



Mann Lake Bee & Ag Supply

AFS Services: Parcel audit and LTL cost management

ABOUT THE CUSTOMER

For 35 years, Mann Lake Bee & Ag Supply has provided live bees, protective gear, kits, hive components, extraction and bottling equipment, and more for professional beekeepers and beginner hobbyists alike. With its main branch in Hackensack, Minnesota, Mann Lake is on a mission to keep the honeybee—a natural pollinator—flourishing. Today, Mann Lake has production facilities in Minnesota, California, Pennsylvania, Kentucky, Florida, Oregon, and Texas, with more locations planned for the future.

CHALLENGES

Throughout its history, Mann Lake has quickly grown through acquisitions and is poised for additional growth in the coming years. This growth led to a decentralized environment for shipping and little transparency to uncover opportunities for optimization. Plus, the company had limited time to negotiate rates and service standards.

In addition, Mann Lake's manual freight shipment process required two employees to be at their desks all day processing orders for shipment. The company's Chief Financial Officer, Shana Rowlette, had little time to source a variety of carriers, negotiate contracts, ensure pickups were being made, and evaluate key performance indicators on service and claims.

"All the freight negotiating was on my plate, but I didn't have time to focus on it," said Rowlette. "We would get rate increases and I didn't know why. It kept bothering me seeing the price we were paying for our freight."

SOLUTIONS

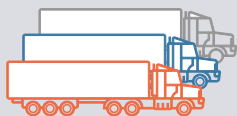
Eventually, the situation reached a breaking point with Rowlette, and she agreed to let AFS conduct an audit of Mann Lake's parcel and freight spend. AFS determined they could achieve significant savings by negotiating better rates, also Mann Lake could reduce their Less-than-Truckload (LTL) spend by adding regional carriers to the mix.

"AFS got the parcel rates to where they should have been and brought in other LTL carriers," said Rowlette. "Now, our customers have fewer shipping delays and they get products faster with better service."



22% SAVINGS

**ON PARCEL RATES AND
SPEND OPTIMIZATION**



7% SAVINGS

**WITH A MORE FLEXIBLE
REGIONAL LTL MIX**



AUTOMATED

**SHIPPING PROCESS
WITH TMS**



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AFS suggested adding more flexible regional carriers to the LTL mix so Mann Lake wasn't solely reliant on larger carriers. Sometimes, regional carriers offer shorter transit times, better service and lower cost. In addition, AFS implemented their transportation management system (TMS) to automate Mann Lake's manual freight shipment processes. The TMS allowed Mann Lake to use least-cost carriers to reduce cost and keep their bottom line lean. An analytics tool enabled transparency in Mann Lake's spend and aided in rate optimization to further reduce costs. Mann Lake also gets weekly reports from AFS on what could have been done differently to achieve more savings.

"Outside of freight savings, the next biggest benefits of working with AFS are automation and time savings," said Rowlette.

As the relationship progressed, AFS recommended additional services to optimize shipping at Mann Lake and uncovered opportunities for cost savings in other segments of their logistics operations. Today, Mann Lake relies on AFS for LTL, parcel, freight audit and payment, truckload and international.

For day-to-day shipping operations, Rowlette relies on an AFS client team consisting of an Enterprise Sales Director, mode-specific Cost Managers and an Account Manager as subject matter experts. As an extension of Mann Lake's supply chain, AFS ensures day-to-day operations run smoothly – allowing Rowlette to focus on market growth.

RESULTS

Since working with AFS, Mann Lake has seen a 22% savings in parcel costs and a 7% savings in LTL freight expenses.

Going forward, AFS and Mann Lake are working to streamline processes and reduce costs for full truckload (FTL) and international shipments. Mann Lake fully engages AFS in its business strategy so they can be on the forefront of how business decisions will impact shipping costs. With additional acquisitions planned for the future, Mann Lake is happy to have AFS on their team to handle all of the company's logistics matters.

"AFS has become part of the Mann Lake team. My staff can go directly to them, they optimize our processes and take work off our plate so we can focus on our core business."

Shana Rowlette

CFO

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