

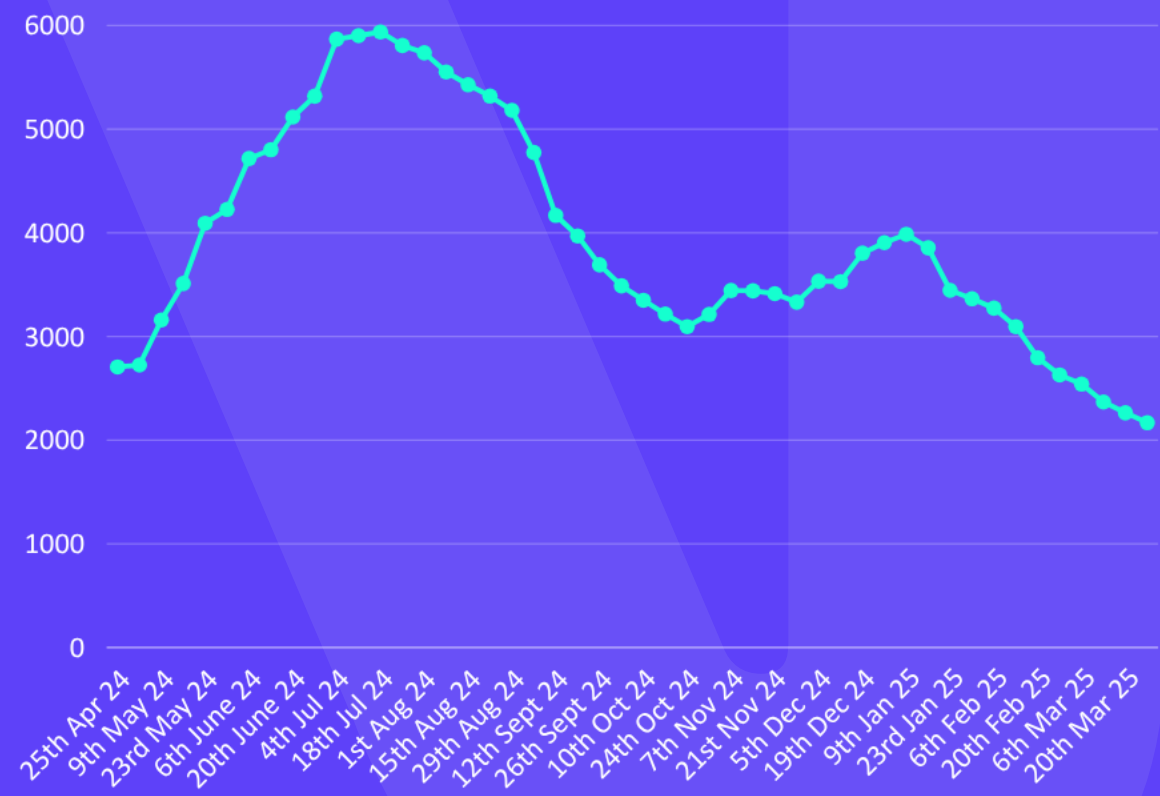
# Supply chain savings in a land of rising costs.

Areas for cost cutting and  
building resilience in an  
uncertain world.

Logistics doesn't have to be a maze.

## Drewry World Container Index (Apr 24 – Mar 25)

Aggregator of short term FAK rates (\$) for a 40ft container across several Far East Westbound trade lanes.



The performance of a company's supply chain plays a pivotal role in determining its overall success. As businesses steer through endless disruptions and price hikes, there's understandably a push for creativity in trimming supply chain expenses while maintaining the operation.

Supply chain disruptions have continued in 2025, with commercial shipping still largely avoiding the Red Sea and an aggressive US tariff programme causing chaos for shippers. Consequently, freight rates have remained extremely volatile. The question about supply chain savings is more pertinent than ever.

Away from supply chain shocks, there is increasing regulation around emissions and wider environmental impact. All threatening higher costs.

Amidst all this uncertainty, business risk registers are bulging like never before. So, what's a savvy business to do in the long run to minimise the damage these events can cause and slash supply chain expenses?

*“The list of external threats to international supply chains is growing every year. That understandably leaves many businesses looking for cost saving opportunities and improvements in resilience. I hope this piece gives you some ideas.”*

**Liam Launders, Head of Sales, WTA**



# Supplier analysis

Taking a detailed look at your suppliers can have a dramatic impact on supply chain cost. There are several avenues to explore here.

## Price negotiation

The most obvious starting point for cutting supply chain cost is negotiating with suppliers. Understanding their cost structure and competitors can help you negotiate more effectively. Consider negotiating payment term changes or volume discounts if overall price isn't on the table.

