

Shippers' Compass

Kearney's logistics perspectives

Quarterly executive insights for budgeting/forecasting, service expectations, and optimizing in the logistics space

September 2024

KEARNEY



Shippers' Compass highlights: demand is rebounding at faster speed for international modes (air and ocean) vs. domestic modes, little evidence the rebound will endure






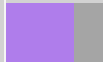







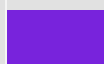






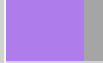

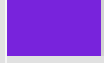
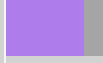



Shipper market

Degree shippers are advantaged over carriers in the market
 – 100% bar = shipper advantage
 – 0% bar = carrier advantage

Service quality

Lane capacity availability and delivery reliability in the market
 – 100% bar = excellent service
 – 0% bar = poor service

Compass snapshot – August 2024

Freight segment <small>US domestic in 2023</small>	US 2023 market size \$B	Carrier concentration	Shipper market	Service quality
Truckload 	409	L		
LTL 	64	M		
Intermodal 	35	M		
Ocean 	84	M		
Air 	93	M		
Rail 	97	H		
Parcel 	216	H		
Last-mile (bulky) 	13	L		
Last-mile (specialty) 	varies by subsegment	L		

Note: IM and last-mile (bulky) market size estimates are for 2022.
 Sources: DHL, ATA, company financial reports; State of Logistics Report, Kearney analysis

Summary insights

GDP growth expected to moderate due to uncertain consumer demand and high inventory levels.

Truckload rates are still favorably low for shippers, with mixed signals suggesting an upward trend from the 2024 lows. Cited regional tender rejections combined with increased port origin trucking needs by ocean surges show optimism, though evidence is fleeting. Ultimately, abundant capacity has met the needs of temporary demand increases.

Ocean rates continued to increase from demand surges in Q2 and into Q3 due to shipment anticipations. Meanwhile, carriers continued falling short with blank vessel sailings.

Air freight experienced yet another period of high demand, **with EMEA and APAC driving the most demand**. Air cargo demand increased +14% vs. low levels of 2023.

Parcel volume stabilized with unit growth of ~1-2% versus 2023 but still down 5-7% versus 2022; UPS saw decreased YoY revenue per package partially due to lighter packages from Chinese e-commerce providers such as Temu and Shein.

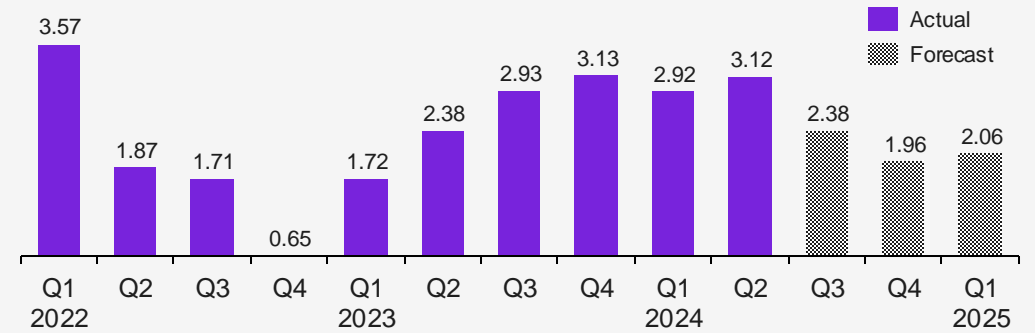
Uncertain consumer demand is expected to drive modest decline in GDP growth in the second half of 2024

GDP growth is expected to decelerate in the latter half of 2024 as consumer spending will likely moderate.

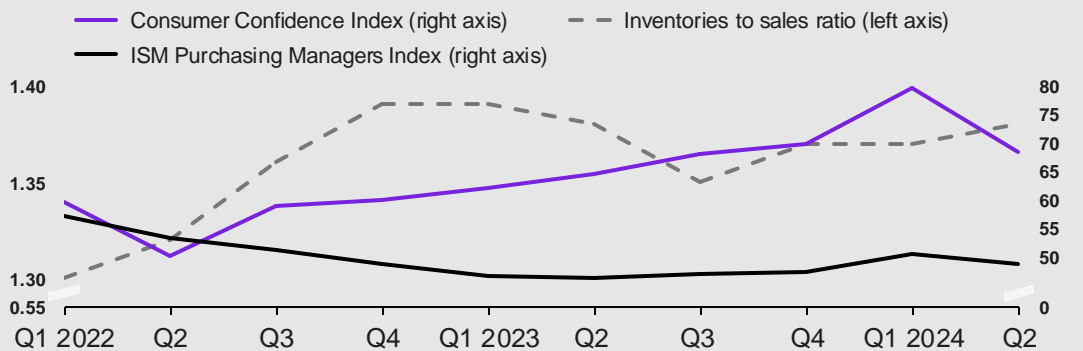
Consumer and retail business sentiment and manufacturing activity continue to fluctuate as demand remains subdued.

Fuel cost is down vs. 2023, hovering near \$4/gallon for the duration of 2024.

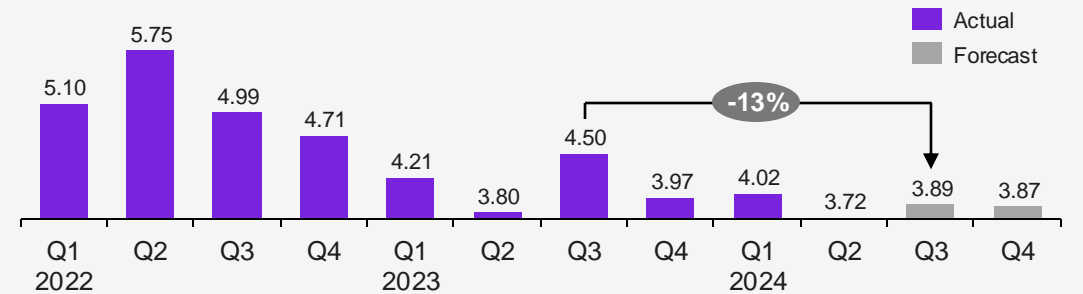
Real GDP (% change per year)



Manufacturing, consumer, and retail business sentiment indexes



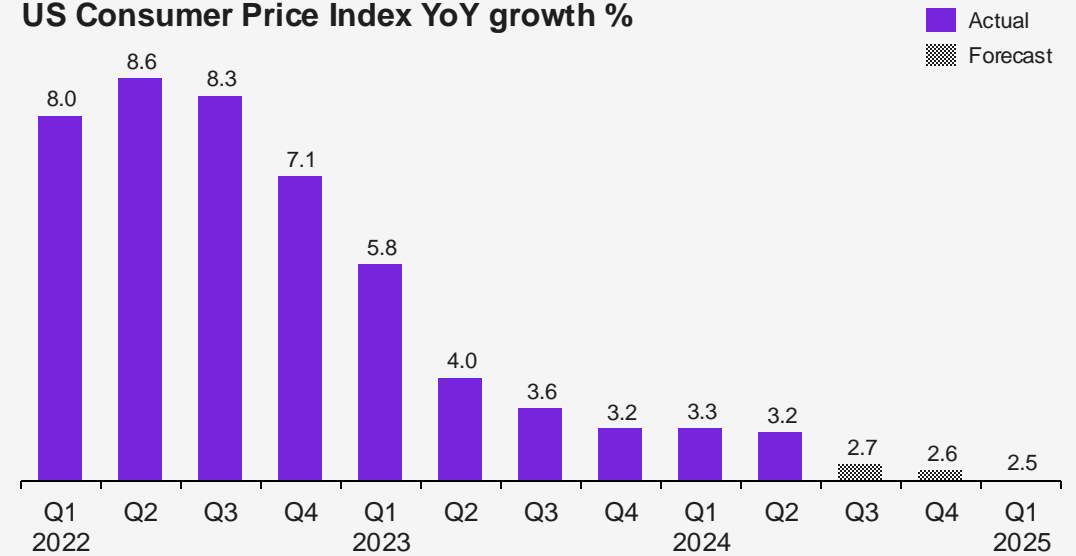
US retail diesel prices (\$/gallon)



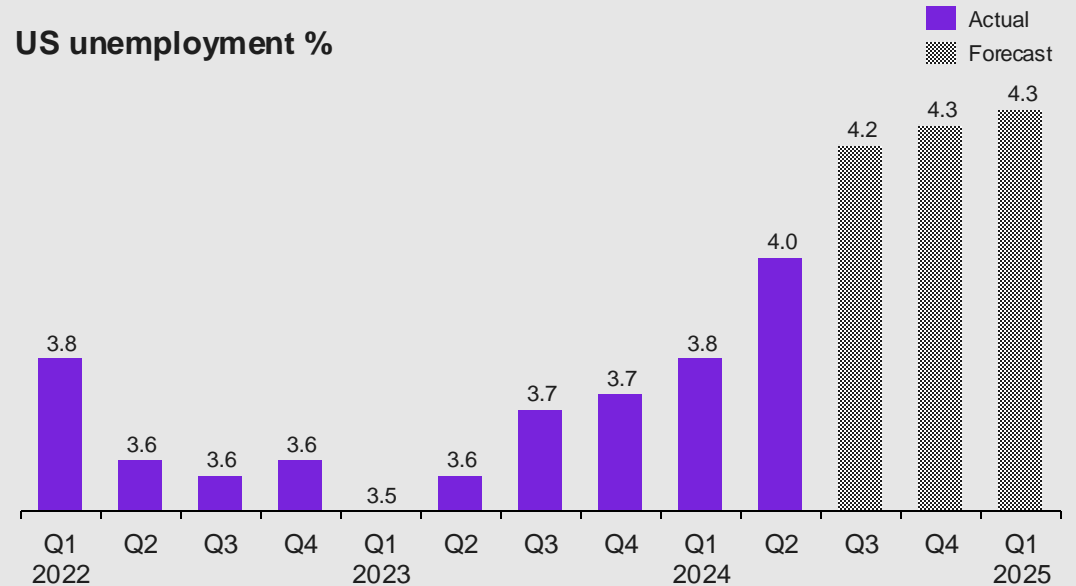
In the second half of 2024, inflation is expected to remain above the Fed's 2% target while unemployment rates continue to rise

Inflation is expected to remain above the Fed's 2.0% target in 2024.

