



CASE STUDY

Supporting a high-growth intimate care brand to meet operational scale and expansion targets.



Client	Services Provided	Industry
A High-Growth, Venture-Backed Intimate Care Brand	Network Analysis 3PL RFP & Selection	Direct to Consumer Wholesale - Retail

Project Overview

The client is a high-growth intimate care brand targeting Millennial and Gen Z consumers, with a revenue of \$15MM. The company's rapid growth has led to two significant challenges: (1) exceeding capacity at their primary 3PL, resulting in severe service level failures at their secondary 3PL, and (2) an unsustainable distribution cost structure as they expand rapidly into other channels.

LIDD was engaged to source and facilitate a swift transition to a new 3PL, prioritizing support for the company's rapid growth and omni-channel expansion.

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“LIDD really stepped up when we needed a partner to react as quickly as we were growing.

Their experience in the consumer goods space & working with fast growing companies like ours was key. It helped us make those crucial decisions quickly with confidence.”

- Chief Financial Officer

Impact

15% Reduction in logistics & transportation costs

28% Improvement in service levels

24% Reduction in chargebacks

The LIDD Advantage

LIDD applies a comprehensive view to solutions building, starting with a deep dive into the client's perspective. The LIDD approach considers all levels of the organization, ensuring a thorough analysis and solution development process for achievable results.

We work closely with our clients to define the problem statements, taking into account its implications across multiple aspects of operations and the supply chain.

Challenge

The client was rapidly onboarding retailers, in addition to growing their thriving DTC channel. This accelerated growth posed a challenge as the leadership was focused on several large initiatives at once, and they simply did not have enough experienced resources on hand to scale as quickly as their needs required.

Addressing declining service levels was an immediate concern, as well as identifying ideal distribution locations and meeting more sustainable fulfillment cost models to enable continued growth.

Results

- > Identified several ideal geographical locations to reduce fulfillment & transportation costs by 15-18%.
- > Supported the selection of a new 3PL partner, resulting in a 28% improvement in service levels and a 24% reduction in chargebacks.
- > Outlined capacity requirements for future demand to enable growth over a 3-5 year period.
- > LIDD's participation effectively enabled the leadership team to concentrate on additional pivotal business growth tasks, such as fundraising and sales enhancement.

Project Approach

Cut Through the Fog

LIDD worked with this client to distill the core problem statement: the locations and cost structure of the current fulfillment model was not sustainable for growth, resulting in capacity constraints and growing service level failures.

Chart the Data Terrain

LIDD worked closely with the team to understand growth targets of each channel and identified capacity requirements to support expected demand and service levels. We gathered data from several sources including customer sales velocity & regional spread, purchase commitments & buying cadence, current & potential manufacturing locations, and expected service levels.

Refine the Map

LIDD presented a summary of initial insights highlighting areas that required additional focus. This led to a full process review to eliminate internal sources as contributors to the service level failures.

Craft the Route

LIDD proceeded with a network analysis, taking into consideration all aspects of the supply chain, such as cost, quality, delivery, and customer experience. We determined that the client would most benefit from consolidation of their fulfillment locations to a singular point in the Midwest.

Guide the Journey

LIDD supported the transition process by facilitating a 3PL search (RFP). We successfully identified a long-term 3PL partner in a location to significantly reduce fulfillment and transportation costs, increase service levels for both DTC and wholesale customers, and enable for growth over the next 3 years.

