

3rd Party management & optimization model

We create tailored third-party relationship models that ensure effective partner management, performance tracking, and win-win / mutual growth acceleration.

Our approach

~ 8 weeks



Customer Pain Points

Poorly managed 3rd parties with **limited visibility** of their **segmentation and service levels** have stalled the indirect model requiring a **strategic overhaul**.

Methodology

P&L Development and Optimization

- Combination of internal data, external data and field research
- Construction of details P&L per 3rd party or segment
- Optimization of structure and terms to reach company objectives

Key Inputs

Internal data & 3rd Party provided

- Sell-out database
- Sell-in database (with profitability)
- Access to detailed financial and operational information of the 3rd party
- Routes data (sales, distribution)
- 1-on-1 interviews
- Operations observations
- Time motion studies

Deliverables

Detailed insight into the distributors structure and costs to find areas for improvement and improve visibility of their actions in the market

- Revision of current 3rd party relationship model by distributor type (3P segment) and suggestions for improvement
- Ideal gross-to-net and distributor compensation system analyzing on-invoice, off-invoice discounts (including pay-for-performance) and other commercial conditions
- In depth look at organization requirement for success 3rd party management

Example

Distributor cost-per-case analysis

C+Plus: Distribution Efficiencies – Distributor case study (2/3)

The versatility of the model has made it possible to quickly obtain replicate the distributor's delivery costs and its fixed costs for 2024 and 2025 showing clearly highlighting where are the problems

€/Package	2024			2025		
	High season	Low season	Yearly Avg.	High season	Low season	Yearly Avg.
Cost Distribution	1.37	1.24	1.35	1.39	1.24	1.37
Warehouse / Admin Cost	0.63	1.42	0.73	0.66	1.49	0.76
Total cost	2.00	2.66	2.08	2.05	2.73	2.13

The analysis allows us to compare the current costs (2.08€/case) with the current rate (1.87€/case).

- The delivery operation in Ibiza is causing a deficit for the following reasons:
- 🟢 High wage costs for delivery drivers (14% above the average in Madrid)
 - 🟢 Yearly recruitment/training costs due to high staff turnover (almost 100%)
 - 🟢 High rental costs for industrial warehouses (€10/m2 vs. €4/m2 on average)
 - 🟢 Fixed leasing costs even though the entire fleet is not used annually
 - 🟢 Very high costs for Outsourced empty bottle picking (0.12€/case)

NextSteps