Fastener & Hardware Distributor

AFS Services: Freight Audit & Payment, LTL Cost Management, Parcel Audit, TMS

ABOUT THE CUSTOMER

Founded over 50 years ago, this family-owned business focuses on providing high-quality fastening and hardware products at competitive prices with exceptional customer service. Headquartered in Mississippi, the company offers vendor managed inventory, product tracing, bagging and kitting for the commercial, construction and industrial markets. In 2007, the company opened its second location and has since opened five others, becoming one of the largest fastening and hardware distributors in the southeastern United States, shipping both domestically and across the globe.
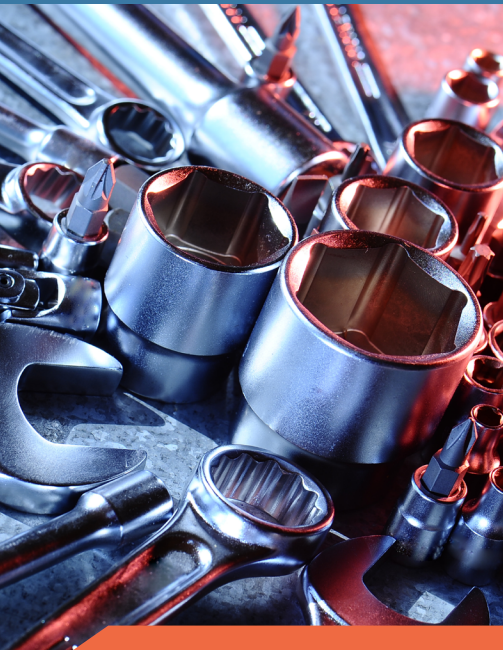
CHALLENGE

With hundreds of orders coming in daily, the company was working with a multitude of carriers to get products to their customers. The long carrier list made it difficult to manage freight costs and claims. The company was getting billed for shipments that were shipped collect and costs began to spiral out of control. Due to the extensive carrier list, accounts payable was spending hours auditing and resolving claims for late and lost deliveries leading to a delay in invoice payment. Additionally, there was also no standardized reporting, no way to keep track of all the shipments that were billed incorrectly, and no visibility into the shipments from each location creating segregated and siloed logistics operations.

SOLUTION

AFS first set out to narrow down the company's carrier lineup. Through an extensive carrier vetting process, AFS realigned the company's business rules with a consolidated, reliable and capable carrier list that could meet their needs not just in rates but in service. With market spend visibility of $11 billion, AFS was able to benchmark and renegotiate the company's LTL rates and get freight costs back under control.

By using AFS' TMS, the company was also able to train all its employees on how to set up shipments using their new and improved carrier network. "AFS has streamlined our shipping process, and their TMS is very easy to use. It has enabled us to give everyone access to a standardized process to set up and track shipments so we can better monitor our operations…" said the company's vice president of sales.

14%
SAVED ON TOTAL TRANSPORTATION SPEND

20HRS
SAVED AUDITING INVOICES EVERY MONTH

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Vice President of Sales
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Next, AFS began auditing the company's freight and parcel invoices to ensure carriers were charging correctly based on the services provided and newly negotiated pricing and payment. By outsourcing their auditing process to AFS, the company was able to consolidate their payments into one invoice and one payment. "Before, we were sorting through a lot of freight bills making sure they were correct, then submitting them to accounts payable," they said. "If there was an issue with a bill, it would take forever to sort it out with the carrier. It took us weeks to resolve issues with carriers since all we had was the customer service contact."

RESULTS

Since enlisting AFS to optimize their rates and carrier network, the company has reduced their transportation spend by over 14%. However, cost was not the only thing in which the company found benefits and savings. "Before AFS, everyone just did their own thing when it came to shipping. They really put us all on the same page. They have also saved our accounting team nearly 20 hours a month they used to spend auditing and processing our invoices. Now they can use that time to focus on other areas of the business" said the vice president of sales. Additionally, by utilizing AFS' TMS, the company is also now able to provide better service to their customers through a more efficient shipment process and tracking information that can be provided with a simple click of a button.