From Sustainably Sourced to Sustainably Shipped:

Daily Harvest Optimizes Packing

A Paccurate Success Story.

paccurate   X   DAILY HARVEST

The Mission: Sustainable Shipping for a Sustainable Brand

COMPANY

Daily Harvest, the company on a mission to make it easy to eat more sustainably-grown fruits and vegetables, delivers high-quality, easy to prep, sustainably sourced food, directly to customers' doors. From Smoothies and Harvest Bowls to Grains and Pastas, you can make delicious snacks and meals in minutes. Recently, Daily Harvest faced a significant challenge in their e-commerce fulfillment process. A change in their product set led to a disruption in their pre-existing cartonization algorithm, resulting in substantial transportation cost overages.

CHALLENGE

Daily Harvest uses a third party logistics (3PL) provider to handle fulfillment from end-to-end. With uniquely shaped SKUs like cups and bowls, they documented specific packing rules to accommodate nesting items together as well as dry ice to keep items cold in transit. These generalized packing rules had to be turned into hard-coded heuristics that were never able to fully reflect the packing behavior intended. This led to consistently suboptimal box recommendations and escalating costs with every change.

Upon identifying the root cause and implementing a fix to halt the initial problem, Daily Harvest realized the necessity for a more robust cartonization approach to handle their growing volume and complexity. They contemplated building an in-house solution but quickly discovered the intricacies of 3D cartonization.
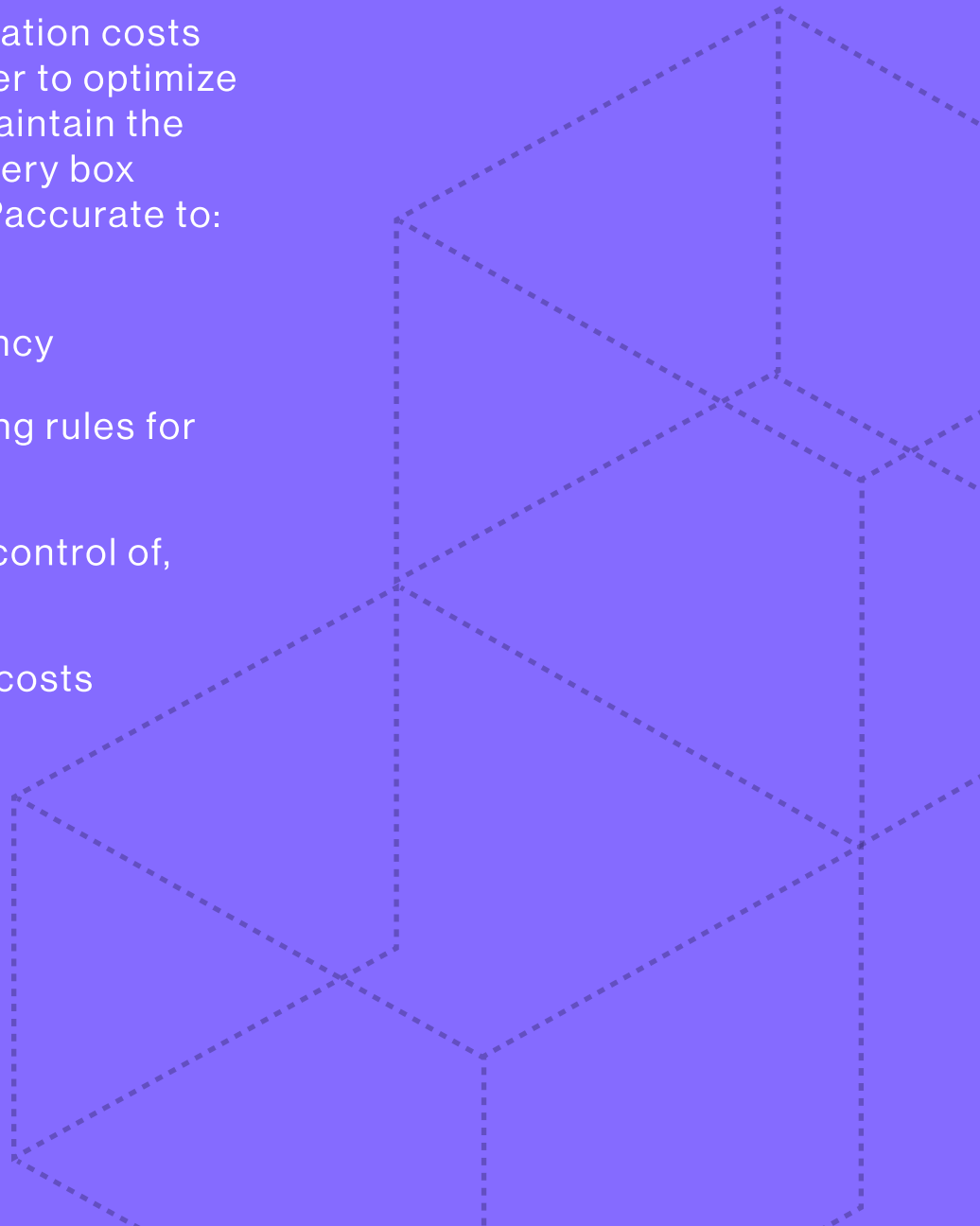
"In our build versus buy analysis it became quickly evident at how complex it was to solve for what on the surface initially felt like it may be relatively straight forward math. Given bandwidth and difficulty in solving for the multiple bin packing optimizations we were looking to tackle, it became clear the Paccurate team had a robust system built and support team in place to help us get our goals across the finish line," — **Wesley Williams, Vice President of Supply Chain, Daily Harvest.**
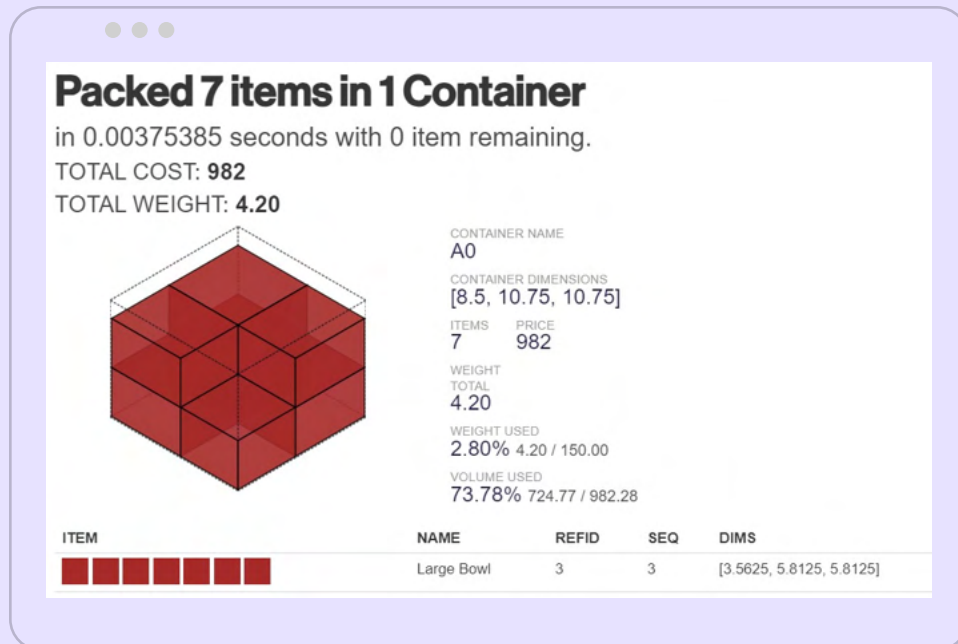
Greater packing efficiency was an immediate priority.

