



Case Study: Hyper growth e-commerce company

The Company

A very fast growing private e-commerce company that ships directly to consumers. Even with their massive growth they struggled to close the gap to profitability and keep up with demand while maintaining quality service.

The Challenge

This hyper-growth e-commerce Client was doubling their top line yearly creating stress and capacity issues throughout their outsourced operations and supply chain network. The current network was not only miss-placed and inefficient; it did not have the ability to meet current, much less future business growth and demand. The client was in a critical position.

The rate of expansion necessitated numerous strategic plans surrounding the supply chain and transportation networks and the new strategic plan needed to be executed very quickly to ensure that service and cost could be improved quickly.

Symmedian's Role

Symmedian quickly analysed the Client's data and operations looking at Optimization, business methods & processes as well as site selection to solve this urgent and complex problem.

Symmedian was asked to create and build current and future "perfect world" network scenarios based on low, mid and high probability sales forecasts and make recommendations concerning the plausibility of continuing to outsource verses in source distribution operations. Once the winning strategy was determined, Symmedian was asked to quickly perform a multi-market site/DC selection strategy. This was accomplished within just a few weeks.

The Results

The decision to take back distribution operations (in source) from the existing 3PL and relocate to Indianapolis, IN. The new location is near the new FedEx terminal and close to the international airport. Parcel cost was reduced immediately by 35% with over a one day improvement in days to service to over 60% of the existing customer base. The cost of the distribution operations that were implemented (June 2016 startup) have not been fully determined yet. Symmedian estimates that direct warehousing cost will be reduced by 20% or more in their new Indianapolis DC.