

CASE STUDY

PARCEL SERVICES

HIGHLIGHTS

\$85,000
SAVINGS AFTER
ONLY 45 DAYS

SUMMARY

Lund International designs, manufactures and markets branded, automotive accessories primarily for trucks, sport utility vehicles, cross over utility vehicles, vans and passenger cars. Lund products are distributed by retailers, both online and through brick-and-mortar stores. Due to FedEx logic changes, Lund faced a potential 21.3% increase in small package shipping costs for the calendar year.

CUSTOMER CHALLENGES

- FedEx logic changes increased the Minimum Billable Weight (MBW) to 90 lbs. and increased the surcharge fees from \$75 to \$80.
- An AFS re-rate analysis proactively determined Lund would face an increased cost in excess of \$218,000.
- Along with additional GRI impacts, Lund would face a 21.3% increase in small package costs for the calendar year.

RESULTS

- AFS acted quickly and utilized proprietary software to create a strategy for Lund to approach FedEx with, providing a data-supported margin and yield scenario where FedEx could profitably manage the oversized product distribution and still provide relief to Lund.
- FedEx agreed to a minimum billable weight reduction to 40 lbs. from 90lbs., affecting 98% of packages that would have been impacted by these logic changes.
- AFS industry experts defined additional areas for rate concessions and counseled Lund on their negotiation strategy.
- After implementation of the new agreement, AFS ran a granular post-audit and determined FedEx was not applying the proper 40 lb. MBW rule to all eligible packages and provided Lund with the relevant data to approach FedEx for a sizeable credit.
- After 45 days, the new FedEx agreement achieved definable results in excess of \$85,000
- AFS continues to monitor Lund's shipping data to ensure carrier compliance.

"We've utilized AFS for LTL and Truckload services for years. Through their proactive audit, notification and quick response to the impending carrier changes, we were able to avert catastrophic cost increases. AFS's parcel team stepped up to the plate and assisted us in preventing what could have been a severe impact to our bottom line."

- Lund International, Logistics Manager