

PWC Consulting

Operations Analytics Projects



- **Client Business Need**

- The USPS entered into a seven-year contract to purchase air transportation services from FedEx. This contract represents a significant shift in the way that the Postal Service uses and plans for the transport of mail by air. The firm was hired by Network Operations Management to create an analytical tool that is capable of determining the most efficient allocation of product volumes to the various markets served by the FedEx day-time network.

- **PwC Solutions**

- The model in its current form is a large-scale linear program that optimizes the allocation of FedEx capacity to nearly 5,000 market lanes that are served by FedEx. This project also includes significant analysis of historical mail volume flows, service performance of existing air transport providers, and the relationships between the newly acquired FedEx capacity and the capacity provided by existing air providers. The model is used on an on-going basis to provide volume forecast requests to FedEx six times per year and to provide the USPS field operations units with specific product, volume, and capacity information for use in routing mail on the appropriate transportation.

- **Benefits to the Client**

- Provide USPS an analytical tool to help better plan their network and understand the cost implications of various decisions
- Reduce overall airhaul costs on a network wide basis.