Adapting to keep up with your clients is the key to staying relevant as a logistics and 3PL provider

As a logistics and 3PL provider you have been witness to a changing landscape. Will your supply chain enable you to continuously adapt to the key trends that are shaping the industry:

**Efficiency Isn’t Enough Anymore**

Those investing in adjusting the overall operating model experienced savings of 25% or more, compared to companies choosing to pull efficiency levers alone typically experience 8-10% annualized run-rate savings.¹

**Behind the Times**

The percentage of transportation and logistics companies that rated themselves ‘advanced’ on digitization was just 28%. Some of the industry’s customers are already well ahead of this, the lack of a digital culture and training is the biggest challenge for transportation and logistics companies.²

**Capacity Tightening**

US Truckload rates have climbed 20% to 30% on a year-over-year basis on the spot market and contract pricing has risen in the high single digits to the low double digits.³

When the importance of the decision requires the smartest analysis, innovative Third Party Logistics Providers rely on LLamasoft to show them trade-offs and options for how their supply chain should be designed to create desired business outcomes. The LLamasoft Digital Design and Decision Center puts powerful answers in the hands of supply chain decision makers - across strategic, mid-range and operational time horizons – making data-driven decisions a reality within and across supply chain functions. With the ability to
visualize, simulate and optimize your end-to-end supply chain processes, you'll be able to answer the most complex supply chain transformation questions.

**Supply Chain Design Makes a Difference**

Logistics and 3PL providers that proactively redesign their supply chains with LLamasoft can respond rapidly to changing market conditions and design their supply chains to meet their profitability and service goals. Our logistics and 3PL customers identify an average of 9.8% total variable cost savings while driving operational transformations—requiring new interconnected decisions across supply chain functions including:

- Greenfield Analysis
- Mode and Carrier Selection
- Strategic Sourcing Optimization
- Transportation Route Optimization
- Distribution Network Optimization

“Previously with spreadsheets we would often miss those ripple effects, or we’d be forced to be too conservative in our decisions. LLamasoft gives us visibility into those effects that could occur, so we can challenge our internal belief systems and make better longer-term decisions.” - John Morrison, VP Global Strategic Network Planning at CHEP

**How are Global Logistics and 3PL Providers Leveraging Smarter Supply Chain Decisions?**

LLamasoft logistics and 3PL customers include some of the largest and most innovative companies in the world. Here are the stories of logistics and 3PL customers’ achievements with LLamasoft solutions:

- A leading U.S. based logistics service provider saved an average of $4000 per week on each of their facilities. The service provider used LLamasoft to identify short-term optimal routings as well as longer term network improvements. Using LLamasoft’s Transportation Optimization, they identified optimal supplier routings for their automotive manufacturing client’s 50 facilities, which amounted to a total savings of $10 million per year.

- A supply chain management and logistics firm experienced a 18% increase in average stops per route. The firm needed a way to measure the effect of new business within its last mile delivery locations, including actual capacity increase requirements and impact to productivity. Using LLamasoft Transportation Optimization, they implemented a systematic method of evaluating route efficiency and decision support material to use when evaluating and pricing new business. The increase in stops per route was a result of changes to frequency and routing, along with increased visibility and focus.

1. Deloitte
2. PwC
3. Cerasis

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