US Consumer Price Index YoY growth %



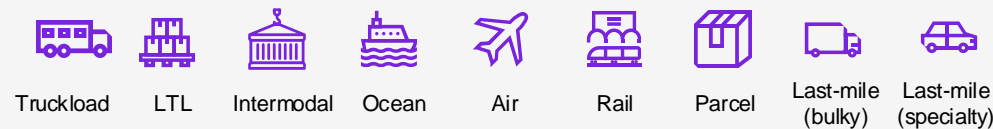
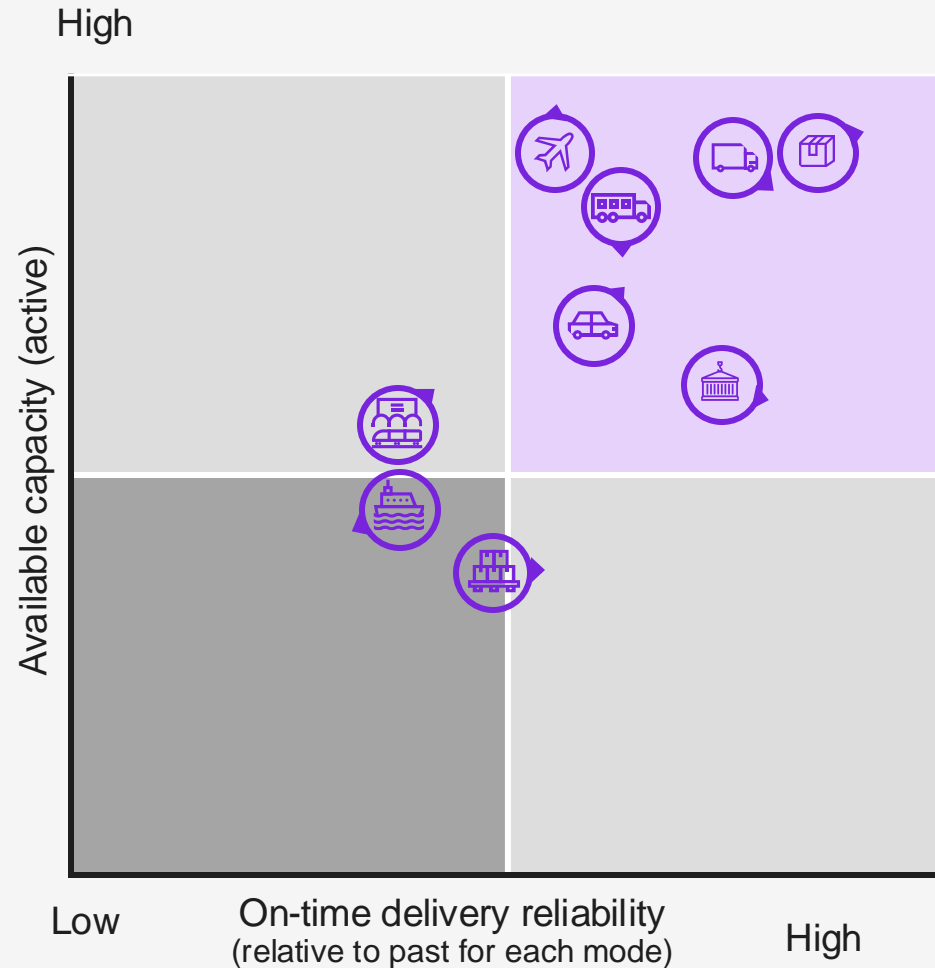
US unemployment %



Unemployment is expected to rise in 2024 compared to recent levels.

While the ocean market is experiencing capacity constraints and service challenges, supply in other modes remains strong

Service quality



Insights

- Excess capacity remains a major obstacle to the truckload market turnaround while small variations have not yet developed into significant trends; market mavens unable to call the “end of the bottom.”
- Abundant LTL capacity and weak demand means service levels will stay high. Carriers still feel strong thanks to the memory of a disrupted 2023 (the YRC bankruptcy), but the competition is expected to heat up as the easy pickins' from the YRC carcass are over and promised carrier price increases will be met by more aggressive shipper sourcing.
- Ocean service challenged by strong Q2/Q3 demand and the Red-Sea crisis, the impact of which extended beyond the primary affected routes causing congestion.
- Air freight capacity expansion has been robust (9.2% annual ACTK growth in first 7 months) and reached an all-time high in July 2024, largely supported by international belly-hold capacity.
- Parcel Q2 2024 volumes have increased by 2.3% for UPS and 4.8% for FedEx YoY compared to Q2 2023.

Truckload

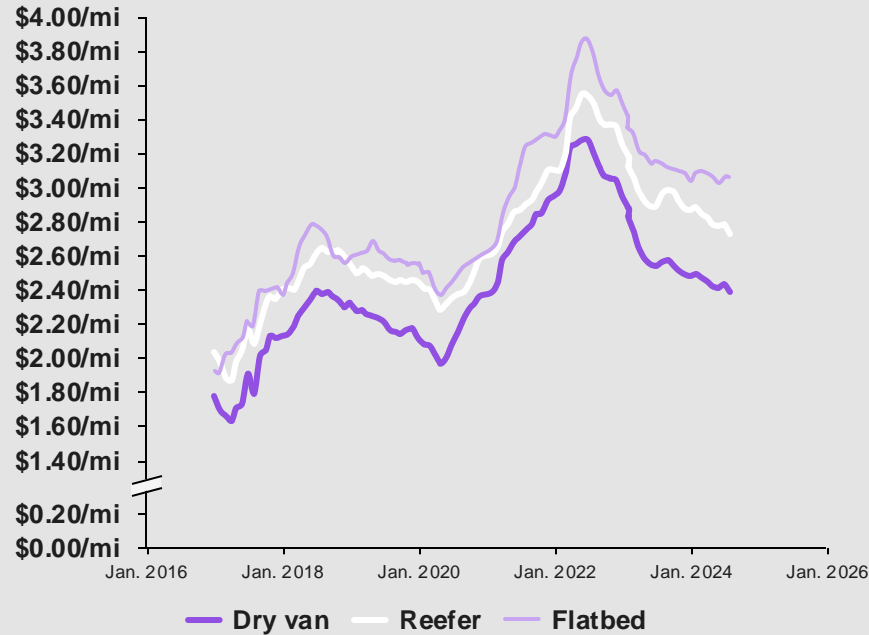
Truckload rates showing continued decline through Q3 despite regional inflections

Shipper sentiment (August) Morgan Stanley

- Now
- Three months from now

Truckload contract rates (August 2024)

DAT (includes fuel)



	Current	vs. Last month	vs. Last year	vs. 2022
Van	2.38	-2.1%	-7.0%	-23.0%
Reefer	2.73	-1.8%	-7.8%	-20.0%
Flatbed	3.06	0.0%	-2.5%	-16.0%

Source: Kearney analysis

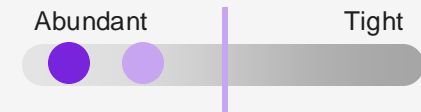
Demand

- The Cass freight shipment volume index fell 1.8% MoM in June, a 6% drop from June of 2023.
- Demand in southern regions has gained momentum due to the combination of produce season and manufacturing reshoring in Mexico, potentially becoming key areas for long-term demand recovery.



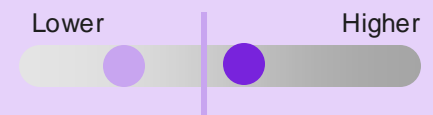
Capacity

- DAT van load-to-truck is up 7.5% MoM in July and 34.9% YoY, showing signs of rebalancing between capacity and demand.
- Overall, the market persists in having supply levels that exceed the demand for freight volume.



Rate trends

- On a MoM basis, Cass Inferred Freight Rates™ fell 2.2% in July (1.6% SA), returning to the lows of February and March.
- Based on the normal seasonal pattern, the YoY decline in the August index will be similar to July.



Truckload

Market shows small signs of movement, but significant impact is yet to manifest

Despite healthy seasonal spikes, lasting demand increases are projected to be tame

Monthly shipment index (July)
Cass

1.110

Cass Freight Index – shipments

3.0%	-1.1%	- 7.4%
VS. Last month (June 2024)	VS. Last year (July 2023)	VS. 2022 (July 2022)

Capacity fluctuates with seasonality but remains at a surplus

Load-to-truck ratio (July)
DAT

	Current	vs. Last month	vs. Last year	vs. 2022
Van	4.18	(11.4%)	15.2%	6.9%
Reefer	6.52	(7.3%)	20.3%	(9.9%)
Flatbed	11.89	(18.8%)	26.1%	(45.8%)

Spot rates make limited shifts as contract rates drop, closing the gap

Spot rates (August)
DAT (\$/mile, excludes fuel)

	Current	vs. Last month	vs. Last year	vs. 2022
Van	2.02	(1.9%)	(2.9%)	(20.0%)
Reefer	2.40	(1.6%)	(4.0%)	(17.0%)
Flatbed	2.44	(1.2%)	(2.4%)	(19.0%)

Insights

- Goods demand remains broadly flat, with the insourcing of freight through private fleet capacity additions being the primary driver of the YoY decline in for-hire volumes.
- With demand cooling down following the July 4 seasonal spike, shippers and carriers are waiting to see if pre-holiday inventory builds will spike demand sufficiently to maintain the momentum in price increases.

