ALPINE
Supply Chain Solutions

A Flavorful Triumph:

How a French Master Syrup Maker Re-engineered their Supply Chain to Save $500k+ in Annual Transportation Fees

1 Introduction

With a legacy spanning nearly 140 years, this French Master Syrup Maker known for unparalleled flavor expertise, has business that shows no signs of slowing down. Fueled by their passion and commitment to excellence, the company embarked on a transformative journey when faced with formidable supply chain challenges.

2 The Challenge

The Syrup Maker's primary issue was the exorbitant transportation costs incurred moving products from port of entry to warehouse door. The expense of moving containers from the bustling Port of New York to their Chicago-based 3PL warehouse ranged between $15,000 to $18,000 per container. Additionally, they were grappling with customer service and inventory management issues with their 3PL provider. To add to the complexity, the recent acquisition of a California-based company that specializes in powdered mixes used to prepare frappes and other beverages, introduced the possibility of future warehouse consolidation.

3 The Solution

In their quest to conquer these challenges, the manufacturer forged an alliance with Alpine Supply Chain Solutions. Alpine's unique Distribution Network Analysis (DNA) process emerged as a game-changer that could help the company determine the feasibility of relocating their 3PL warehouse closer to the port. The goal was twofold: streamline transportation costs while upholding high customer service standards. After meticulous evaluation, Alpine unveiled a plan to relocate distribution to Pennsylvania.

4 Implementation

To prepare for the project, the Syrup Maker furnished critical data for the DNA process and the 3PL Request for Proposal (RFP). A dedicated internal employee championed the project working closely with the Alpine team.

5 The Results

The DNA processes uncovered remarkable results: service quality would remain unscathed by the geographical shift, while transportation expenses would plummet significantly. Additionally, a new 3PL partner could extend flexible storage capacity which would reduce the burden of escalating demurrage charges.

Ultimately, transportation costs were slashed by approximately $500,000 and demurrage expenses were reduced by $100,000. This annual savings of $600,000 outweighed marginal increases in working with a new 3PL partner who also offered the benefit of space for the manufacturer to expand into as needed.

6 Future

Armed with newfound momentum, the Syrup Maker is setting its sights on warehouse consolidation post the acquisition. They are also considering the addition of domestic manufacturing that would produce inventory locally to curtail transportation expenditures and overall inventory handling costs.