Daily Harvest's transportation costs escalated quickly. In order to optimize packing efficiency and maintain the integrity of the food in every box shipped, they turned to Paccurate to:

• Improve packing efficiency

• Manage complex packing rules for every order in real-time

• Gain visibility into, and control of, the packing process

• Reduce transportation costs

Packed 7 items in 1 Container

in 0.00375385 seconds with 0 item remaining.
TOTAL COST: **982**
TOTAL WEIGHT: **4.20**

CONTAINER NAME
A0
CONTAINER DIMENSIONS
[8.5, 10.75, 10.75]
ITEMS   PRICE
7   982
WEIGHT
TOTAL
4.20
WEIGHT USED
2.80% 4.20 / 150.00
VOLUME USED
73.78% 724.77 / 982.28

ITEM	NAME	REFID	SEQ	DIMS
	Large Bowl	3	3	[3.5625, 5.8125, 5.8125]

SOLUTION

As part of the pre-sale process, Paccurate's cartonization API processed historical order data along with the 'Compact Geometry' packing rule, showcasing its feasibility in handling carton, dry ice, and various SKUs scenarios. Analyzing a sample size of 23,857 orders, the API found 20,212 cartons remained the same baseline but improved cartonization for 3,645 cartons. Using the 'Compacted' rule set, Daily Harvest realized an 18% improvement in box selection which resulted in a 7% savings in corrugate across the operation, reducing material waste and transportation costs. This optimization translated to a five-figure savings per month.

Sustainably sourced, nourishing food is a priority for Daily Harvest. Optimizing packing efficiency, while maintaining the integrity of the food in every box shipped, Paccurate improved Daily Harvest's sustainable supply chain from end-to-end. "With the support of the Paccurate team, Daily Harvest continues to improve upon the customer experience, reduce operational cost, and lean into our commitment to sustainability," said Williams.

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**- Wesley Williams,
VP of Supply Chain, Daily Harvest**

What's next for Daily Harvest?

DOWN THE ROAD

Daily Harvest uses four box sizes to ship orders. As a next step, PacSimulate will analyze their order history to determine whether the sizes of their existing carton mix are most efficient. PacSimulate can recommend even slight adjustments to the box sizes to ensure Daily Harvest is reducing waste and saving on transportation and materials costs.

"As we look to the future, Paccurate will be a tool and partnership that we leverage in our continuous improvement on the packaging and bin optimization fronts, including trailer utilization to pallet TiHi. Unlocking insights into cost savings opportunities through gained efficiencies," said Williams.

~40,000
Orders cartonized per month

> " *Paccurate will be a tool and partnership that we leverage in our continuous improvement, unlocking insights into cost savings and opportunities through gained efficiencies.* "
>
> **- Wesley Williams,
> VP of Supply Chain, Daily Harvest**

18%
Improvement in carton selection

To learn more about Paccurate's Packing Intelligence Platform, visit www.paccurate.io.

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