Insights

- An abundance of capacity continues to be a roadblock in the way of a freight market shift. Minor fluctuations have yet to materialize into broader trends.
- Hurricane Beryl’s disruptions aided in spiking the DAT’s load-to-truck ratio. While the impacts are temporary, they may push along a slowly balancing market.

Insights

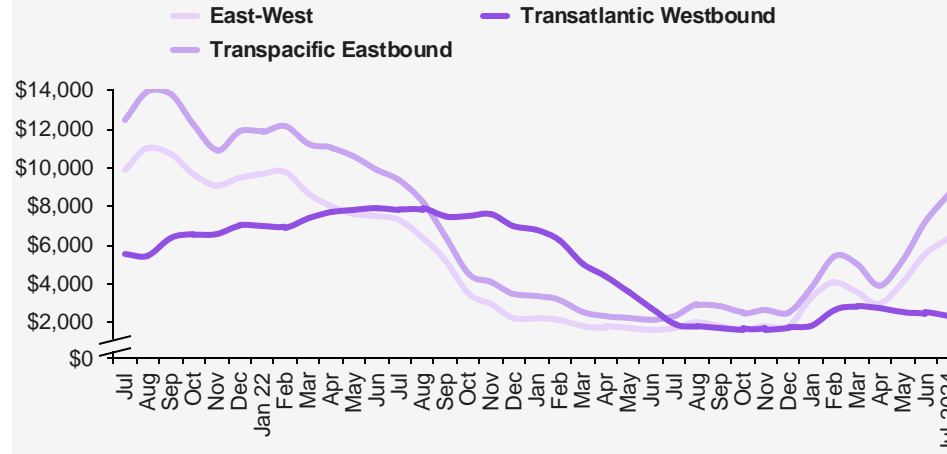
- As of July 2024, Morgan Stanley forecasts an increase in spot rates over the next 6 and 12 months, predicting truck rates to reach \$1.92 in 6 months and \$2.16 in 12 months under the base case scenario.
- Contract rates of van truckloads decreased by 6.3% from August 2023 to August 2024, outpacing the reduction in spot rates and closing the gap between prices.

Ocean

Rates for major routes continued to increase in July and are expected to further increase in Q3 amid the event-driven demand–supply imbalance

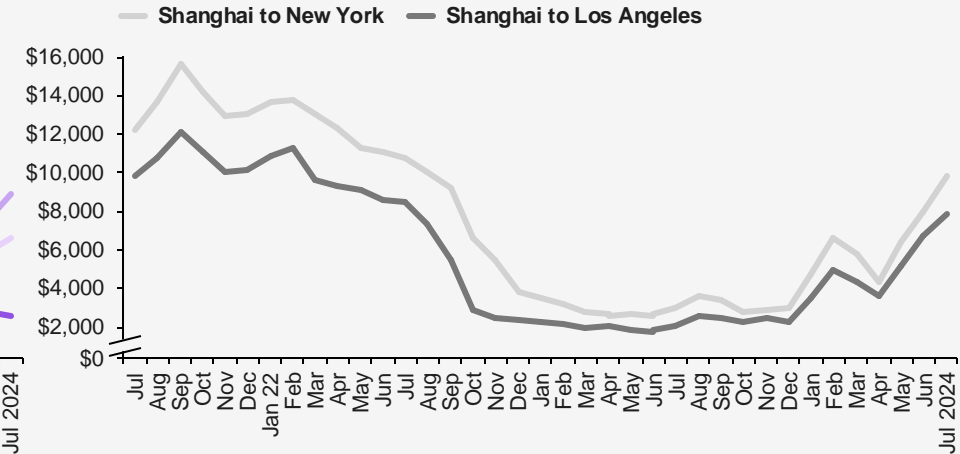
Ocean spot rates

Drewry East-West Freight Index (July 2024)
US\$/40-ft container



	Current	vs. Last month
East-West	\$6,334	17.0%
Transpacific Eastbound	\$8,610	21.0%
Transatlantic Westbound	\$2,318	-6.0%

Container rates for select trade lanes (July 2024)
US\$/40-ft container



	Current	vs. Last month
Shanghai to New York	\$9,765	53.0%
Shanghai to Los Angeles	\$7,799	54.0%

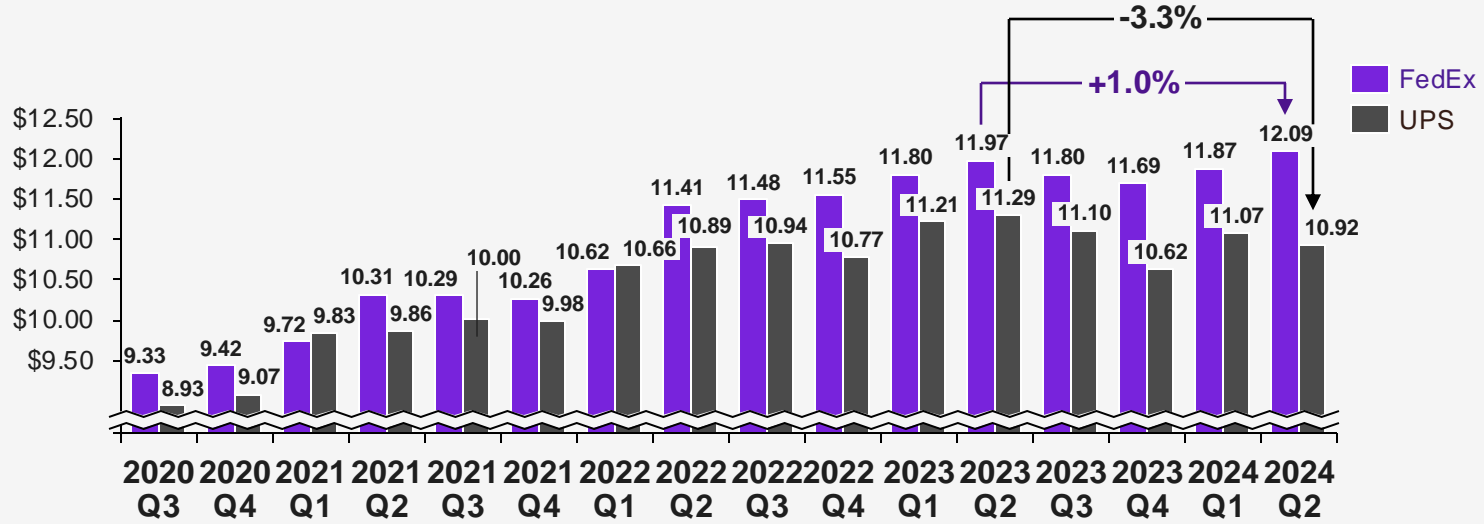
Highlights

- The surge in East-West container rate is mainly driven by skyrocketing spot rates out of China, particularly for routes to Africa, India, and the Middle East as carriers implement multiple surcharges in a demand–supply imbalanced market.
- Transpacific Eastbound Index skyrocketed 21% to \$8,610 per 40-ft container, driven by strong demand, tight capacity, and port congestion.
- Drewry’s Transatlantic Westbound Index dipped by 6% following a 57% surge in Q1 2024, with rates expected to remain stable in July. But the potential East and Gulf Coast strike concerns may drive shippers to preemptively book space, leading to higher demand, equipment shortages, and price increases on the Trans-Atlantic route.

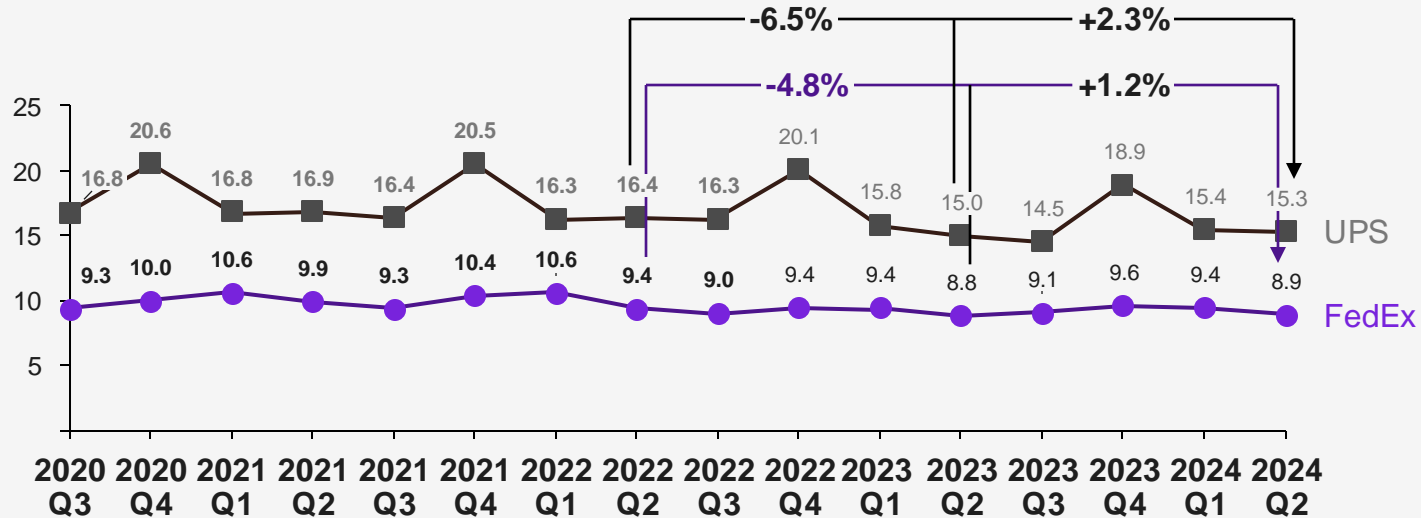
Parcel

Parcel volumes have slightly increased YoY since Q2 2023 while revenue per piece remains near flat despite expected rate increases through 2024

