

CASE STUDY | DISTRIBUTION & MANUFACTURING

Global Supply Distributor & Manufacturer

Turning transaction-level profit visibility into a **42% improvement** in value-added service profitability

THE BUSINESS

Products & services: Healthcare products and logistics services

Scale: 20K+ employees in 70+ countries

Revenue: >\$10B

THE BUSINESS IMPACT

42%

Improvement in profitability in key service offering in 12 months

The challenge: a strategic service with hidden profit leakage

Executives suspected their Low Unit of Measure (LUM) value-added service was unprofitable, but the service was strategically important. LUM customers represented **33% of revenue** and **61% of operational lines**. The problem was not a lack of data. It was the inability to see where profit was actually being created or lost across customers, products and the supply chains.

Disconnected data

Invoicing, warehouse and operational data lived across multiple systems.

Excel could not scale

One-time analysis was possible, but not sustainable for ongoing management.

Strategic tension

The business needed to improve profitability without simply abandoning the service.

No true profit view

Leaders could not reliably isolate customer-level profit risks or cost to serve.

Action was hard to target

Teams lacked a clear, quantified view of where to focus improvement efforts.

Complex operations

Profitability needed to be understood down to distribution center and floor-level activity.

The Profit Isle approach: build a transaction-level view of true net profitability by product, customer and service model.

In a matter of weeks, Profit Isle connected customer, product, supplier, invoicing and operational data from disparate systems. Profit Isle ProfitOS turned that data into a repeatable transaction-level view of profitability, helping Finance and Operations identify profit peaks and drains and translate them into quantified actions.

- Connected commercial and operational data into a common profit view.
- Brought cost-to-serve drivers into the profit view so teams could see economics beyond gross margin.
- Gained visibility into true net profitability by customer, product, transaction and operating dimension.
- Focused teams on the specific pricing, cost-to-serve and operational actions with the greatest profit impact.

FROM PROFIT INSIGHT TO ACTION

A measurable shift in profitability, and a repeatable way to manage it



How the teams use ProfitOS

With new data added each period, Finance and Operations continue to use the same profit data to guide decisions and improve performance across the business.

Customer profitability	Diagnose the true net profitability of each customer.
Pricing & deals	Evaluate deals and pricing with a complete view of margin and cost to serve.
Cost to serve	Understand what it actually costs to serve different customers and order patterns.
Operational performance	Assess distribution center and floor-level metrics through a profitability lens.
Improvement actions	Identify and prioritize operational improvement opportunities with quantified impact.

"We use Profit Isle weekly to determine, 'How do we feel about a customer? What's the true profitability?' We've not only changed how we think about our LUM program offering, we've also shown where we don't make money, and we now have the data to solve those problems. We can look at a transaction any which way we want and can conclude when there is not enough margin to support moving an item through."

— VP of Profit Optimization and Data Management

Why Profit Isle

The team needed more than a one-time profitability study. They needed a sustainable way to connect finance and operational data, reconcile the economics of the business and continuously identify where profit was being lost or created. ProfitOS provided the speed, accuracy and repeatability to move from fragmented data to actionable profit insight.

"What Profit Isle brought to the table over other vendors was speed, accuracy, and sustainability. I could get the data I needed in a one-time snapshot using Excel — but that's not sustainable or efficient. Profit Isle gave our Executive Leadership Team quick and better answers to our problems."

— VP of Profit Optimization and Data Management