

NFI Consulting Helps PODS Save Over 5% of Their Total Transportation Spend by Implementing New Network Design

fast

smart

responsible

PODS Inc. invented the concept of delivering steel-frame containers to a home or workplace, having the customer fill them, then storing the containers at a warehouse or arranging for them to be delivered to a new location. They have more than 138,000 containers in service, have completed over 1,000,000 deliveries, over 200,000 long-distance moves and operate via a network of corporate owned and franchised locations throughout the US, Canada, and Australia. Atlanta-based investment firm Arcapita owns the company, which was founded in 1998.

The Challenge

PODS has grown rapidly over the last five years, and has aggressive growth plans for the future. Their distribution network involves company-owned and franchised storage centers operating throughout all major metro areas of the US, including some Canadian locations. Transportation takes place between these storage centers on an irregular-route, continuous-move basis, as needed by the end customers.

PODS was experiencing growing transportation costs, challenges with accurately predicting rates and transit times for their customers, and the need for a long-term strategy to accommodate the continued growth of their network.

The Solution

Since PODS already had an established business relationship with the NFI Dedicated and Global Divisions, it wasn't a hard decision to turn to NFI again, this time using its Consulting Division. NFI Consulting was able to assist in developing this new network strategy in a number of different ways:

Strategic & Tactical Decision-Making

The first step was to review the existing network, the challenges PODS faced, and then brainstorm possible approaches to a revised network. Shipment history data was collected and then set up for modeling in NFI's Supply Chain Designer analysis tool. With continuous review and communication with PODS, multiple scenarios were modeled until a new network was created with a limited set of regional distribution centers.

Network Analysis

The new network design allowed for higher utilization on long haul lanes around the country, higher services levels on several segments of the network, and better predictability in the rating and transit times throughout the network. Detailed fleet designs of each segment of the network were also created for PODS. Projected savings were estimated to be over 5% of the total transportation spend, with the opportunity for additional savings through further network refinements.

The Result

With the guidance of NFI Consulting, PODS is currently implementing the new network design.