Parcel ground – average revenue per package



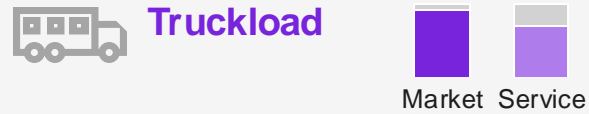
Parcel ground – average daily package volume (millions)



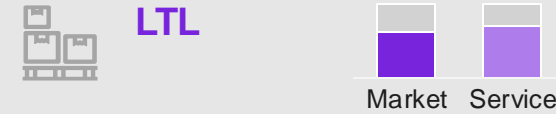
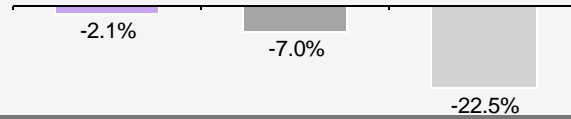
Insights

- Average ground revenue per piece increased 1.0% for FedEx and decreased by 3.3% for UPS in Q2 2024 versus Q2 2023.
- UPS fuel surcharge (ground) average was 15.6% in June vs. 14.1% last year.
- UPS ground volumes increased 2.3% versus 2023 and decreased 6.5% versus 2022.
- FedEx ground volumes increased 1.2% versus Q2 2023 and decreased 4.8% versus Q2 2022.

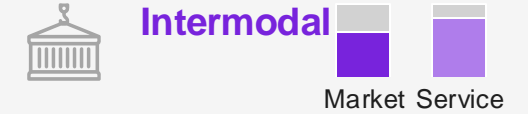
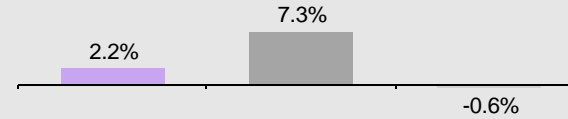
Trucking market rates see small seasonal changes but remain low as overcapacity persists



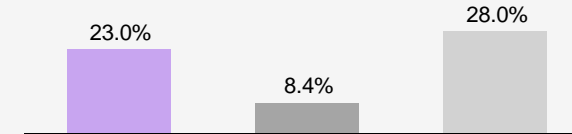
Van contract rates (August)
DAT



Long-distance LTL PPI (July)
US Bureau of Labor Statistics



Intermodal volume (July)
AAR



Market

- Downward pressure on contracted rates has continued to outpace changes in spot rates.
- This summer, Southeastern dry van regional rejection rates have surpassed all other regions, reaching their highest level since July 2022 and ending nearly two years of low volatility.

- Freight volumes in the \$83 billion less-than-truckload (LTL) market are down, yet profitability per shipment is up.
- In June 2024, the LTL PPI saw a 2% decline, primarily due to a notable reduction in energy prices.
- Carriers continue to hold more pricing power than shippers, though the pace of price increases has now stabilized and may reverse as competition heats up.

- IM capacity for drayage and containers has remained strong across North America including Mexico and Canada.
- Nearshoring trends in Mexico could see a great increase in intermodal volume as early as 2025.
- IM rates are generally stable, driven by open capacity, though contract rates have increased slightly as volume is up ~9% YoY.

Optimization

- As the spot market slowly closes the gap to contracted rates, shippers should secure favorable pricing prior to significant rate changes predicted for 2025.

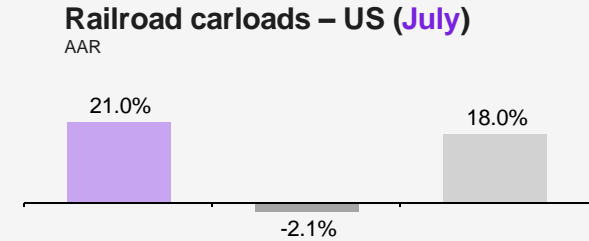
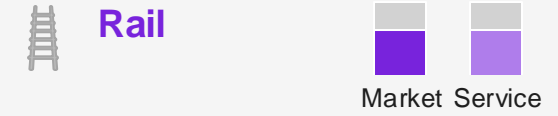
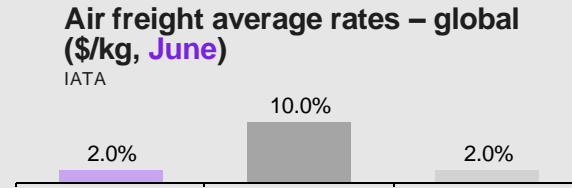
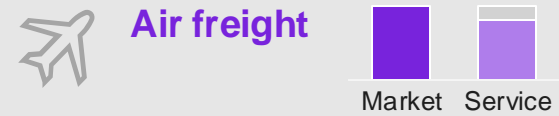
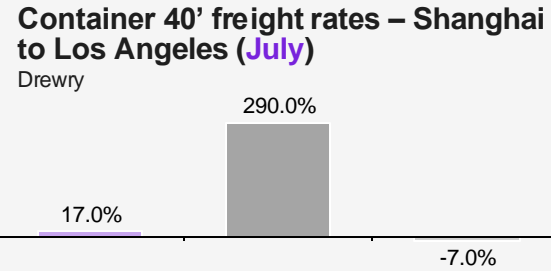
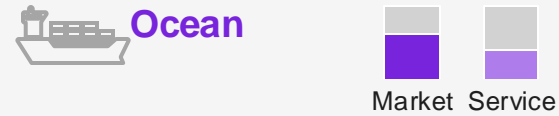
- Countering price increases as they level off and improving surcharge transparency is critical to tapping into the full potential of the LTL market.

- Shippers should consider locking in contracted rates in advance of market price increases expected in 2025.

■ vs. Last month
■ vs. Last year
■ vs. LLY

Source: Kearney analysis

Multimodal indexes showed strong demand, suggesting shippers to manage price volatility proactively



Market

- Demand exceeded expectations in H1 2024, partly due to early shipping of cargoes, and is expected to remain high in Q3.
- Disruptions in the Red Sea extended beyond the primary affected routes, causing congestion in alternative routes.
- Spot rates experienced a significant increase since early May, and are anticipated to stay high until the end of the peak season.
- Demand remained strong in Q2 2024 with a +10% YoY increase.
- Chinese e-commerce continues to strengthen air cargo demand in Q2 2024, as seen by a +17% transpacific air cargo capacity vs. H1 2024 last year.
- Prices remain higher YoY due to increased demand and high rates from Asia and the Middle East, rates expected to peak in Q3/Q4 of 2024.
- BNSF reported revenue decreases of 4% YoY primarily driven by decreased coal and industrial products volume.
- Average BNSF revenue per car (YoY) decreased across consumer products (-7%), agricultural products (-4%), and coal (-7%).
- The ISM Manufacturing PMI saw steady decline in Q2, suggesting weaker demand and smaller manufacturing volumes.

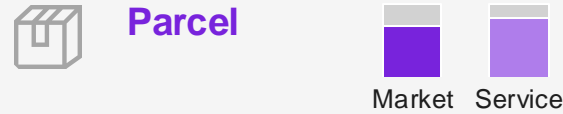
Optimization

- Shippers should continue negotiating and seek to keep options open as carrier pressures continue.
- Carrier performance management is crucial given the permanently unstable market and should be a permanent focus for shippers.
- Aggressively seek out long-term contracts (through 2024 and beyond) with forwarders/carrier to achieve price stability and avoid expected rate increases.
- Explore shorter-term contracts where forwarders are unwilling to commit past 6 months.
- Increase usage of rail when lead time is not a significant consideration, as rates remain low and service levels for carloads continuously improve.

