

AMAZON OPERATIONAL COSTS REDUCTION

Our client is a **multinational** with EMEA head office based in Switzerland.

The multinational operates in more than 65 countries.

It distributes, under different brands, health care devices and home comfort products through its network of distributors, or via the largest online retailer:

Amazon.

CONTEXT

Our customer is facing a big increase in sales with one of his main customers, **Amazon**. However, this growth is impacted by the amount of chargebacks (penalties) that Amazon charges for non-compliance of deliveries.

The multinational calls on SuCh Consulting to:

- Improve operational performance with Amazon
- Reduce chargebacks to maximize profitability
- Streamline distribution costs

OUR ROLE

The approach chosen to meet the client's needs consists of 4 steps:

1. Analyze operational performance, in particular the causes and amounts of chargebacks
2. Identify opportunities for improvement
3. Build an improvement plan and estimate the associated savings
4. Support the team to execute the improvement plan and achieve objectives

RESULTS

Redesign, according to Amazon's requirements, of administrative processes, warehouse operations and delivery methods:

- Operational performance improvement from 60% to 90%
- Chargeback reduction of 60%
- Optimization of distribution costs by -15%