## Performance benchmarking

Establish KPIs for your supplier and benchmark their success against them. On-time delivery rate, quality standards, responsiveness are all metrics which affect your bottom line. Recording these, and working to improve them, will improve profitability.

## Supplier consolidation

Consolidating your supplier network can give you far more than increased negotiating power. Working with fewer suppliers simplifies your supply chain management and reduces administrative overheads. It allows for the development of deeper relationships and more collaboration around on cost cutting.

## Supplier diversification

Alternatively, diversifying your supplier base could provide the necessary risk mitigation against black swan events. In times of crisis, contingency plans can save serious cash. It could be that your supply chain would benefit from greater diversification instead of consolidation.

We have produced a separate blog, which includes far more detail on the benefits of supply consolidation vs diversification [here](#). Take the time to discover which would be the best option for you supply chain.



# Optimising transportation

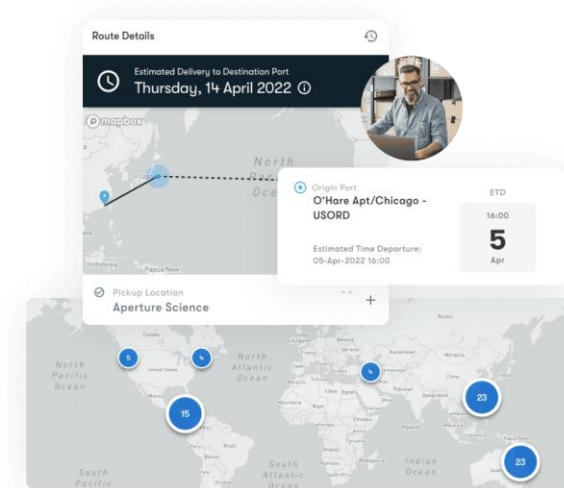
By analysing your routes and transportation network, there is often plenty of scope for cost saving.

Whilst this is possible to do with spreadsheets, it's made far easier when using new data and visibility platforms.

In our opinion, deployment of a visibility tool is one of the best ways for optimising supply chain spend right now. The data reports unlock previously unimagined savings.

Perhaps there are excess wasted journey charges or several cargo loads which could be consolidated into a single shipment. Trade lanes tend to swing in price seasonally. Could you adjust buying patterns to ship during cheaper windows? Is there a particular shipping line or haulier who is costing more money? Or a port where delays and additional charges are more common?

These are just a few small examples of the optimisation opportunities that lie within transportation analysis.