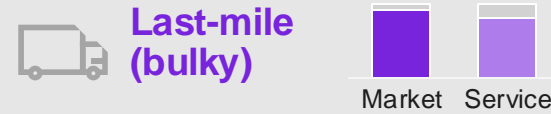
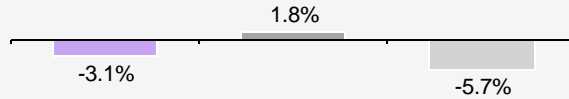
■ vs. Last month
■ vs. Last year
■ vs. LLY

Sources: Ti Insight, DHL; Kearney analysis

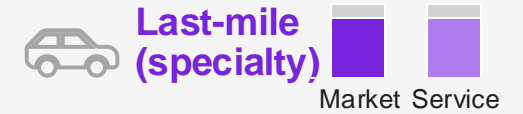
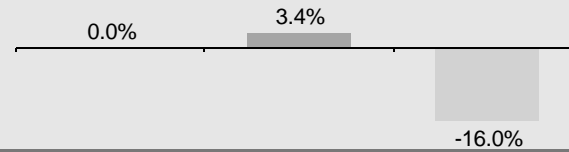
Parcel/last-mile indexes reflect moderate YoY volume recovery since Q2 2023



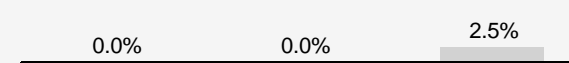
UPS and FedEx (domestic), most recent reported quarter (July)
UPS and FedEx quarterly filings



General freight trucking, local primary PPI – US (July)
Federal Reserve economic data



Local messengers and delivery services PPI – US (July)
Federal Reserve economic data



Market

- UPS ground volumes increased 2.3% versus 2023 and decreased 6.5% versus 2022 while FedEx ground volumes increased 1.2% versus Q2 2023 and decreased 4.8% versus Q2 2022.
- Average ground revenue per piece increased 1.0% for FedEx and decreased by 3.3% for UPS in Q2 2024 versus Q2 2023.
- According to Pitney Bowes, Amazon handled 5.6 billion parcels in 2023 (*up 15.7%) compared to UPS and FedEx at 4.6 billion and 3.9 billion, respectively.
- JB Hunt’s final mile services (FMS) number of Q2 2024 stops decreased 2% compared to Q1 2024 while total revenue increased 3%. This increase is driven by the company’s focus on improving revenue quality and winning new contracts.
- RXO saw 7% growth in stops year-over-year while revenue increased ~2%.
- In Q2 2024, DoorDash saw total orders grow by 19% YoY and saw a double-digit increase in monthly average users (MAU) driven by new market verticals, improved in-app user experience, and growing loyalty to DashPass.
- Uber Q2 2024 launched strategic partnership with Instacart, granting Instacart users access to Uber’s restaurant delivery network.

Optimization

- Collaboration with carriers is key—carrier strategy will vary by volume and speed needs.
- Optimize parcel in conjunction with service and network reviews.
- Intelligent DOM and order consolidation
- Optimizing big and bulky while maintaining a high-touch customer experience requires optimizing the end-to-end network and strong delivery agent(s) management.
- Tightening labor policies coupled with steadily increasing demand requires specialty last-mile to pursue strategic vertical integration to remain competitive/profitable.

Sources: company financials, Kearney analysis

■ vs. Last month
■ vs. Last year
■ vs. 2022

Canada: All indicators point to demand recovery foreshadowing transportation rate hikes in the 2nd half of 2024

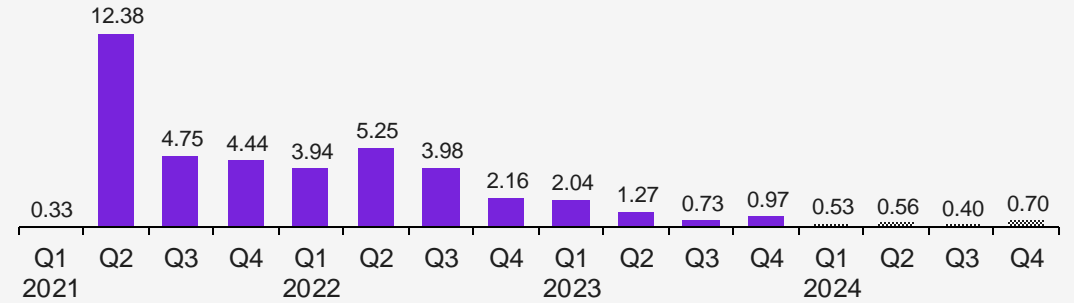
Actual Forecast



Macroeconomic trends

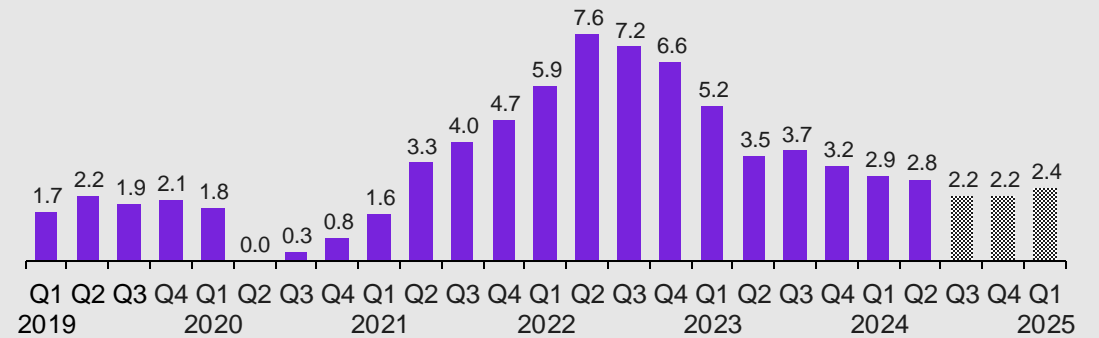
GDP expected to grow beyond Bank of Canada's estimates, fueled by uptick in manufacturing and oil transportation

Real GDP (% change per year)



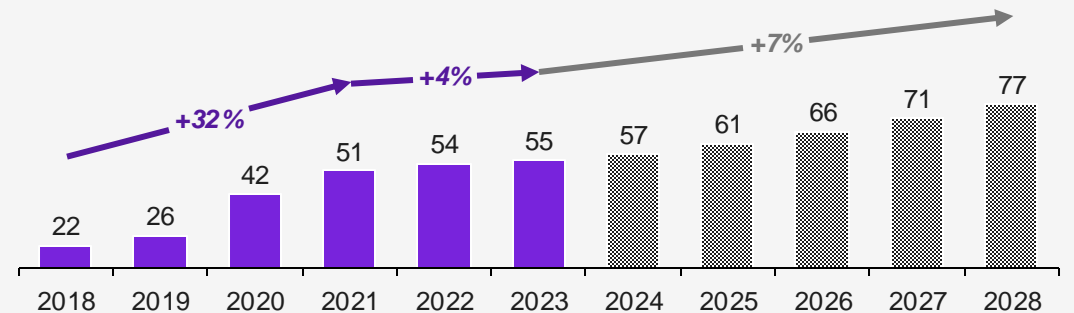
Inflation continues to cool down as Bank of Canada plans further rate cuts

Consumer Price Index YoY growth %



E-commerce, the largest demand driver, is projecting continued growth driven by mobile commerce and expanding marketplaces

E-commerce market size (USD billions)



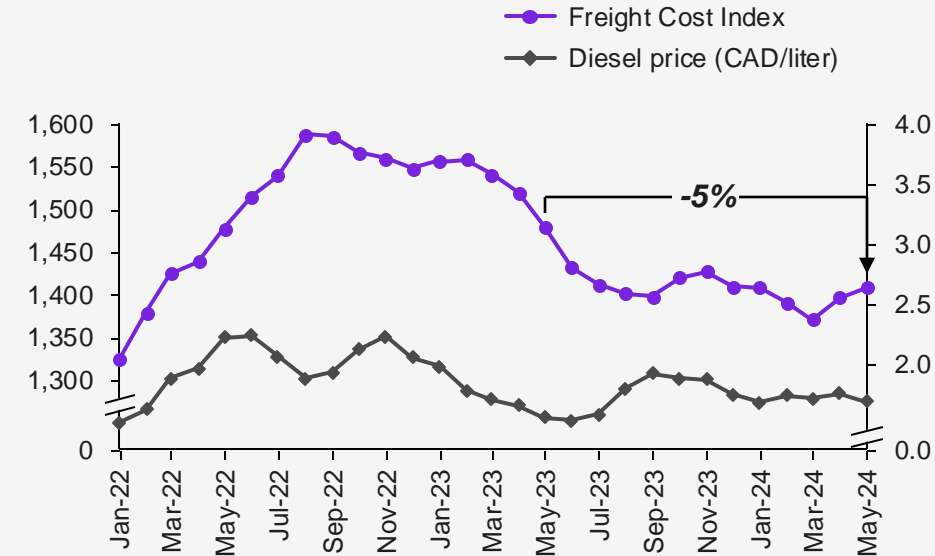
Sources: Oxford Economics, Bank of Canada, Euromonitor, Kearney analysis

Canada: Trucking rates are rising, and the rail lockout could cause major disruptions

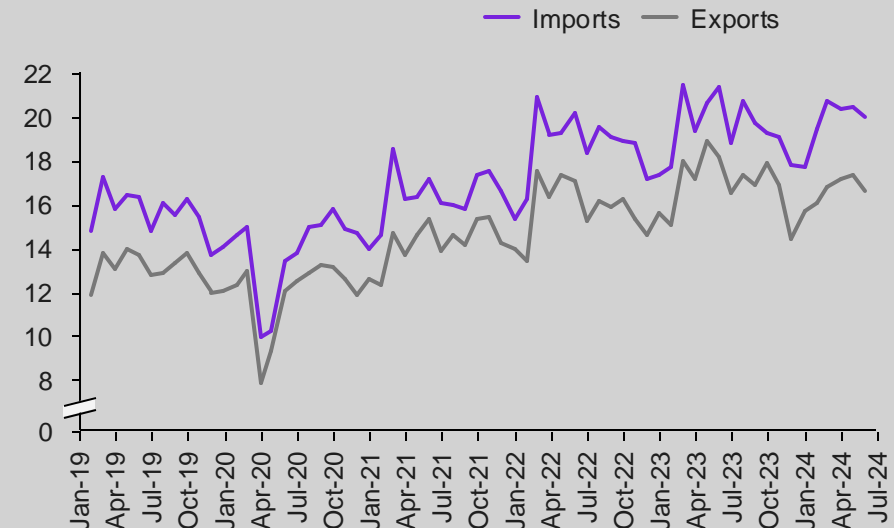
Recent developments

- As predicted in last quarter’s Shippers’ Compass, Canadian **trucking rates have started to rise**. However, they’re still lower than Q2 2023 rates.
- **Fuel surcharge**, which constitutes 25-30% of trucking base rates, has remained stable YTD.
- **Cross-border trucking rates are expected to increase** due to higher QoQ import volumes, primarily driven by computers/parts, vehicles.
- With the demand for outbound shipments from Canada to the US remaining low, there’s a resulting **supply imbalance for northbound shipments to Canada**.
- The trucking **labor market is showing signs of growth** with increasing number of active job seekers in the trucking industry—45K (70% QoQ).
- The ongoing **Canadian rail lockout** could cause widespread disruptions and spike truck spot rates.
- Canadian shippers should **plan for rate increases**, particularly for cross-border shipments, and **secure extra trucking capacity** to mitigate potential disruptions from rail strikes.

