



# Least cost freight

delivering cost effective results

Michael Hill Jeweller appointed PMA Solutions to be their partner for the supply of printing materials and warehousing management in 1995, and since then a long-standing, mutually beneficial partnership has continued.

All printed and consumable Michael Hill Jeweller products are stored in PMA's Murarrie warehouse, purpose built for the storage and distribution of print and promotional products. The layout includes pallet racking, shelf locations, order processing area, designated fulfillment/hand line processing area, receipting bay and separate despatch dock.

Prior to a formal review, conducted in September 2009, Michael Hill Jeweller purchased all national freight for orders dispatched from PMA's warehouse through their contract arrangement with their own freight provider. With a

belief in the efficiencies its systems are able to deliver, PMA recommended an analysis be conducted into these costs versus the costs available through PMA's Distribution Process.

Using data built over a considerable time regarding order specifications, line items, volumes, destination points and the level of urgency, PMA applied all orders to its proprietary built "Least Cost Freight Routing" (LCFR) system. This system utilised a variety of distribution methods based three main parameters – destination, weight and urgency/mode of transport, and selects the most cost efficient based on the parameters understood by the system. This takes the manual 'guesswork' out of the process and ensures clients are charged the most cost effective rates for each individual order.

The results were outstanding. In 72.6% of instances, the freight calculated

through PMA's LCFR system was more efficient than that of the contracted provider, whilst overall the saving represented 37.49% of the total costs of freight.

With an emphasis on systems and the automation of processes, PMA ensures its clients the most efficient service. Even after decades of partnership, PMA proves to its long standing clients that the service just keeps getting better.

***"This is a great outcome for Michael Hill Jeweller. I am grateful for their assistance on projects such as this."***

**Phil Taylor**  
Chief Financial Officer  
Michael Hill Jeweller

**michael hill**

**SOURCE. STORE. DISTRIBUTE.**