



Musco Family Olive Company

AFS Services: Managed Transportation including Audit, LTL, Truckload, Parcel, Intermodal and International Freight Forwarding

ABOUT THE CUSTOMER

Family owned and operated, Musco Family Olive Company (Musco) is the nation's leading provider of table olives. Since 1942, the company has prided themselves on sourcing the highest quality olives from over 450 California farmers. Today, they are America's #1 olive brand and supply a significant portion to private label equating to ownership of a majority of the U.S. market.

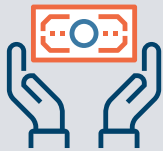
CHALLENGE

As a leading provider of olives in the United States, having efficient and cost-effective solutions for managing logistics operations is a fundamental requirement for Musco to meet demand and maintain the high level of quality to which they are committed. With the current challenges of locating capacity in an increasingly tight market and continuously rising costs, it became more difficult for the company to scale their operations and coordinate shipments since it was all being performed manually.

"As a family owned and operated business that's been around for over 80 years, we had a lot of manual, out dated processes that just stuck around because it's how we had always done it," said Michael Lin, Senior Director of Supply Chain. "But with our volume, we knew we needed better efficiency to maintain service to our customers, mitigate the impact of rising transportation costs and reduce the margin of error that comes with the territory of basically managing all of our freight by hand."

Musco did not have a coordinated system for tendering shipments which consumed hundreds of valuable hours on a weekly basis. The lack of coordination occasionally led to double, even triple brokering of loads. Additionally, the company was utilizing several brokers who would in turn, re-broker their freight to an asset-based carrier leaving concerns about chain of custody. Long tenured brokers and carriers retained the Musco business year after year, and the result was inflated transportation costs. The company also had developed a regular broker mix so there was no impartial process that ensured the most cost-effective option was being used.

Musco also lacked an effective track and trace system for visibility into the full life cycle of their shipments. Because they were not auditing their LTL, truckload or intermodal freight, they had no way of knowing if they were being inaccurately billed.



**>10%
SAVINGS**
ON TOTAL
TRANSPORTATION
SPEND IN FIRST YEAR



**\$150,000
RECOVERED**
IN LOST SALES ON A
SINGLE SHIPMENT



100%
INCREASE IN
CARRIER MIX



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And without visibility into the true cost of their freight and lack of data on load status, it became impossible for Musco to dispute claims such as on-time in-full (OTIF), leaving them vulnerable to over payment in accessorials as well as in customer deduction claims.

SOLUTION

To help eliminate waste of hours and cost across multiple modes, AFS implemented its Managed Transportation services for Musco, taking ownership of the entire life cycle of their shipments and converting their manual processes to an automated transportation management system that fully integrated with their enterprise resource planning (ERP). All outbound freight for both sales and stock transfers are electronically sent to AFS, then the most competitive rate is returned from a wider breadth of pre-vetted carriers and automatically loaded into the ERP for billing and tracking. By introducing this automation, AFS was able to improve Musco's workflows and reduce their manual hours spent coordinating and managing shipments, scheduling delivery appointments and filing claims. Additionally, AFS's Managed Transportation supports Musco in quickly adjusting to market disruptions with mode optimization and full transparency to proactively address issues when they arise and maintain the company's high service standards.

To help Musco gain control of inaccurate fees and surcharges, AFS executed an invoice audit process on all modes. Through a comprehensive review of every bill with machine scale precision and accuracy, the company can recover spend from overcharges ensuring they never pay more than they should, while simultaneously consolidating weekly billing into one invoice. By adding this practice to their standard operations, Musco now has a documented audit trail to assist in resolving any potential discrepancies.

For ongoing support and optimization, AFS coordinates annual freight bids during which, only asset-based providers are considered for Musco's carrier network, eliminating a majority of their double and triple brokerage. AFS also conducts network analyses to identify opportunities for movement or consolidation of warehouses. Quarterly business reviews are performed to track progress and performance and to pinpoint any suboptimal shipments.

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Michael Lin

Senior Director of Supply Chain
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RESULTS

By implementing more efficient processes and technology for Musco, AFS has:

- Lowered the company's total transportation spend by over 10% in the first year.
- Identified further shipment opportunities in quarterly business reviews resulting in an additional \$50,000 in annual savings.
- Saved the company over \$150,000 in lost sales in one instance on a single shipment.
- Restructured roles and responsibilities within Musco to improve quality of employee contribution.
- Increased carrier mix by 100%.

"AFS has been the differentiator that puts us where we need to be with rates and scaling operations to keep up with all the changes happening in the global and domestic supply chain. Not only that, but the quality of the data they provide has revolutionized the efficiency of our warehousing network," Lin said. "Our alliance vendors are considered part of the Musco family and AFS has truly become a part of our logistics team."

In the next step of their logistics evolution, Musco will be handing over control of international shipments to AFS in order to lower transit times, secure the chain of custody and help drive down higher than necessary volumes of safety stock. Scorecards are produced for transportation performance and now will be produced for the company's warehouse network as well to measure service and cost of each location. Additionally, 90% of the company's track and trace for truckload and intermodal freight will now be done using AFS systems.

All of these initiatives combined truly make AFS a one-stop-shop for Musco Family Olive Company.

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