Canada Truck Rates Index



CA-US cross-border freight flow via trucking (USD billions)



Market overview – Road

Mexico:
Multiple upcoming road projects are expected to significantly accelerate the internal transport market growth

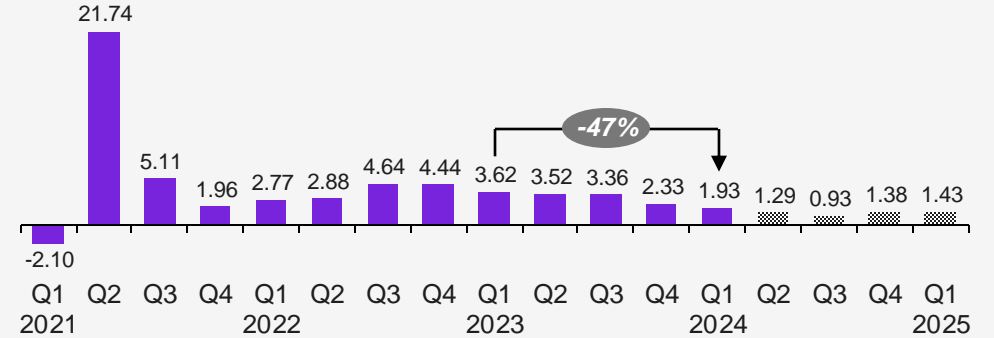
Actual Forecast



Macroeconomic trends

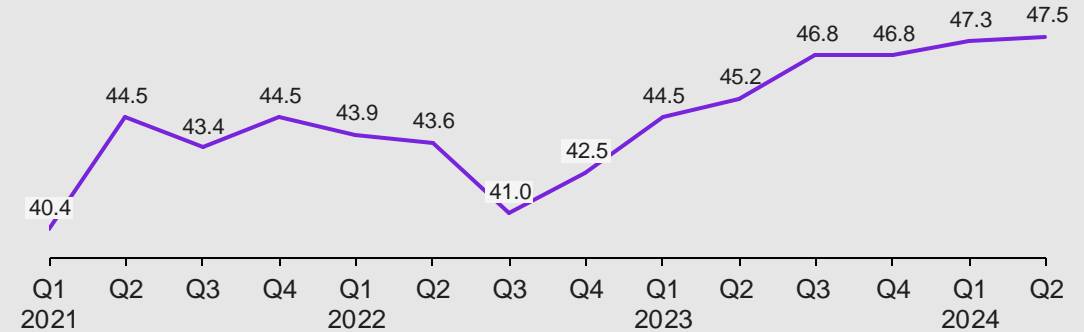
GDP growth will progressively diminish through the year, but it will ramp up by the end of 2024

Real GDP (% change per year)



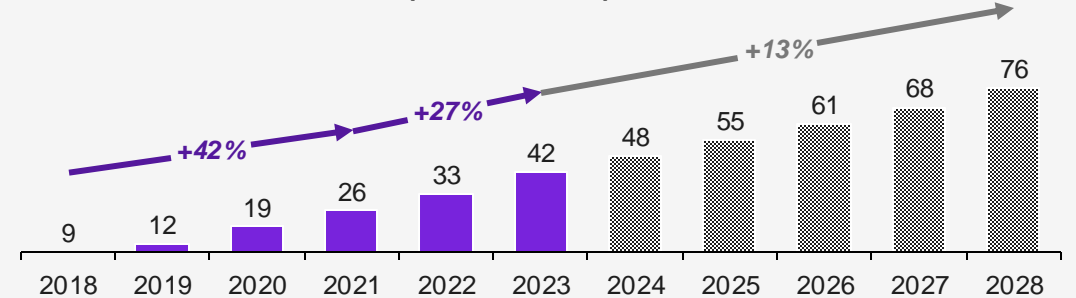
Consumer spending outlook remains positive with a slight improvement compared to previous quarter

Mexico consumer sentiment index



E-commerce market size continues to grow and is projected to increase over the next 5 years

E-commerce market size (USD billions)



Mexico:
Inflation expected to remain ~4% for the rest of 2024 while unemployment rate ramps up by the end of the year

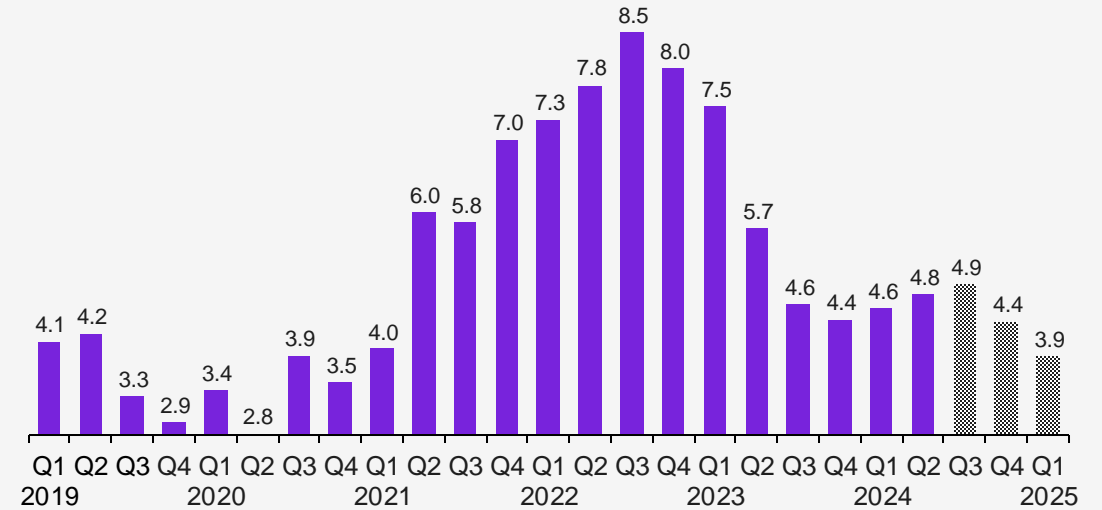
Actual Forecast



Macroeconomic trends

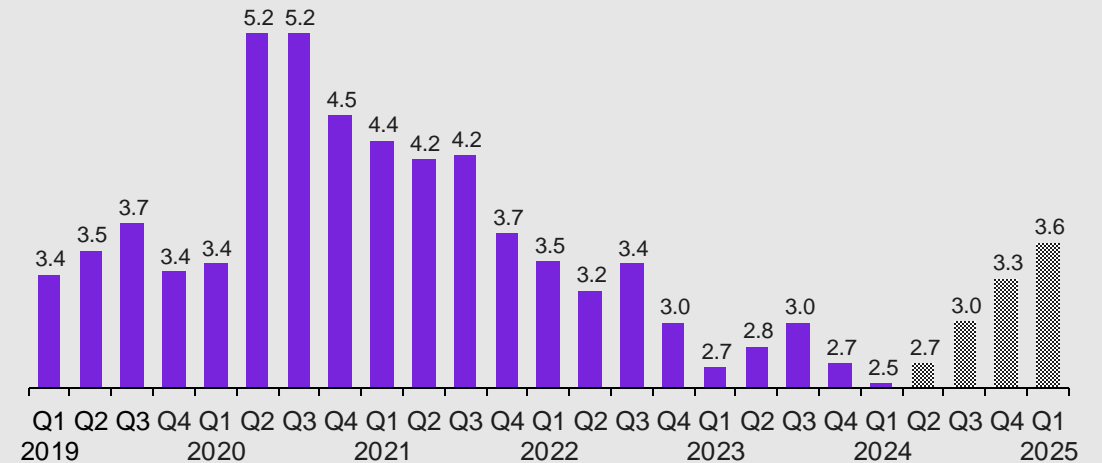
Inflation is projected to slightly decrease by the end of 2024, yet it won't achieve the 3% target of the central banks

Mexico Consumer Price Index YoY growth %



Unemployment rates were at the lowest point in 5 years during Q1 2024, but expected to rise in 2nd half of the year

Mexico unemployment %



Mexico: Trucking industry likely to continue growth due to public investment in transport infrastructure and global supply chains integration

