

CASE STUDY

White Labs: Transitioning from Parcel Shipping Consultants to Reveel's Shipping Intelligence™ Platform to Drive Savings and Performance

The leading provider of liquid yeast, and other fermentation products and expertise that leading brewers, distillers and wine makers need, knew it wanted to break from the vicious cycle of parcel consulting fees. The transition to Reveel's platform delivered far more than savings.


With yeast production facilities in San Diego, California; Asheville, North Carolina; and Copenhagen, Denmark – as well as a distribution warehouse in Hong Kong, a tasting room in San Diego and a full-service restaurant, also in Asheville – White Labs is the go-to choice for professional brewers and distillers looking not only for the purest and most innovative yeast and fermentation products, but also the lab analysis services and educational resources needed to create inspiring beers, liquors and wines. The company also serves the fast-growing community of home-brewing aficionados, providing them with a one-stop source of supplies and know-how.

Founded by Chris White, Ph.D, in 1995, what began as a small group of passionate home brewers looking for the highest quality yeast is now an industry leader at the intersection

of science, education and craft. The company is unabashedly committed to a single mission: to stretch the limits of science and set new standards for purity and freshness.

Driven by this mission, White Labs revolutionized the industries it serves with everything from the very first pitchable liquid yeast to radical improvements in how fermentation products are created and packaged. Today it is the gold standard for fermentation enthusiasts.

Whether it is fulfilling orders for one of the 74 core liquid yeast strains in the company's vault, or one of the innumerable craft strains White Labs maintains, parcel shipping is more than a back-office function – it is a strategic imperative. The quality of fermentation products, particularly the company's liquid, pitchable yeast products, is heavily dependent not only on how



“When you are shipping something that must remain cold and arrive within a finite time frame, the importance of parcel shipping performance cannot be overstated,” says Kathryn Small, chief of staff of White Labs. “And clearly when you are looking not only at significant shipping volume, but also priority overnight and next day air, the costs involved are also crucially important.”

White Labs’ products are packaged, but how quickly they are delivered. To limit metabolic activity, yeast must remain cold.

For that reason, more than 95% of the parcels White Labs ships are sent via priority overnight or next day air. And not surprisingly, parcel shipping costs significantly impact net revenue, with the company’s dramatic growth adding not only to the mission-critical nature of its shipping performance – yeast is a living organism – but also the impact that shipping costs outlays have on bottom and top-line results.

White Labs turns to Reveel for carrier contract analysis and negotiation support.

Like most organizations in which parcel shipping is a strategic priority, White Labs knew the company would benefit from external parcel shipping expertise and the services of an experienced consulting firm. More specifically, White Labs wanted a firm that could analyze its existing carrier contract with FedEx, provide guidance on money-saving best practices in the shipping operation, and help the company negotiate more favorable parcel shipping rates, terms and conditions.

“Parcel shipping is inherently complex,” adds Small. “For businesses that ship a lot you are talking about contracts that typically include numerous pages of fine-print details outlining

various surcharges and laying out what can seem like an incomprehensible and overwhelming array of rules and fees on everything from package dimensions to zones. We knew we needed to bring in experts who could really analyze our contract and our operation to uncover savings.”

In 2017, White Labs brought in Reveel to analyze its shipping profile and negotiate better rates. The engagement had the desired effect, with Reveel quickly finding and securing more than \$100,000 in savings for the company.

“We were originally drawn to Reveel because of its straightforward approach, its commitment to leveling the playing field with carriers and its candid assessment of the parcel industry’s overall lack of transparency,” says Small. “We were also really pleased with the results of the engagement and more than happy with our return on investment and the more than \$100,000 in annual savings Reveel secured for us.”

Gainshare eventually brings payment fatigue.

At the time, Reveel operated with a gainshare model that was, and remains, the standard among parcel shipping consultants. In such arrangements, the consulting firm receives a percentage of the savings it secures, not just for that year, but typically a three-year period.

