Ingredients and Supplements Brand

Case Study

Forsyth engaged by distributor of organic nutraceuticals to analyze current bulk and Direct-to-Consumer warehouse assets as they considered transitioning to 3rd Party Logistics (3PL). Forsyth led the development of a cost, capacity, and distribution model to baseline current state and compare against identified 3PL candidates. Ultimately, an appropriate service provider was identified, allowing our Client to substantially reduce freight, warehouse, and labor costs.

The best part is that our engagement structure requires that we add value throughout. There's no coasting at Forsyth“ – **Oscar Owens, Principal and Project Manager**

Outcome

~20% Reduction
Warehouse Costs

15% Reduction
Freight Savings

60% Labor Reduction
Realized Thought-out Execution

Scalable Infrastructure
Warehouse Coverage

Our Approach

Baseline Model Development: Forsyth developed freight, headcount and capacity model to recreate Current State with pressure testing to validate correlation with actuals.

Outsourcing Distribution: Current State involved outsourced Amazon sales to 3rd party. This channel needed to be accounted for in choosing a vendor

Future State Identification: Using baseline capacity and cost model, Forsyth provided sensitivity analysis against multiple 3PL candidate proposals for comparison against Current State, facilitating decision around final cost structure

Challenges Resolved

Data Availability: Client data sets on efficiencies and operational costs unavailable in building cost model

Company restructure: In parallel with transition to 3PL, Client underwent significant corporate and operational restructuring during engagement

Limited Internal Experience: While highly profitable, Client executive team unfamiliar with, and skeptical of, 3PL approach

Last Minute Changes: Upon choosing a vendor, Client realized need for refrigeration capabilities