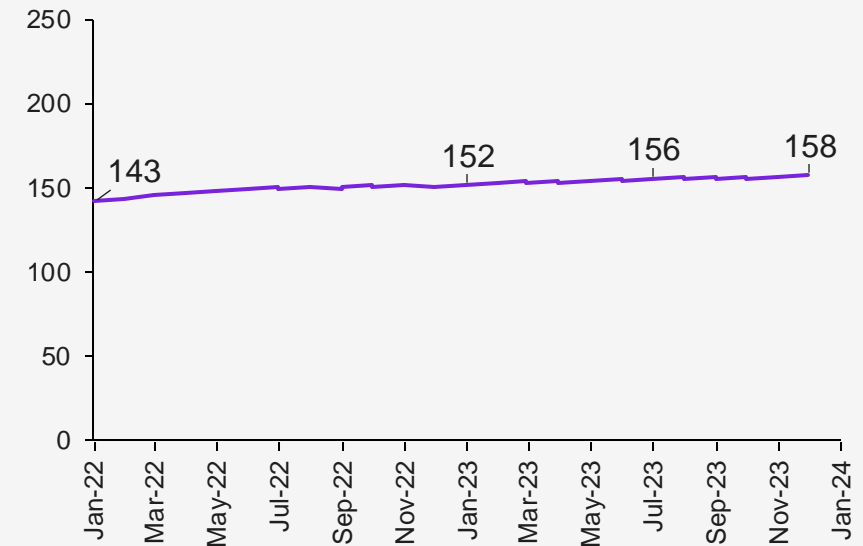


Market overview – Road

Recent developments

- As Mexico increases manufacturing and logistics capabilities and integrates into global supply chains, **the internal and cross-border trucking sector is poised for ongoing growth.**
- Mexican Transport Ministry and private sector have **invested more than USD 50 billion over the past 2 years in road and rail infrastructure** to build and modernize highways and bridges and improve road safety measures.
- The **rising demand from nearshoring together with the US-Mexico trade growth are boosting road freight tonnage in Mexico** to support sea and inland waterways.
- The e-commerce industry is the **major driver in the LTL trucking market in Mexico**; the revenue of the industry was estimated at USD ~40 billion at the end of 2023.
- The increase in oil and natural gas prices in the United States is spreading to Mexico's gas and power markets. **Fuel prices are expected to further increase in the coming years** due to a slow supply response to Mexico's market demand.

Mexico Consumer Price Index: transport



US-Mexico cross-border freight flow via trucking (USD billions)



Europe: Road freight capacity dropped significantly over the past several months; constraints are currently being offset by lower demand

Q2 / 2024

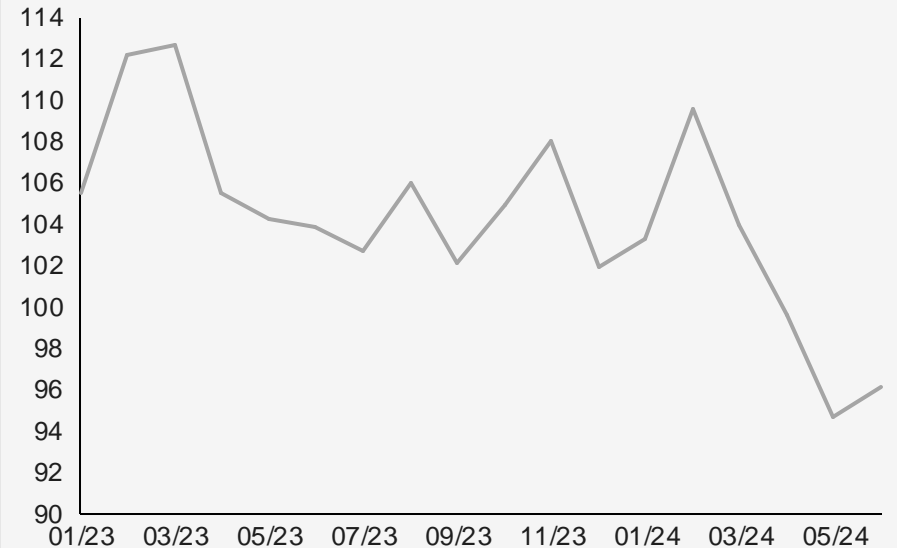


Market overview – Road

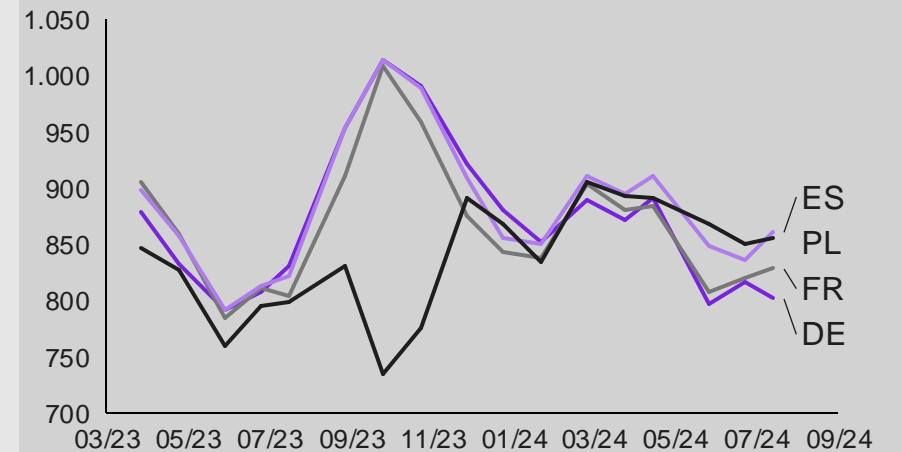
Recent developments

- Between February 2024 and May 2024, **available road freight capacity dropped significantly** (~14pp) to the **lowest level since October 2022** (see *top-right graphic*).
- **Spot and contract rates increased** by ~13% resp. ~4% in a **YoY comparison**; however, **lower demand** resulted in a decline of spot rates between May and June (resp. constant contract rates).
- **Since the last Q1 update, diesel prices dropped between 4 and 10%** across the focus countries (see *bottom-right graphic*); in a YoY comparison, prices remained more or less stable (except for DE with a ~10% increase).
- OEMs are reporting **progress around sustainability**: while **Daimler Truck** opened a **Battery Technology Center** with **pilot production capacities for truck batteries** in its Mannheim plant, **MAN reported the first public megawatt charging process**.
- Until alternative engine types are market ready/financially attractive, **bridging technologies** can help to reduce emissions significantly; recently, **Austrian Post** announced that the truck **fleet was modernized** to operate with **hydrotreated vegetable oils (HVO)** which helps to avoid several thousand tons of CO₂ per year.

Road freight capacity index

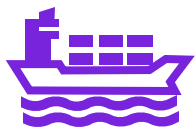


Consumer fuel price development (in €/1,000-liter diesel, without tax)



Europe: The Red Sea crisis has caused disruptions across the ports, leading to longer turnaround times, congestion, and a considerable spike in freight rates on the APAC-EU corridor

Q2 / 2024

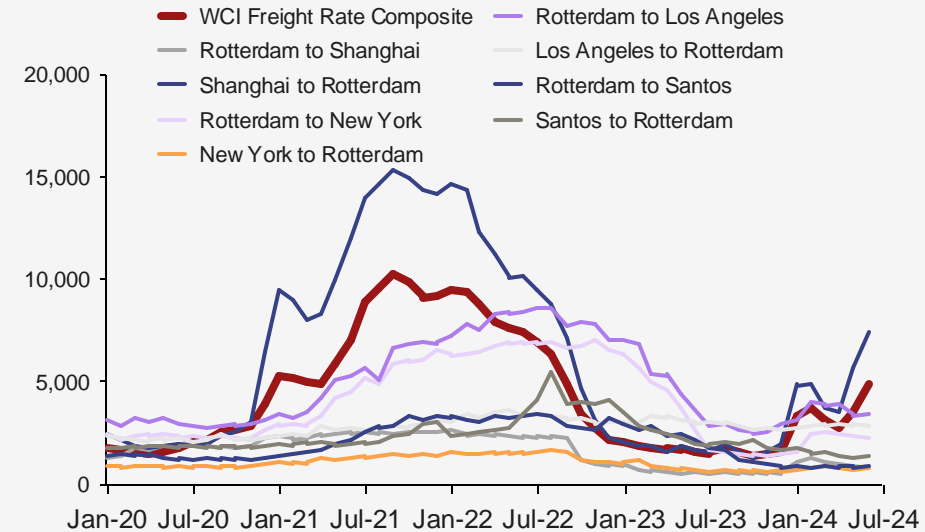


Market overview – Ocean

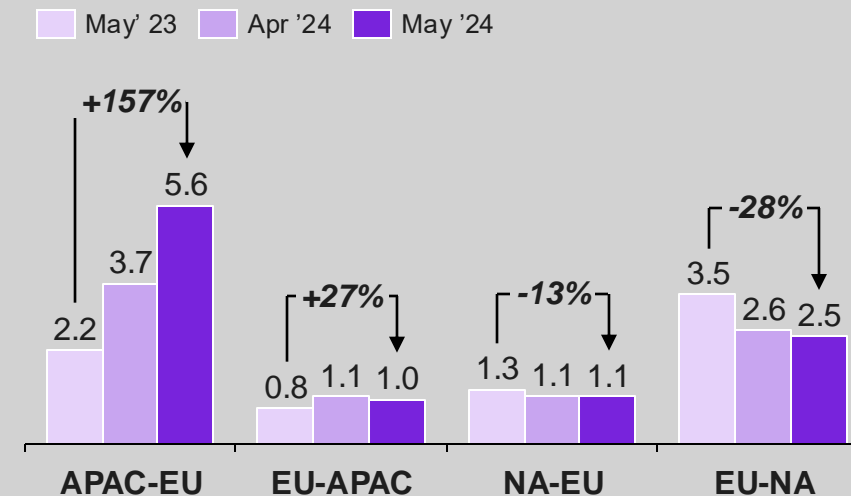
Recent developments

- In Q2 2024, the WCI Freight Rate Composite saw a **quarterly increase of 58%** and it has remained more than double since the start of 2024 (see top-right graphic).
- **The continuous disruption of service patterns caused by the Red Sea crisis** has led ports and terminals to finally falter, resulting in a significant drop in port productivity. This has **led to delays outside ports, longer turnaround times, and ultimately, a surge in spot market freight rates, specifically on the APAC-EU corridor** (see bottom-right graphic).
- The freight rates from **Shanghai to Rotterdam** have seen a **111% increase from levels seen in April 2024**.
- The freight rates from **India to EU** have **increased significantly** due to carriers' surcharges introduced because of imbalanced supply-demand scenario.
- In Q2 2024, the freight rates between the EU and the US, and vice versa, have seen a slight decline.
- For example, the rates for the **Rotterdam to Los Angeles** route declined by 11% in Q2 2024. In a similar trend, the rates from **New York to Rotterdam** have decreased by 11% quarterly

