



# Cavender's

AFS Services: Parcel cost management | LTL cost management, TMS solution

## ABOUT THE CUSTOMER

Cavender's was founded in 1965 by James and Pat Cavender, in the small east Texas town of Pittsburg. For more than five decades, this family-owned western wear retailer has thrived by providing the best products at affordable prices with excellent customer service.

Cavender's sells merchandise online and in more than 90 brick-and-mortar locations in the U.S. As with any online apparel retailer, parcel shipping plays a major role in maintaining a positive customer service experience.

## CHALLENGE

Cavender's relied on the same carrier to deliver most of their parcels for over 20 years. However, during the COVID-19 pandemic, service issues began to arise when online shopping increased, and shipping capacity was limited. But parcel logistics was not Cavender's only issue – managing inbound freight costs was also a significant challenge. Cavender's vendors routed merchandise and added less-than-truckload (LTL) shipping into the cost of goods as either a line item or as part of the total cost. To get control, Cavender's needed to have set rates in place and technology that provided visibility into all inbound freight activities.

To find a solution, they turned to AFS Logistics, an expert in the parcel and LTL freight markets with a proven data-driven approach.

"AFS has always been really proactive in bringing us new ideas and telling us what's coming down the pike," said Jim Thompson, Chief Financial Officer, Cavender's.

## SOLUTION

AFS helped Cavender's identify another parcel carrier that was offering competitive pricing to gain new business – offering the chance to not only address service and capacity issues, but significantly reduce overall parcel spend. Cavender's gave AFS the green light to negotiate, but a problem emerged before negotiations even began. The carrier had a longstanding policy of only negotiating contracts directly with shippers – not a third-party logistics provider like AFS.



**14%**  
**SAVINGS**

**ON PARCEL SPEND**  
**ANNUALLY**



**16.7%**  
**SAVINGS**

**ON LTL SPEND**  
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But AFS did not give up. The team leveraged contacts in the same carrier's LTL group – a 13-year relationship – to help initiate the parcel contract negotiation process. When the carrier realized that negotiating with AFS was the only way to win Cavender's multi million annual parcel spend, they made an exception, and negotiations commenced on a contract for 95% of Cavender's parcel shipping business.

"AFS did a fantastic job of telling the carrier where they needed to be on cost and they had our full trust throughout the process," said Thompson. "I told both our existing and new carriers that if you're speaking to AFS, you're speaking to Cavender's."

To set the necessary framework for Cavender's to better control LTL inbound freight costs, AFS provided a transportation management system (TMS). The TMS manages 95% of Cavender's LTL inbound freight through a vendor portal. AFS bid for established carriers, set rates and trained approximately 400 Cavender's vendors to use the portal, enabling inbound freight to be managed more accurately and effectively. The TMS also provides enhanced visibility, with the ability to see all freight going through the system.

## RESULTS

The new contract negotiated by AFS reduced Cavender's annual parcel spend by 14%. And with 95% of Cavender's LTL freight routed through the TMS, LTL costs are reduced by 16.7% annually. Not only that, the TMS offers improved visibility across Cavender's logistics, considerably lowering their financial risk.

"The solutions from AFS allow us to improve our margins and generate working capital – which is a huge improvement for us as we work to provide the best service possible to our customers," said Thompson.

AFS continues to guide Cavender's logistics operations, setting them up for success by keeping their customers satisfied with fair prices through skilled negotiations and data-driven decision making.

*"We'd be bleeding millions of dollars in excess freight costs if we didn't have AFS. They have the expertise, knowledge and systems that our business needs, and they do everything more efficiently than we could."*

**Jim Thompson**

Chief Financial Officer  
Cavender's