



CASE STUDY

"I see 'live' customers in about 40% of my deliveries, and literally hear the same thing every time. It's always some variation of 'Wow; that was ... fast! unbelievable!, super fast!, very speedy! The customers literally are in shock that their order arrived so quickly, often saying 'I just ordered that this morning!'"

— John Tenant

Jagged Peak Delivery Driver

HIGH OCTANE COFFEE DELIVERY

NESPRESSO

CHALLENGE

Coffee drinkers—especially those with palates adapted to espresso—have one thing in common: when they want a cup of “Joe,” they want it now! Nestlé/Nespresso, the maker of the market-leading coffee capsule system, understands this better than most, which is why they turned to Jagged Peak to optimize their supply chain.

Nespresso needed one solution provider, with one platform to serve complex B2C and B2B order scenarios. A solution hub that could service both big box retailers, marketplaces and their own specialty boutiques. Determined to create a customer experience service that would exceed customer satisfaction, Nespresso sought a solution that would accelerate delivery time, while reducing shipping costs.



SOLUTION

Nespresso selected Jagged Peak to support their retail boutiques and online consumer channels using the EDGE Order Management System (OMS) and FlexNet fulfillment services, which included 15 distribution centers in North America. EDGE optimizes order delivery for Nespresso coffee makers and coffee capsules, leveraging its provider optimization capabilities and least-cost routing services. EDGE sources orders to the most optimal warehouse based on inventory availability and customer proximity. Next, EDGE's fully integrated Transportation Management System (TMS) shops both carrier and carrier service to meet the customer promise date, matching the perfect carrier and service.

RESULTS

The results have been substantial, decreases in Customer Wait Time (CWT) went from 2.8 days to 1.2 days, coupled with significant freight savings by up to 50%. Since program inception, order volume has increased from 40 million units per year, to 600 million.

Another major competitive advantage and differentiator for Nespresso came with the launch of same-day delivery in several major metro markets. This service ensures that orders placed by 4 p.m. are delivered by 7 p.m. that evening. In some cases, customers have received their orders within 40 minutes of hitting "Submit" online.

PROJECT RESULTS

- Standardized KPIs, processes, procedures, SLAs and pricing
- Jagged Peak is single-point of contact for management and performance compliance
- Same-day fulfillment
- Same-day delivery in major U.S. metros and in Canada
- Using multiple DCs results in up to 50% reduction in freight costs
- Customer satisfaction is off the charts
- Double-digit Y/Y business growth
- Reduction of customer complaints .77%
- Reduction of Customer Wait Time – 2.8 to 1.2 Days

FLEXNET™ ADVANCED LOGISTICS

SOLUTION FEATURES

- 3PL/4PL solution; 50 Distribution Centers (North America, Europe and Asia Pacific)
- All DCs operating on EDGE OMS + WMS + TMS
- Automatic sourcing of orders to optimal DC
- NesSoft (Nespresso's ERP) system of record
- Orders transmitted to EDGE OMS
- EDGE OMS sources perfect order to the perfect provider
 - Allows centralized administration
 - Allows decentralized visibility/fulfillment
- Orders are pushed to the appropriate WMS (provider level)
 - WMS provides real-time inventory visibility
- TMS sources 23 carrier options to match optimal carriers to meet Nespresso's promise date
- All Cloud-Based, accessible anywhere