Container rates on selected routes (US\$ per FEU)



Container rates on major corridors (kUS\$ per FEU, all-in rates)



Abbreviations: APAC – Asia Pacific, EU – Europe, FEU – 40-ft container equivalent unit, MoM – month-over-month; NA – North America, WCI – World Container Index, YoY – year-over-year

Europe: In Q2 2024, air freight rates increased significantly across APAC to EU (driven by increased demand and supply chain disruptions)

Q2 / 2024



Market overview – Air

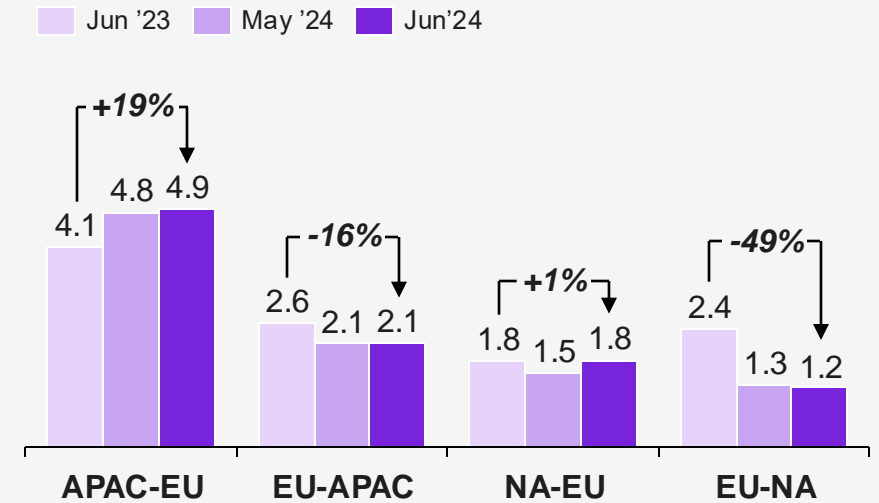
Recent developments

- In May 2024, **EU airlines** witnessed a **17.5% YoY increase** in **international CTK**.
- The demand for **international air cargo within the EU surged by 26% YoY**, marking a double-digit annual growth for the fifth month in a row.
- **Air cargo traffic on routes between the EU and Asia grew by 20% YoY** (partly driven by the Red Sea crisis in the ocean freight sector), and the ME to EU routes also saw a 34% growth compared to last year.
- In a YoY comparison, **air freight rates on major corridors have decreased by 16 to 49% except for APAC to EU and EU to NA** where rates have increased (see *top-right graphic*).
- In a YoY comparison, **major EU airports** saw strong **volume increases** following the above-mentioned volume surge (see *bottom-right graphic*).
- **The recent global IT outage**, caused by a software update from cybersecurity company CrowdStrike, **impacted EU airlines and ground handlers to varying degrees**. **Swissport and Lufthansa Cargo** experienced only small delays, while the **Amsterdam airport** had more than 200 cancellations and 150+ delays.

Abbreviations: APAC – Asia Pacific, CTK – cargo-tonne kilometers, EU – Europe, ME – Middle East, MoM – month-over-month, NA – North America, YoY – year-over-year

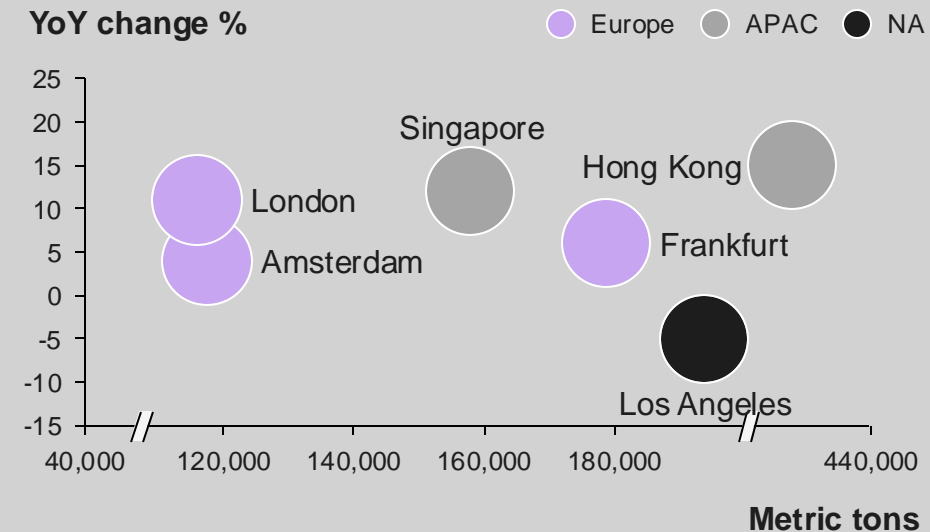
Air freight rates on major corridors

(US\$ per kg, all-in rates)



Air freight traffic at selected EU and global airports

(Metric tons per month, YoY comparison)



Metric tons

These are the top 5 areas we think are winners for shippers in this market. It's worth a conversation to do a deeper dive.

Road, ocean, air sourcing

Take advantage of the improving market rates and excess capacity in market to negotiate better rates via multi-round RFP process. We are seeing 30%+ savings via our collaborative optimization process across clients.

Inbound terms conversion

Leverage the favoring freight market condition to bring down the hidden inflation in your purchased goods and materials. There are dramatic short-term wins to be had with relatively low effort.

Freight forwarder rate and relationship restructuring

Kearney surveyed and worked with shippers and found that shippers were largely dissatisfied with the service, cost, and visibility performance brought by their forwarders. Source and partner better with forwarders so they up their game.

ESG improvement

Dropping rates and excess capacity in market make it the right time to think beyond cost in supply chain and improve carbon footprint while solving for cost and efficiency. Logistics sourcing and optimization yields ESG benefits that shippers can take credit for.

Market monitor and spot buy desk

Increase your freight market trends insight; get logistics procurement capabilities more agile in down and up markets so you drive rate outcomes rather than react to them. Logistics teams have the answers and the actions to win instead of reacting to suppliers and the press.



In this shippers' market, Kearney can help you source, optimize, and hit ESG targets with our proven approaches

Collaborative optimization

Use advanced analytical tools for RFP process to model and optimize a combination of external offers and internal business requirements.

5–20%
savings
third-party logistics spend

3PL sourcing/outsourcing/rationalization

Outsourcing specific logistics services to qualified partners under contract (for example, 3PL managed transportation, outsourcing warehousing function), enables reduction in overhead and flexible capacity.

3–6 Mo.
time to value

Freight procurement organization

Establish the right organization, team, and skill sets to sustain freight-sourcing benefits.

Sustainment

We can help you take an end-to-end mindset, deploy cost-takeout levers, and hit CO₂ targets

Select levers; non-exhaustive

Network and footprint optimization

Right-size distribution network to minimize total network cost while guaranteeing customer service levels.

4–15%
savings
total supply chain spend

Mode and delivery optimization

Optimize delivery frequency by customer based on level of volume to increase truck utilization and minimize total mileage.

7–16%
savings
total transportation spend

Match the right lanes with the right mode based on cost of transportation, utilization, lead time, carrier requirements, and so on. Common mode/fleet conversions include LTL to FTL, FTL to intermodal, rail to short sea, one-way FTL to dedicated, dedicated to private fleet.

6–12 Mo.
time to value

Logistics operating model optimization

Diagnostic and improvements across transportation department activities: organization, technology, load-planning, freight auditing, load execution, carrier management, BI

Sustainment

Thank you

Michael Zimmerman
Partner
michael.zimmerman@kearney.com
+1 212 350 3233
New York



Qing Zhou
Manager
qing.zhou@kearney.com
+1 312 848 5646
Chicago



Puneet Khurana
Practice Research Manager
puneet.khurana@kearney.com
+91 124 4814725
Gurugram



Diby Sarkar
Manager
diby.sarkar@kearney.com
+1 416 668 8760
Toronto



Jeff Sexstone
Partner
jeff.sexstone@kearney.com
+1 404 760 6911
Atlanta



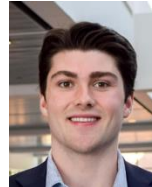
Alejandro Gonzalez
Associate
alejandro.gonzalez@kearney.com
+1 312 223 6291
Chicago



Molly Ryan
Associate
molly.ryan@kearney.com
+1 469 401 6622
Dallas



Will Kallas
Business Analyst
will.kallas@kearney.com
+1 312 223 6903
Chicago



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