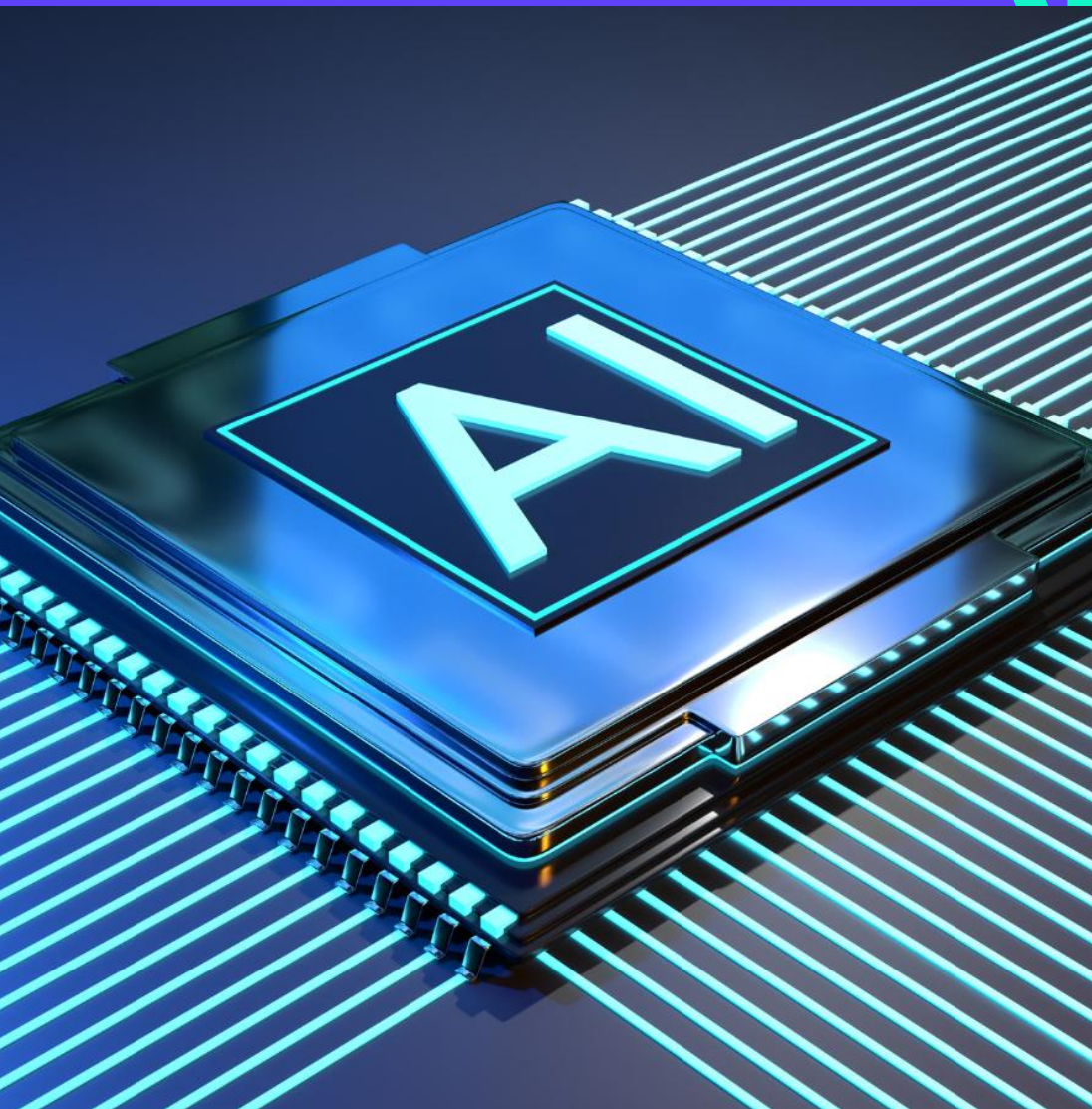


A supply chain visibility tool which automatically reports on vital cost and time data transforms the ease of this process. Every shipment is logged, graphed and mapped in granular detail. Charges clearly outlined.

Analysing the information for optimisations becomes a simple process. Highly sophisticated tools will even use AI (more on that next) to spot enhancement opportunities for you, taking vast quantities of data into account.

Our visibility tool is the **WTA Platform**, where all of this is available and much more. It stands up as one of the best visibility tools on the market.

**Book a demo today**



# Artificial Intelligence (AI) and Robotic Process Automation (RPA).

We're seeing increased integration of artificial intelligence into supply chain management and visibility platforms. As the technology becomes more widely available, AI can be applied across any supply chain area to highlight cost saving opportunities. AI is able to analyse vast quantities of data to forecast demand, optimise transport routes, predict maintenance and much more.

A less fashionable, but perhaps more relevant digital enhancement for your cost saving in 2025 is Robotic Process Automation. This is the practice of using API links and other computer automation techniques to speed up and cheapen basic administrative tasks.

API links can be deployed to submit customs entries, manage inventory levels, process invoices and much more.

Your logistics service provider should be knowledgeable and willing to work with you, to establish where RPA could deliver cost savings.

**72%**

Executives who believe that AI will be the most significant business advantage in the future. (PwC)

# Review inventory management

Analysing your use of warehousing and inventory can be a shrewd cost cutting strategy in the supply chain.

## £432.6bn

Estimated size of the warehousing and storage market in 2025  
(ScottMax, 2024)



### Optimise Orders

Investigating historical sales data and seasonal buying patterns can give you excellent insight into the perfect inventory levels, avoiding smaller shipments with higher per-unit costs.



### Reducing Overstock

Too much product in storage incurs additional costs. However, be mindful that too little stock increases exposure to supply chain disruptions.



### New Technology

Again, technology across the warehouse can be a vital technique for cost cutting. RFID tags, among other digitalisations, can provide improved visibility, reduced error and automate certain processes. All of which saves cash.



### Streamline Warehouse Ops

Look for ways to minimise costs associated with running your warehouse. Better organisation can reduce locating, picking and packing costs associated with operating a warehouse.



### Cut Carrying Costs

By implementing other steps mentioned on this page, expenses related to storing inventory, such as rent, utilities, security and insurance could also be reduced.



### Review Obsolete Inventory

Streamline your stock by removing (and selling!) any obsolete or slow-moving inventory. This can act as a short-term cash injection and frees-up valuable warehouse space. So, it saves money long-term too.



# Seek expert supply chain guidance

In 2025, your freight forwarder should be able to provide supply chain consultancy and route optimisation advice. We believe in making them work harder for you.

At WTA we pursue more than a transactional relationship with our clients. We're happy to work with them to find cost savings across their entire supply chain. Regularly providing free industry insight and market updates to enable informed decision making.

