
BORROWING
MAGNOLIA

HOW THE MODERN BRIDE DOES THE DRESS

PROPOSAL



Overview

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Agenda

Received document containing shipping costs for January and February.

Toured warehouse, saw how the dresses were being stored and shipped

Began compiling a list of potential obstacles and potential solutions

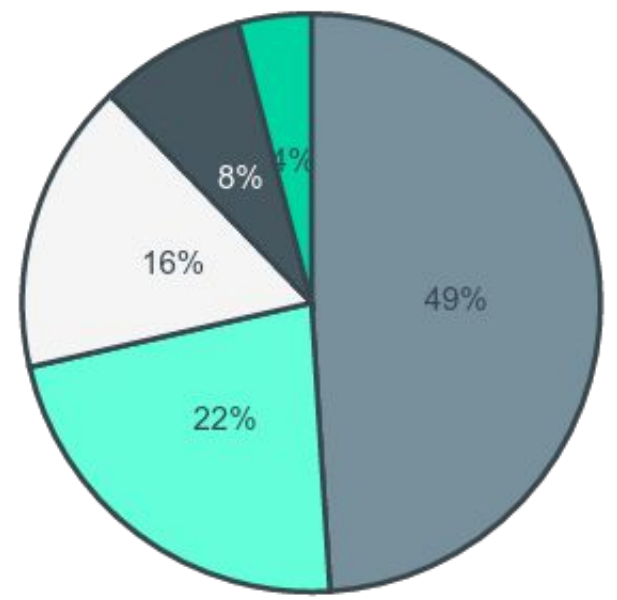
Overview of Shipping Issue

Analysis of Shipping Cost

Proposed Solution

Where are the dresses going?

