

## 3PL Fulfillment Optimization and Procurement

Case Study

# Shipware Optimizes Third-Party Warehousing and Fulfillment; Delivers \$300,000 in Savings



## Client



Peak Design, makes rugged carry gear to help creatives, commuters, and adventurers keep their gear accessible, organized, and protected. They sell direct-to-consumer (DTC) and through retail with six global distribution centers. Their three-year, year-over-year growth was 55%.

## Challenge

Third-party warehousing and fulfillment costs were rising. Peak Design wanted to ensure best-in-class pricing and evaluate alternative, third-party options. They experienced challenges with inventory management, turn time, and order accuracy—all impacting customer experience. Attempts to resolve issues on their own delivered minimal improvements.

Peak Design had no contractual service level agreements (SLAs) in place and experienced significant growing pains.

*"We are very pleased with the end results of the negotiations. I had an opportunity to share the initiative results with the Peak Design Leadership and it was a smashing success."*

**Mike Winchell**  
VP of Finance  
Peak Design



## Solution

**Peak Design** retained Shipware, an **SIB company**, for third-party warehousing and fulfillment procurement.

We began with an assessment of Peak Design's current state. We reviewed operational issues and determined the root cause, evaluated contract terms and pricing against our industry benchmarks, and reviewed historical, and anticipated growth rates and drivers. Once we completed the assessment, we identified the following improvement priorities:

- Eliminate service issues.
- Reduce costs.
- Improve the customer experience.
- Develop and implement SLAs.

Shipware then developed the optimization strategy. Together, we decided to execute an RFP in parallel with a review of the current third-party warehousing and fulfillment partner.

### Here's what we did:

1. Identified target pricing and SLA requirements.
2. Developed a shortlist of potential third-party warehousing and fulfillment partners.

3. Developed the RFP requirements and defined an evaluation process and criteria.
4. Worked together to negotiate the master services agreement (MSA) pricing, terms, and service levels.
5. Executed the MSA and implemented the final solution.

## Results

### **\$300,000 in savings delivered.**

In the end, our client decided to negotiate a new MSA with the incumbent third-party warehousing and fulfillment partner. Key considerations were: support knowledge, current infrastructure, systems technology, existing integrations, and pricing.

Peak Design moved two of their distribution center locations for better service. This short-term investment resulted in better customer support and a significant ROI. Peak Design realized freight and tax reductions while the new MSA and SLAs created the workflow efficiencies and service issues, and improved the overall customer experience. Shipware established and memorialized SLAs and set terms regarding inventory accuracy, order turn times, and order accuracy. We established a reporting protocol and implemented a formal SLA review process and put contractual non-conformance penalties in place.



shipware.com  
(858) 879-2020

### About Shipware

Shipware, an **SIB company**, empowers businesses to combat rapidly rising transportation costs by securing best-in-class shipping and fulfillment rates. Our carrier pricing benchmarks, insider knowledge, contract negotiation and audit & pay services level the playing field between you and your carriers. Spend smarter and maximize your profit margin by rightsizing your shipping costs with Shipware.

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