Our team work across 679 trade lanes every year and are experts in streamlining processes at all key junctions of supply chain.

## How we saved a major publisher £1 million

Finding efficiencies in a publishing giant's supply chain, which had dramatic consequences for their profitability.

## How WTA saved a food manufacturer over £100,000

WTA's logistics expertise saved a global manufacturing giant hundreds of thousands of pounds on their supply chain, without compromising food quality.





Combining the previous elements...

## Build a supply chain strategy

Implementing supply chain savings all rests on developing an effective supply chain strategy. A winning supply chain strategy aims to streamline processes, enhance efficiency, and optimise resources.

It should cover the following vital elements:

### An outline of the current supply chain network.

Evaluate the current routes, number and location of facilities, to build a picture of how transportation costs and lead times could be minimised. Look for optimisations and wastage.

### Identify achievable KPIs.

Outline a target total landed cost KPI that you'd like to achieve and the timeframe.

### Supplier relationship management.

Lay out the current relationship with suppliers and identify areas for improvement.

### Extra WTA tip

Use scenario-based modelling for a supply chain budget, not static modelling. Read more on that [here](#).

### Conduct a risk assessment.

Build a detailed risk register which considers long-term supply chain challenges. For every logistical threat, construct several solutions to minimise disruption and cost exposure.

### A new technology implementation plan.

Investigate new or emerging technology which could be implemented in your logistics. An effective way to cost cut is to adopt new technologies which can enable optimisations and cost cutting through countless different ways.

### Seek consultancy.

Reach out for help from the experts at your logistics service provider. It's likely they won't even charge for consultancy.

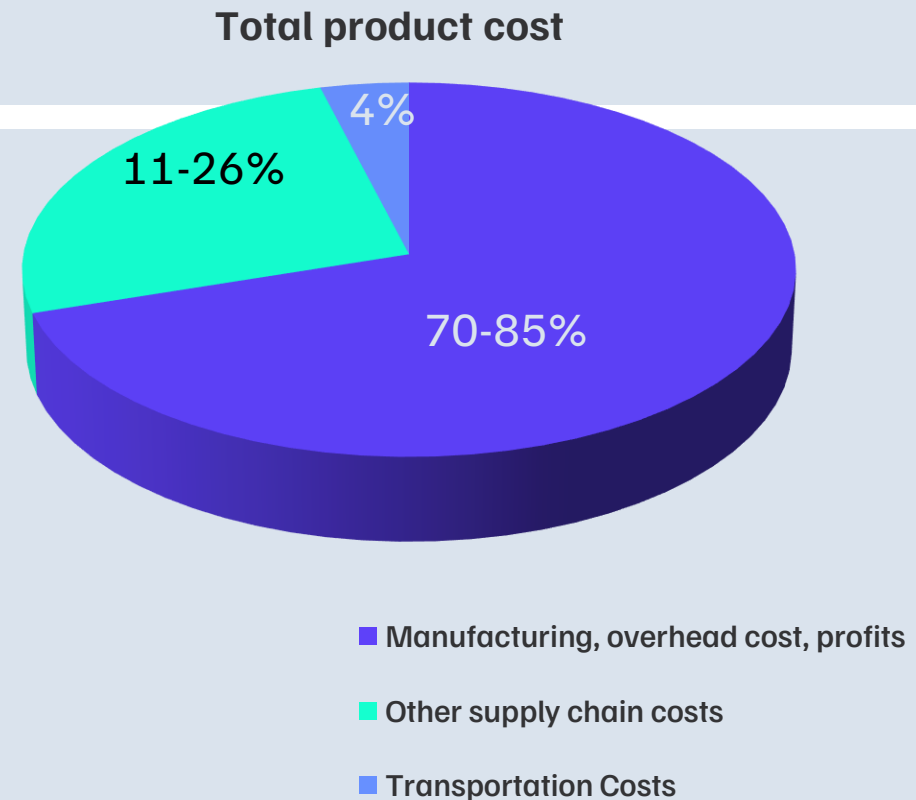


# Remember to look beyond the freight rate

At times like this, the logistics conversation is very rate driven. However, a fundamental part of finding long term savings in your supply chain is to look beyond the freight rate.

In normal market conditions it's estimated that freight rates and transport costs only make up about 4% of product cost. Wider supply chain costs can be as much as 26%.

Finding savings in that piece of the puzzle can be far more fruitful. That's where things like a strategic and consultative freight forwarder, combined with visibility tool, can really excel.



# Design the ultimate supply chain with WTA.

Logistics doesn't have to be a maze.



We're passionate about supply chains. Building them, improving them, scaling them. We'd love yours to be our next success story. Speak to the team if you want to create the ultimate supply chain.

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