



# Rexel USA

**AFS Services: Parcel cost management, LTL cost management, Freight audit and payment**

## ABOUT THE CUSTOMER

Rexel USA specializes in commercial and residential wholesale electrical, industrial, lighting, tools, controls and automation products. Rexel Group is one of the world's largest electrical distributors, and the U.S. presence serves millions of customers from more than 500 branches and distribution centers across the country.



**75% REDUCTION**  
IN LTL CARRIERS PER  
DISTRIBUTION CENTER



**\$238,000**  
RETURNED THROUGH  
LTL FREIGHT CLAIMS IN  
THE FIRST 15 MONTHS



**\$1,176,000**  
IN TOTAL PARCEL  
SAVINGS GENERATED  
IN ONE YEAR

## CHALLENGE

Logistics initiatives are a major emphasis for Rexel, with nearly half its U.S. employees dedicated to improving how the company connects customers with electrical supplies, solutions and services. But Rexel faced major challenges controlling shipping costs, managing claims and getting consistent service.

"Getting materials to customers on time is huge in the electrical industry. If customers are missing one part, their entire operation could be shut down for days," said Travis Gordon, National Transportation and Logistics Manager, Rexel USA. "It is imperative that we have trustworthy carriers and greater visibility in the shipping process."

Rexel distribution centers process massive parcel volumes, but delayed or failed deliveries harm the customer experience and increase costs. If a package does not get delivered, filing a claim enables shippers to get a refund, but Rexel had no process for doing so. Therefore, each failed delivery was considered a sunk cost.

Not only that, a lack of detailed reporting and a large roster of carriers made managing costs and performance a difficult, cumbersome process. Unknown freight accessorials charges, balances due and short pays all prevented Rexel from seeing a clear financial picture. And with such a large list of carriers, Rexel found it difficult to manage relationships across their distribution locations and mitigate the impact of annual general rate increases (GRIs).

## SOLUTION

To address reporting and cost management issues, AFS set out to provide Rexel with greater visibility. Through collaboration with a shipment visibility software company, AFS designed a custom solution for Rexel, enabling them to make more effective decisions with access to high-fidelity transportation data and predictive



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insights, including parcel delivery status, location and more.

Armed with detailed reporting and analysis, AFS identified freight accessorial charge errors that had previously been lost in the shuffle, including incorrect detention, reconsignment and layover charges.

AFS also guided an LTL carrier consolidation process to streamline carrier management and communication, with the ultimate purpose of more consistent performance and increased customer satisfaction. With Rexel's choice driven not just by cost, AFS prioritized vetting proven, trustworthy carriers capable of the reliability Rexel required.

To keep parcel costs under control and prevent higher logistics costs from being passed on to Rexel customers, AFS works closely with Rexel to manage GRIs and keep rates consistent and fair. AFS also created a parcel claims audit process to enable Rexel to file claims and address the costs of lost or delayed deliveries based on data collected from all shipments. Rexel gets clear, actionable reports that include where the package was last seen, how to address customer needs regarding a replacement and necessary documentation for each freight claim form. AFS also works with carriers to understand the cause of delivery issues and how the carrier plans to prevent them from happening with future shipments.

As a regular, ongoing step, AFS performs a parcel service audit and parcel rate audit. This process provides assurance that contracts are up-to-date, rates are being applied correctly, outstanding balances are properly reviewed, and carrier performance meets Rexel's standards.

## RESULTS

By putting the right processes and technology to work for Rexel, AFS:

- Reduced the number of LTL carriers from 8 to 2 per distribution center transitioning to the top national and regional carriers.
- Implemented a new claims process for all locations to file and manage LTL Freight Claims and provide the maximum return. In the first 15 months, more than \$238,000 was returned back to Rexel in paid claims.
- Produced a total parcel savings of \$1,176,000 in 2020.



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The numbers only tell part of the story. The AFS team has become a trusted ally through clear communication and dedicated support. “The biggest impact we didn’t anticipate was the relationship our team would have with our account manager,” said Gordon. “We work directly with the AFS team when necessary and response time is always quick. This is truly the support we needed.”

AFS continues to assist with Rexel’s consolidated roster of carriers, working to keep transportation costs competitive and service high, helping prevent price increases from being passed onto customers and providing reliable, on-time deliveries.

*“From providing guidance on RFPs to just offering a sounding board and providing expert feedback on our internal processes around transportation, AFS is truly on our side and looks out for our best interest.”*

**Travis Gordon**

National Transportation  
and Logistics Manager  
Rexel USA