

GLOSSIER GAINS IMMEDIATE ACCESS TO KEY FULFILLMENT METRICS TO ENABLE SUPERIOR CUSTOMER EXPERIENCE



THE PROBLEM

Glossier's growth has been blisteringly fast: revenues grew 600% from 2015 to 2016 and the active customer count tripled in the last year. Glossier's team is highly capable but small, with no resources dedicated solely to generating fulfillment metrics. Noted Sarah Hague, Executive Director of Logistics for Glossier, "We've expanded our team just to be able to deal with the sheer scale of fulfillment and manage it in a first-class way." The team needed to get timely, reliable quality and productivity measures in order to help scale the business effectively – and to do so without adding any additional personnel.

Adding to the challenge was the need to deal with data from a range of carriers and a 3PL partner using a mostly manual process of analysis. While the company had reasonable access to data from warehouse management systems and from their carriers, "answering questions took a lot of work in Excel," said Hague. Developing and publishing metrics for key quality and productivity measures was taking dozens of hours of the team's time every week. In addition to being needed to guide operations, this information was critical for preventing any negative impact on customer experience.

Hague also noted that in addition to answering "what is?" questions about current operations, the company wanted to be able to answer "what if?" questions. Said Hague, "We wanted ways not only to look at what happened, but also to look at our options and where there are opportunities to drive down cost and increase efficiency."

THE COMPANY

Glossier.

Industry: eCommerce Health & Beauty

Glossier, a truly digital beauty brand, is laying the foundation for a beauty movement that celebrates real girls, in real life. Driven by what customers want rather than dictating it to them, Glossier is a new way of thinking about (and shopping for) beauty products. Because "beauty" should be fun, easy, imperfect, and personal.

BENEFITS

- Transit times to West Coast customers reduced from ~1 week to 2-3 days
- Projected 40% cost reduction on ground shipments, offsetting constantly rising carrier charges
- \$120K reduction in costs allowing improved service at no additional cost to the customer
- Data-driven RFP reduced domestic air cost by 6%, offsetting the carrier GRIs
- Time to produce key operational metrics reduced from 2-3 days to minutes

THE SOLUTION

Glossier selected the Fulfillment Intelligence Cloud (FIC) from GrandCanals in early 2017 to normalize and analyze their rapidly-growing body of fulfillment data, in order to generate timely, reliable metrics on current operations.

This information was critical not only to answer “what is?” but also “what if?” questions, and to find opportunities to drive down costs, increase efficiency, and improve customer experience.

Glossier used the Fulfillment Intelligence Cloud to assess their fulfillment operations across all their carriers. While the analysis revealed the company was doing well on its ground shipments, Glossier used the FIC’s TurboRFP feature to obtain much more advantageous air rates. Further analysis revealed an opportunity to shift a number of deliveries to low-cost USPS services that would still meet customer expectations around transit time.

Not only is the FIC faster than the manual methods it replaced, it is much easier to use: “The data’s there, we can take a look at it, we can back into it and fast forward through it, figure out what’s going on. It just goes so much smoother that it was before, when we were trying to cobble it together ourselves,” said Hague. “Patterns pop out that much easier, too” she added, addressing the ability to prevent the entrenchment of systemic fulfillment problems through thorough and early visibility into nascent issues.

THE RESULTS

Analysis using the FIC revealed that carrier shifts for some routes could lead to improved customer service, with transit times reduced from about a week to 2-3 days, and savings of up to 40%, offsetting constantly rising carrier charges. Additional analysis led to USPS savings of approximately \$120K, providing customer service benefits without increasing shipping charges. This analysis was enabled by the ability of the FIC to normalize shipping data from Glossier’s 3PL and carriers, including UPS, FedEx, USPS, and C.H. Robinson, allowing the company to see all of its shipping volume together in one place and optimize the allocation of that shipping across modes and carriers.

Taking advantage of the TurboRFP feature in the FIC to rapidly generate a highly-targeted RFP focused on air rates, Glossier was able to see a 6% drop in just the first round of negotiations, offsetting the carrier GRIs, with expectations of further gains fueled by the ease of tweaking and reissuing RFPs as part of the back-and-forth with carriers.

Beyond the cost savings achieved, the Fulfillment Intelligence Cloud provided significant operational benefits, reducing the time needed to generate and publish critical management metrics from 2-3 days to a matter of minutes – a critical edge for managing Glossier’s rocketing growth.

THE FULFILLMENT INTELLIGENCE CLOUD™

Purpose-built to analyze and provide intelligent insights for direct-to-customer fulfillment, the Fulfillment Intelligence Cloud enables companies to fulfill with confidence and delight their customers by providing the insight and analysis required to improve fulfillment chains and meet rising customer expectations on delivery time and convenience.

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About GrandCanals

Based in the Silicon Valley, GrandCanals is the market leader in analytics-driven fulfillment. GrandCanals helps businesses of all sizes to profitably meet customer expectations in a rapidly transforming eCommerce world. Leveraging more than a century in fulfillment experience, and decades of deep knowledge in analytics software, GrandCanals takes advantage of the same capabilities that market leaders are using to fulfill with confidence and delight their customers.

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