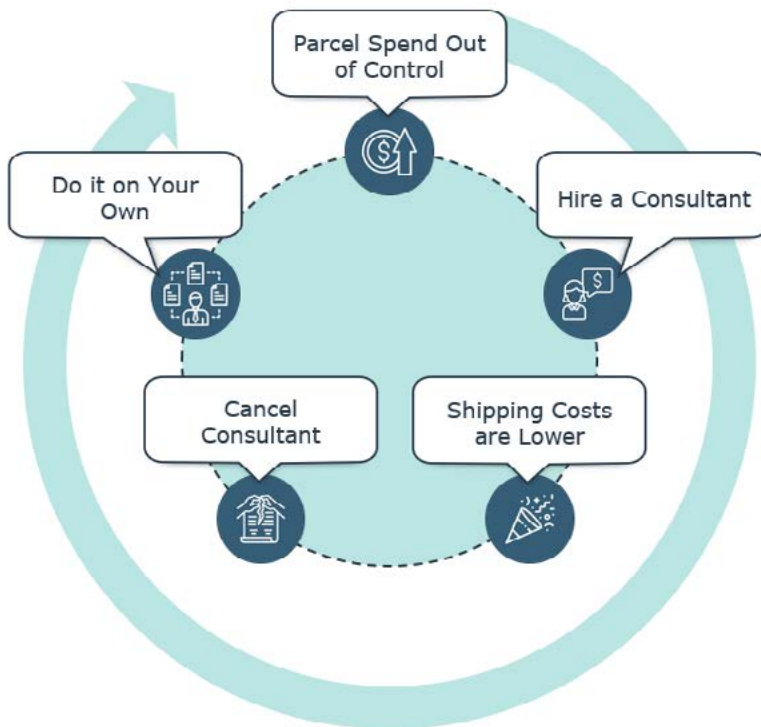
Reveel secured more than
\$100,000
in savings for White Labs in 2017

“Initially, everyone was ecstatic with the savings and the areas for improvement in our shipping operation Reveel also identified, but in time finance asked if I could handle things for us on my own to lower our costs,” she says. “From their vantage point, shipping was always a cost center – either paying carriers more or paying consultants more. Ultimately the decision was made not to sign Reveel for a third year.”

Like so many companies White Labs had come to a point of payment fatigue. The standard three-year term only makes such fatigue more acute. In year two or three of a gainshare agreement, businesses are often paying consultants for work that was done early at the start of the engagement.

It is for this reason that the vicious cycle of parcel consulting is so common. Parcel consultants save money, then their fees increase. Businesses, in an effort to reign in costs, then terminate their consulting engagement, only to then find that their shipping costs then begin to increase again. The cycle repeats over and over.

The Vicious Cycle of Parcel Consulting



REVEEL'S SHIPPING INTELLIGENCE™ PLATFORM IS INTRODUCED IN 2021.

In July of 2021 Reveel introduced the industry's first Shipping Intelligence™ Platform, a Software-as-a-Service-based analytics, contract analysis and negotiation solution that features advanced data science capabilities, machine learning, powerful analytics and artificial intelligence that enables shippers to gain real-time visibility and control over their parcel shipping data – all while providing them with actionable insights they can

use to immediately save money. With the platform, shippers – who previously had no ability to visualize or analyze their shipping data to make decisions – now benefit from the competitive advantage true shipping intelligence makes possible:

- Real-time insight into shipping vital factors:** Fundamental indicators of parcel shipping success are immediately accessible when using the platform. These factors include total shipping spend, surcharge spend,

average cost per shipment, average weight per shipment, minimums and average zone – all insights that should be monitored to ensure that shipping operations and shipping costs are managed effectively.

- **Contract analysis and comparison:** Reveel's Shipping Intelligence™ Platform makes it easy to conduct side-by-side comparisons of even the most complex carrier contracts, not just in a generic sense, but in a highly targeted manner that shows how each will impact each organization based on its specific shipping data. In this way, Reveel empowers shippers to know in an instance not only how contracts vary from one another, but also how those differences will directly impact the performance of the shipper's operation and their costs.
- **Real-time insight into operational imperatives:** Reveel's platform also enables shippers to continually monitor and track numerous metrics that enable them to strategically manage their organizations. For example, in an instant they can see how close they are to reaching the carrier's next volume discount pricing tier, or how many packages are being charged for their dimension weight versus their actual weight.
- **Accurate budgeting capabilities:** The carriers' annual general rate increases (GRIs) do not include the surcharges, new rules and fees that radically impact costs, leading shippers to inaccurately budget

each year. For example, for 2023 FedEx and UPS introduced a record GRI – 6.9% – but using the real shipping data on its platform to run a macro analysis, Reveel showed even before they went into effect that less than 5% percent of customers will see their shipping costs increase by 6.9% percent or less this year. (On average, U.S. businesses will pay 10.2% more to ship via UPS and FedEx customers will pay 9.1% more.) With the platform, shippers can see exactly how the new GRIs will impact their specific costs by running a model that applies them to their actual shipments.

