



CASE STUDY

High Impact Small Parcel Cost Savings Created for Diagnostic Testing Provider

\$1.5M (21%) small parcel cost savings created

About the Client

Our client is a leading clinical laboratory specializing in advanced diagnostic testing and health solutions. With a wide range of tests, The Company helps healthcare professionals gain deep insights into patients' overall health and identify the root causes of various conditions. The Company serves a global network of healthcare providers, delivering critical diagnostic tools to improve patient outcomes.

Project Overview

Treya Partners partnered with a global clinical laboratory to address high small parcel shipping costs, a major expense in their logistics-driven business. After a detailed operational review and data-driven analysis, Treya negotiated improved rates with the incumbent carrier, avoiding operational disruption. The result: \$1.5M+ in annual savings (21% savings on a baseline spend of \$7.1M) and an estimated \$12M+ million in enterprise value. The Company continues to benefit from Treya's ongoing small parcel audit program for sustained savings.

\$1.5M

Annual savings

Summary

The Challenge

- The company manages small parcel spend directly with the carrier while using a distribution and warehousing partner for critical kit and sample deliveries.
- Operates in a highly price-sensitive market, with freight as one of the largest spend categories.
- Believes total logistics costs, including transportation pricing, limit overall cost competitiveness.

The Process & Solution

- Reviewed small parcel operations, accounting for the sunk costs in existing carrier specific packaging and carrier specific end-user instructions for returns.
- Conducted cost-of-conversion analysis to assess feasibility of introducing a new carrier.
- Analyzed shipment-level data to uncover rate and service optimization opportunities.

The Outcome / Results

- \$1.5M in annual savings, representing a 21% reduction in small parcel spend due to improved rates.
- Implemented ongoing audit program to drive continuous improvement and sustain savings over time.

The Challenge

The Company manages their small party spend directly with the carrier while employing the services of a distribution and warehousing firm to support the timely delivery of testing kits and patient samples. The Company competes in a price sensitive market with freight being one of their largest spending categories and believes their total logistics cost limits their overall cost competitiveness.

“

Partnering with Treya Partners on our small parcel project enabled us to develop a true understanding of our purchasing power through Treya's market intelligence. We used that market intelligence and their detailed negotiation methodologies to retain the exceptional carrier service levels we were accustomed to at a lower cost. The Treya team was detail-oriented and collaborative throughout the entire process, ensuring no opportunity for savings was overlooked. Without a doubt, Treya contributed to a meaningful financial impact to our bottom line.

- **Chief Financial Officer**

The Process & Solution

Treya Partners conducted a comprehensive operational review of The Company's small parcel shipping processes, carefully accounting for sunk costs tied to pre-packaged inventory and end-user instructions. A detailed cost of conversion analysis evaluated the feasibility of introducing a new carrier, balancing potential cost savings against operational impact. Utilizing advanced small-parcel software, Treya analyzed shipment-level data to identify rate and service optimization opportunities. This data-driven approach led to targeted recommendations for enhancing the incumbent carrier contract through strategic adjustments without disrupting existing operations.

The Outcome / Result

Through negotiations backed up by strong market data, Treya helped The Company secure an optimized discount schedule with their current carrier. The result was \$1.5M+ in annual savings, representing a 21% reduction on their addressable baseline. Beyond immediate cost reductions, The Company continues to benefit from Treya's managed small parcel audit program, ensuring sustained efficiency and savings.

About Treya Partners

Treya Partners has been a leading provider of procurement improvement services across the public and private sectors since 2006. Clients served include over 80+ private equity funds, 15 state governments, and multiple institutions of higher education.