

### **CASE STUDY**

Discover how Optimum saved \$900K in logistics costs and optimized operations for a fast-growing subscription box company



## >>> THE PROBLEM

"Little Passports was experiencing escalating logistics costsand inefficiencies due to outdated supply chain strategies"

In September 2022, Little Passports faced escalating logistics costs and inefficiencies due to an outdated supply chain strategy. With 80 inbound containers annually and numerous small parcel shipments, the internal team struggled to renegotiate freight contracts, optimize operations, and effectively onboard vendors. These challenges led to missed cost-saving opportunities and operational strain.



Little Passports is an educational monthly subscription box that invites children to learn more about culture, history, and more from the comfort of their own homes.

#### **Business Model:**

- Subscription-based, recurring revenue model with regular deliveries.
- Products are shipped directly to customers, creating a logistics-intensive operation.

#### **CHALLENGES**

**Escalating Logistics Costs:** 

Outdated supply chain strategies led to rising expenses.

**Logistics Management:** 

Challenges in negotiating freight contracts and optimizing inbound operations.

**Operational Inefficiencies:** 

Freight contracts and warehouse arrangements remain unchanged for years.

**Vendor Issues:** 

Limited ability to onboard and evaluate vendors for better rates and services.







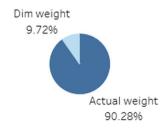
# >>> THE SOLUTION

"Renegotiating contracts, exploring new small parcel carriers, and introducing data-driven tools."

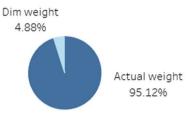
Optimum overhauled Little Passports' supply chain by optimizing container management, renegotiating freight contracts, and identifying a cost-saving small parcel carrier. They reviewed over a dozen carriers, conducted rate analysis, and facilitated vendor onboarding.

Optimum also introduced data-driven tools like Looker and Tableau, providing insights into shipping timelines, costs, and metrics, enabling strategic decision-making and operational improvements.

### Previous Dim weight

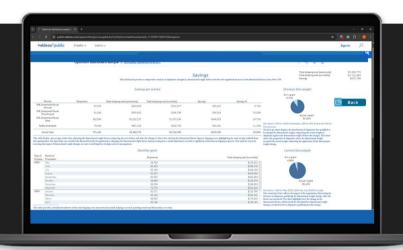


#### Current Dim weight



#### **OPTIMUM'S SOLUTIONS**

- 1. Contract renegotiation
- 2. Cost-saving carrier selection
- 3. Introducing data-driven tools
- 4. Enhanced decision-making
- 5. Vendor relationship improvement





# >>> RESULTS

The partnership between Little Passports and Optimum resulted in significant improvements in cost efficiency and operational performance. By switching to a more cost-effective small parcel carrier, Little Passports saved over \$900,000 in shipping costs. Data analytics tools provided actionable insights, allowing the company's C-Suite to make informed decisions, optimize logistics operations, and improve vendor relationships.

Little Passports continues to work with Optimum to explore further supply chain diversification, potentially expanding operations