- **Proactive course corrections:** Reveel's Shipping Intelligence Platform also enables shippers to proactively address problems as they arise, not after they have received the invoice. Examples include enabling them to see when a discounted surcharge expires before the carrier contract ends, or when a new rule makes an existing box "oversized" before it is used to ship out an entire product line at a loss because of overages.
- **The industry's first objective performance metric:** The powerful algorithms in Reveel's platform enable shippers to gauge their performance in comparison with their peers – organizations with a similar shipping profile. The Reveel Peer Index, (RPI), is the industry's first objective performance metric of its kind.

- Benefit from what-if scenarios and negotiate like a pro:** The advanced data science within the Reveel Shipping Intelligence™ Platform lets shippers pose any number of what-if scenarios and parse their shipping data in innumerable ways – both to strategically manage their operations – for example, “can we offer free shipping on this product and still make our margin?” or to negotiate with a clear understanding of the facts, for example “if the carrier agrees to lower their fuel surcharge by 1% how will it impact my total shipping costs?”

WHITE LABS EMBRACES REVEEL'S SHIPPING INTELLIGENCE™ PLATFORM.

“Originally, when the engagement with Reveel ended I thought I might be able to pull things off, but ultimately I began to see opportunities to save money I missed,” says Small. “Then I made a mistake on a contract with FedEx that a professional who is entirely focused on parcel shipping may have caught. It was clear the situation was not ideal.”

White Labs implemented Reveel's Shipping Intelligence™ Platform after shipping costs again began to increase, but it wasn't without some initial hesitation.

“At first, there was some reluctance to move forward. We were at the point again where we were thinking we would bring in a parcel consultant, and within our finance organization there was some hesitation to replace human oversight with software. Ultimately though, those fears were unfounded. In fact, we found the opposite to be true. The software and the data science it brings to the job are much more robust than any consulting team at identifying the actionable insights within our data.”

In the two years since it began using the platform, White Labs used the shipping intelligence it delivers to save an additional \$500,000. Data from the platform was also instrumental in the company's decision to switch carriers and negotiate a better contract with UPS.

Recently, Small also used data from the platform in the design process for White Labs new boxes – packaging that not only keeps its fermentation products cold, but also adheres to carriers' guidelines to secure the best shipping price. It's intelligence the company is also using to refine the increasing volume of ground shipments it is doing for its new dry yeast product.

“With Reveel’s Shipping Intelligence Platform, we are able to do ourselves what most companies depend on consultants to do,” adds Small. “We also use the data across departments. For example, if marketing wants to run a promotion, we can quickly determine if it’s feasible for us to offer free-shipping to increase our response rates. That kind of broad applicability of our shipping data has been a real game changer.”

And for those who still aren’t sure?

“If you are thinking about using Reveel’s Shipping Intelligence™ Platform, it’s a no brainer,” says Small. “Just sign up for their free trial and you will start seeing savings right away.”

GAINSHARE A Note From Josh and Chad

When we left our jobs as sales reps for a global freight and package leader to create Reveel in 2006, we vowed to help businesses level the playing field with carriers and to bring transparency to fundamentals like pricing they continue to make intentionally blurry. Our mission remains unchanged today, but in time we came to believe that the gainshare model, still the industry standard and the one used by most parcel consultants today, was deeply flawed and tends to benefit consulting firms more than shippers.

Inspired by examples of how data science and easy to use SaaS applications revolutionized other industries and enabled people to do in a self-service model what previously required armies of consultants – planning a trip and purchasing plane tickets, trading stocks, buying a home, etc. – we set out to create a platform that would do the same for carrier contract analysis and negotiations. Later we acquired a technology company with a highly talented team of data scientists and developers, and set to work.

The Reveel Shipping Intelligence™ Platform is the result of those efforts. Today, hundreds of companies use it to gain and act on real shipping intelligence, and to do for themselves what they once required consulting firms for, Reveel included.

Does this mean parcel consulting is dead? We don’t think so. There are, and will always be, instances and circumstances when the expertise and insights a parcel shipping consultant can provide are needed. But it does mean that with the right tools and technology, shippers can effectively do most of the work they pay consultants for.

Just as importantly, we believe shippers using our platform can do this work even better than those they once paid. And that makes all of the difference.

Sincerely,
Josh Dunham, co-founder and CEO of Reveel
Chad Beville, co-founder and president of Reveel



Reveel is the leading Shipping Intelligence™ Platform that enables companies to level the playing field with FedEx and UPS. With over 16 years of parcel agreement management expertise and \$300M+ in savings for its clients, the company provides actionable insights to help customers make smarter business decisions and have peace of mind. Reveel helps shippers leverage the power of data science and peer comparison data to capture significant ROI and improve their competitive advantage.

Sign up for a [free Reveel account](#) today to see how you can leverage automation to synthesize your data, ship more for less, and reduce the time needed to identify issues and action items.

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