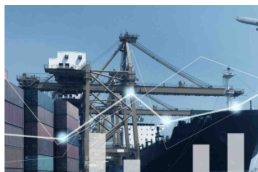


## CASE STUDY

# Logistics Cost Analytics Solutions Helps an IT Service Provider Reduce their Logistics Costs by 12%



## Engagement Summary

IT service providers have made tremendous progress in automating transaction processing and data capturing related to supply chain and logistics optimization operations. Supply chain optimization and logistics optimization is neither easy nor cheap, but it is one of the biggest opportunities for most of the IT services provider companies to significantly reduce their cost and improve their performance. For most of the logistics operations, there is always an opportunity to reduce costs by at least 10% by making better decisions. An IT service provider collaborated with Quantzig to leverage its logistics cost analytics solutions to reduce their supply chain and logistics cost. Our seasoned logistics cost analytics experts helped the client with logistics optimization.

## The Client

The client is an IT service provider based out of the United States. The client manufactures and sells computer hardware, middleware, and software. They also provide hosting and consulting services in several fields like software and nanotechnology.

## Business Challenge

Logistics optimization and supply chain optimization have a huge impact on businesses and their overall revenues. Companies that do not have a proper supply chain and logistics plan in place end up spending a lot more than needed in warehousing, packaging, material handling, transportation, freight charges, etc. Moreover, analyzing and optimizing a company's supply chain and logistics processes also helps them in quality control and management in the end-to-end production process. A focus on quality helps to drive efficiency while reducing waste. The client, an IT service provider, was facing problems with managing their logistics costs and had increasing electronic waste. The client's key challenges included –

**Reduce logistics cost** – Due to the outbreak of coronavirus across the world, the client was facing high cost of logistics, they were looking forward to leverage logistics cost analytics to reduce costs related to logistics management.

**Electronic waste management** – Due to inefficient logistics optimization solutions, the client was facing one of the greatest challenges of the 21st century – electronic waste. They wanted a lean logistics ecosystem to be incorporated into their company to manage and reduce electronic wastes.

**Develop a cost-effective supply chain** – The client wanted to derive a cost-effective supply chain plan which would be efficient enough to mitigate the risks of supply chain disruptions. With the advent of coronavirus, the client had several manufacturing units in South Asia that were not functioning efficiently. Thus, they were frequently ending up spending a fortune in gaining visibility in the supply chain logistics network. They wanted to leverage Quantzig's expertise in logistics cost analytics and logistics optimization solutions to develop a cost-effective supply chain.

## Solution Offered

After analyzing the [supply chain and logistics data](#), our logistics cost analytics experts revealed that the client was making costly errors. Many of their shipments were non-deliverable due to coronavirus outbreak as well as flawed data. To avoid future errors related to logistics, the logistics analytics experts identified the major sources of errors and devised a logistics optimization plan for the client. In the second stage of this collaboration, our logistics analytics experts evaluated the value-added services, such as product labeling and product customization, that were increasing the cost of logistics management. Quantzig's logistics cost analytics experts helped the IT services provider deploy cost-saving models of the supply chain to enable them to reduce these costs.

Valuable insights obtained through logistics analytics enables businesses to optimize routes, streamline factory operations, and give transparency to the entire supply chain network. [Speak to our experts](#) to know more about our logistics analytics solutions portfolio.

## Business Outcome

On collaborating with Quantzig, this IT services provider embarked on a logistics transformation journey which helped them achieve the following business outcomes –

1. Reduced logistics costs by 12% in Q1 and Q2 of 2020
2. Devised an e-waste management plan
3. Developed a lean supply chain management plan
4. Deployed a new route optimization plan