Transactions



Southwest Northeast West Midwest Mountain

47.22%


Southwest, Midwest, & Mountain – Margin %

35.19%

Northeast – Margin %

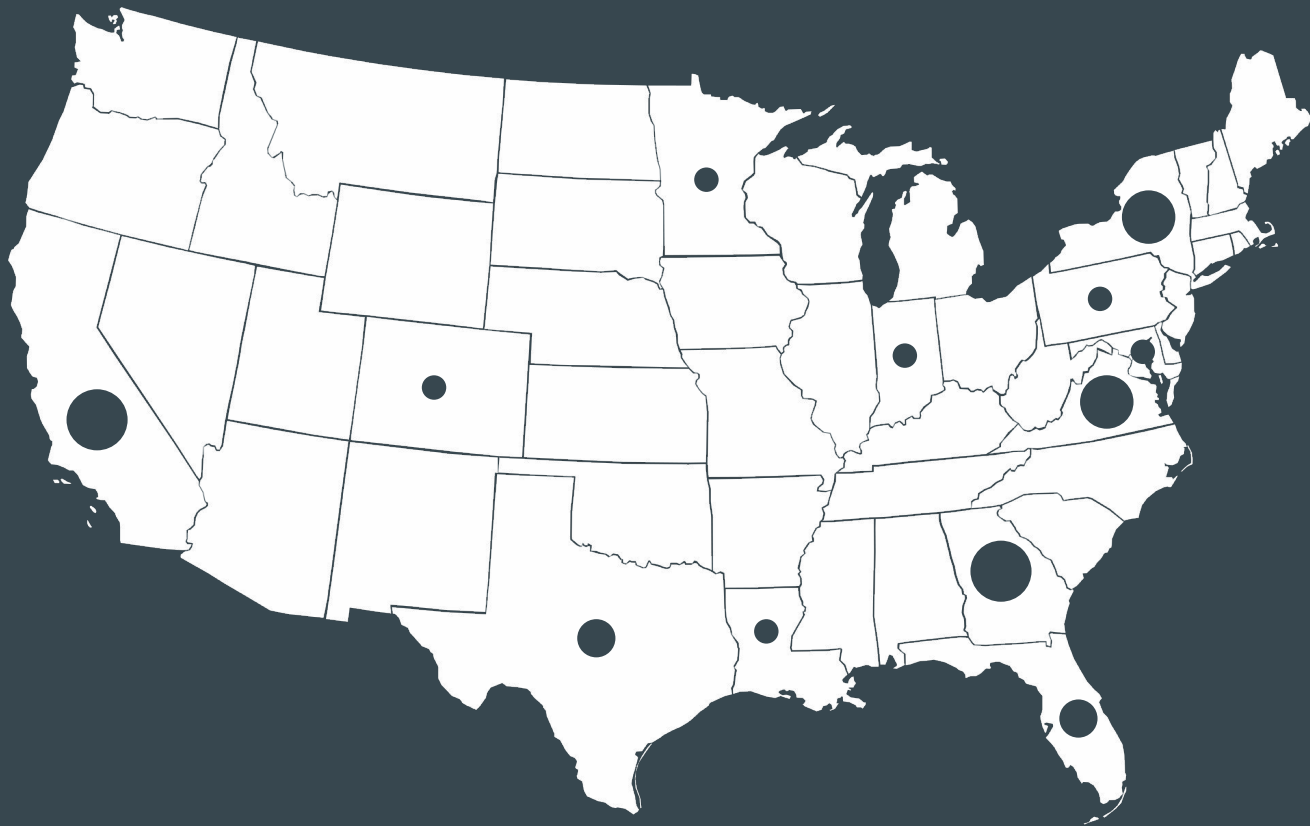
8.77%

West – Margin %

A laptop screen is shown in the background, displaying a line graph with a blue line and a pie chart. The text is overlaid on the screen in a large, bold, white font. The text reads:

The Problem: rising shipping costs eating away at margins for shipments to the West and Northeast.

Where Are the Dresses Going?





Ship the boxes flat to eliminate “dim weight” and increase shipping margins, while maintaining the packages’ safety and brand of the company

Research and Analysis

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Research Method



Establish Most Common Order Destinations

Estimate Shipping Costs for Those Locations

Compare Costs Between Constructed and Unconstructed



Tools Used

Shipping Cost Calculators

FedEx®

 **UNITED STATES**

POSTAL SERVICE

FedEx Constructed Cost

Box Type	California	New York	Tennessee
Small	\$18.33	\$14.05	\$11.76
Medium	\$26.93	\$16.13	\$13.87
Large	\$39.49	\$23.04	\$18.09
Extra Large	\$49.17	\$28.10	\$21.22

FedEx Unconstructed Cost

Box Type	California	New York	Tennessee
Small	\$12.90	\$9.96	\$8.85
Medium	\$12.90	\$9.96	\$8.85
Large	\$13.65	\$12.25	\$9.06
Extra Large	\$15.78	\$13.36	\$10.00

FedEx Constructed/ Unconstructed Analysis

Box Type	California	New York	Tennessee
Small	\$5.43 (29.62%)	\$4.09 (29.11%)	\$2.91 (24.74%)
Medium	\$14.03 (52.10%)	\$6.17(38.25%)	\$5.02 (36.19%)
Large	\$25.84 (65.43%)	\$10.79 (46.83%)	\$9.03 (49.92%)
Extra Large	\$33.39 (67.91%)	\$14.74 (52.46%)	\$11.22 (52.87%)

\$11.89 → 45.45%

FedEx: Average Savings per Box – Average Percentage Savings

USPS Constructed Cost

Box Type	California	New York	Tennessee
Small	\$12.40	\$9.45	\$7.15
Medium	\$49.45	\$33.70	\$8.45
Large	\$66.40	\$45.10	\$9.90
Extra Large	\$75.35	\$49.55	\$9.90

USPS Unconstructed Cost

Box Type	California	New York	Tennessee
Small	\$12.40	\$9.45	\$7.15
Medium	\$16.65	\$11.35	\$8.45
Large	\$20.05	\$14.45	\$9.90
Extra Large	\$20.05	\$14.95	\$9.90

USPS Constructed/ Unconstructed Analysis

Box Type	California	New York	Tennessee
Small	\$0.00 (00.00%)	\$0.00 (00.00%)	\$0.00 (00.00%)
Medium	\$32.80 (66.33%)	\$22.35 (66.32%)	\$0.00 (00.00%)
Large	\$45.35 (69.80%)	\$30.65 (67.96%)	\$0.00 (00.00%)
Extra Large	\$55.30 (67.91%)	\$34.60 (69.83%)	\$0.00 (00.00%)

\$18.50 → 34.47%

USPS: Average Savings per Box – Average Percentage Savings

\$15.20

FedEx & USPS: Average Saving per Box

39.96%

FedEx & USPS: Average Percentage Savings

Our Recommendation

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Other Options Considered:

- Tiered pricing
- Decentralized shipping
- Hanging bags



Polyethylene Bags

Add protection as well as an opportunity to further brand your packaging

Cost offset by savings from shipping boxes flat

One 24 x 36 case is \$1.70 per bag

24 x 36

1 case: \$170/case

3 cases: \$163/case

5 cases: \$156/case

26 x 28 x 5 expandable

1 case: \$144/case

3 cases: \$138/case

— 5 cases: \$132/case



Projected Growth

\$607.50/Month

\$7,290/Year

\$36,450/Over Five Years
(assuming no annual growth)

\$54,249/Over Five Years
(assuming 20% annual growth)

Possible
Opportunities to
Reinvest



Marketing

Research

New Locations

A photograph of four brides in white wedding dresses laughing together. The bride on the far left has a tiara. The bride in the center has a veil. They are all smiling and looking at each other. The background is a plain, light-colored wall.

Looking Ahead: Continue to analyze shipping data to discover additional ways to lower costs and reinvest savings to improve Borrowing Magnolia's brand