

CASE STUDY

Aramex Saves 28% in Last Mile Costs After Optimizing its Delivery Territories

About the Customer

Aramex is a leading global provider of comprehensive logistics and transportation solutions based out of the United Arab Emirates. Established in 1982 as an express operator, the company rapidly evolved into a global brand recognized for its customized services and innovative multi-product offering. It has approximately 18,000 employees in 70 countries.

Key Challenges

In Kuwait City, Aramex was looking for ways to reduce their last mile logistics costs. To do this, it wanted to ascertain the correct number of part-time and full time driver-partners to make deliveries, and keep an agile fleet to work around demand surges.

The Solution

Shipsy optimized Aramex's sales territory partitions within Kuwait based on delivery constraints provided by Aramex. Post running optimization algorithms, Shipsy got the following results:

Output Scenarios	No. of Full Time Driver Partners	No. of Freelance Deliveries
Optimizing fixed workforce	125	30,498
Keeping fixed workforce same, reducing part-time drivers	175	15,689

This translated to saying that Aramex could either reduce the number of full time driver partners by 30% or could reduce the number of freelance deliveries by 48%.

Overall, this contributed to a whopping 28% reduction in last mile delivery costs, maximized deliveries per driver partner, and allocated delivery tasks to various driver partners in an equitable manner.


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