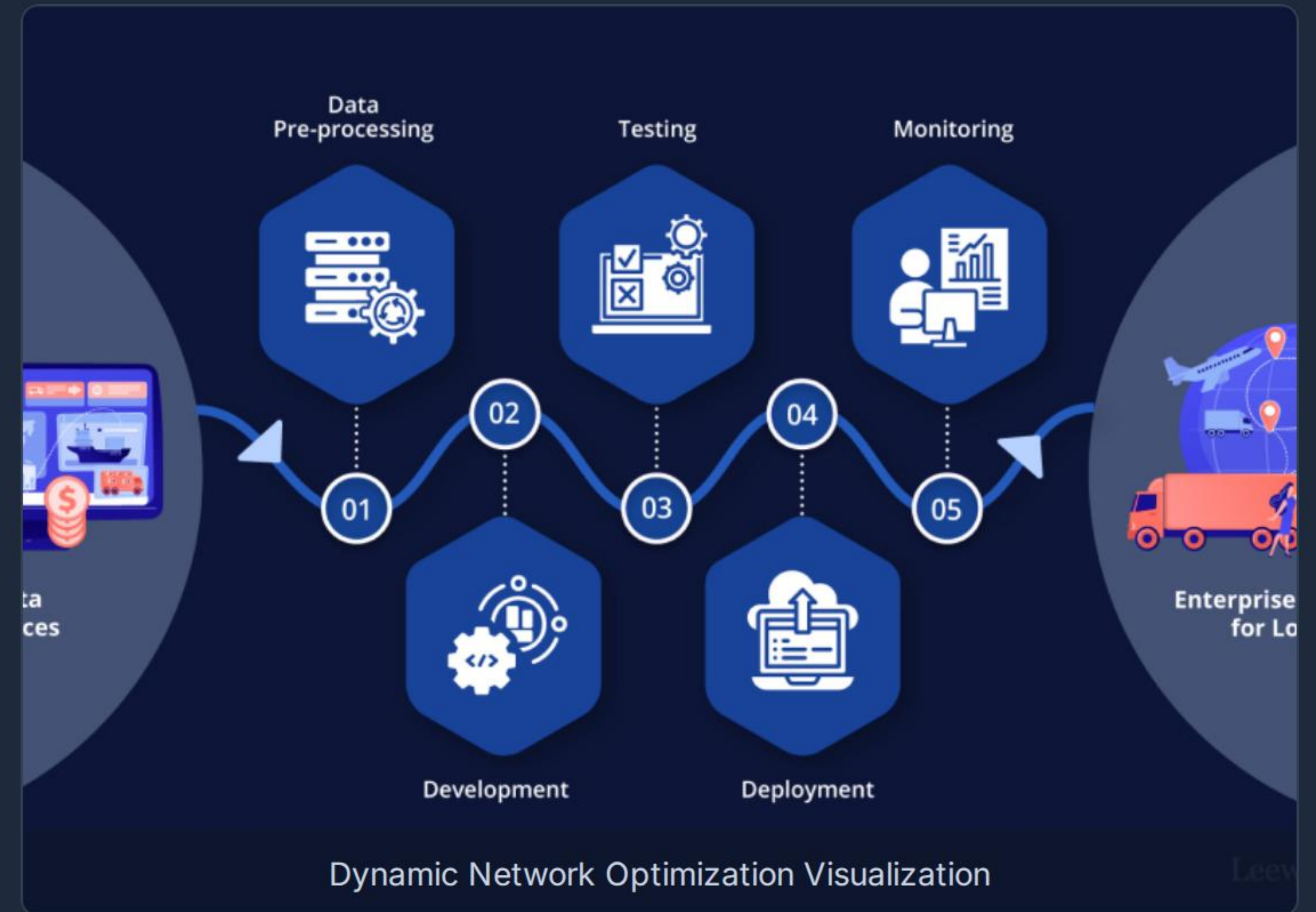
CURRENT STATE (STATIC)

- Routes fixed based on 2019 historical data.
- Trucks hit predictable congestion.
- **Result: 15% late penalty rate.**



FUTURE STATE (DYNAMIC)

- Input: Real-time GSCPI + Local Traffic Feeds.
- Algorithm re-routes Standard Class 4h pre-departure.
- **Target: -30% "Late Delivery" probability.**



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-LOOGISTIC-1.png>

Source: www.leewayhertz.com