Case Study

PROJECT OVERVIEW

clarkston CONSULTING

Conducting a 3PL Market Analysis to Inform a Strategic Growth Plan

A third-party logistics (3PL) company engaged Clarkston Consulting to perform a regional analysis to ascertain the most profitable and strategic use of some of its owned assets (i.e., three warehouses and an empty plot of land).

On top of several underutilized owned assets, to which the company was looking to drive greater value, it was seeking an overall strategy that would bring about future growth through entering new industries, providing new services, and expanding its own capabilities. The client also hoped to mitigate risk by potentially selling some of its current assets.

Unsure of what services to provide and industries to cater to, Clarkston Consulting underwent, amongst other things, a thorough market analysis across the 3PL industry and regional competitors to help the client better understand the best use of each warehouse (including the empty plot of land) in each location.

Case Study

PROJECT OVERVIEW

clarkston CONSULTING

INDUSTRY:

Logistics

PRODUCTS AND SERVICES :

Warehousing, fulfillment, and transportation

PRIMARY OBJECTIVES:

- Defined the problem and necessary steps required to get a future solution that meets the needs of the company
- Conducted an analysis and market scan of the best use for some of the company's current-owned assets (i.e., three warehouses and an empty plot of land) in various locations in the U.S.
- Provided the most suitable recommendations to improve efficiencies of the company's existing warehouses as well as to help decide the type of warehouse to build on the empty plot of land
- Assisted the company in setting and optimizing a short-term and long-term strategy

RESOLUTION:

- Defined the most critical challenges and barriers to overcome as part of the company's operational ambition
- Provided a thorough analysis of major competitors across the 3PL industry
- Assessed operational and market viability based on characteristics, strengths and weaknesses, and benchmarks across competitors and industries of the company's owned assets to understand the most profitable areas while simultaneously taking into account the company's capabilities
- Conducted an exhaustive analysis of prospective services to offer and industries to cater to using an evaluation model with quantified data from industry sources and subject matter experts in order to identify the best business opportunities
- Analyzed the current macroeconomic environment to assist the company in making short-term and long-term decisions based on financial implications
- Built a financial model with different scenarios to determine the best development option (*based on Net Present Value and Internal Rate of Return*) for each warehouse (i.e., repair, rebuild, or sell)
- Built a thorough framework to aid the company's decision-making process
- Provided an implementation roadmap for each owned asset detailing prioritized efforts the company should make as it carries out its owned asset strategy

KEY BENEFITS:

- Provided a thorough understanding of the economic environment and the 3PL market from a natio

nal and regional perspective, including detailed recommendations for what industry to cater to and services to offer

- Provided the company with a short-term and long-term strategy meant to increase productivity and efficiencies
- Provided a holistic implementation roadmap allowing the company to prioritize its owned assets

KPIs

- **Provided recommendations for three warehouses and an empty plot of land**
- **Built three financial models (providing NPV and IRR) to support recommendations for each warehouse**
- **Conducted five separate analyses to assess:**
  a) the current state of the company,
  b) the macroeconomic environment,
  c) the 3PL industry,
  d) national competitors, and
  e) the regional environment

CONTACT US

