



National Fashion Retailer

AFS Services: Parcel audit

ABOUT THE CUSTOMER

A national fashion retailer with more than 1,000 brick and mortar stores and an ecommerce presence sells apparel, shoes and accessories for women and children. Headquartered on the East Coast, the retailer maintains a multi-level warehouse and ships merchandise to their stores throughout the U.S., Puerto Rico and U.S. Virgin Islands. As multiple orders come in daily, the merchandise is packed at the warehouse and immediately scanned, sorted and placed directly into trucks for delivery. More than 90% of the retailer's products ship with a single parcel carrier, with a total annual spend of \$24 million.

CHALLENGES

Recently, the carrier had eliminated discounts for some accounts and inadvertently started charging list pricing for thousands of the retailer's shipments. Also, when the retailer opened a new store, shipments to that store weren't routinely associated with their contracted discounts. In addition, shipping charges were sometimes misapplied—leading to an even greater need for the retailer to keep a close eye on their parcel spend.

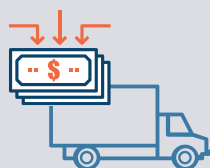
SOLUTIONS

For the last decade, the retailer has relied on AFS Parcel Audit to identify and track discrepancies in their parcel shipping invoices—and recover eligible refunds. When billing errors occur, AFS finds the discrepancy, communicates the amount to the carrier and sends a remittance to the retailer to short pay rather than waiting for a refund.

"I can't imagine paying the full amount and waiting for our carrier to credit us," said the retailer's director of supply chain logistics. "The recommendation from AFS to short pay has been a real value for us."

Every week, AFS provides the retailer with reports that contain package level detail and audit findings. The retailer then scrutinizes these reports and provides the information to their executive committee for review.

"AFS has made it easy to identify what the report is conveying, and our executives can manage their way through them. We didn't want to drown them with data," said the supply chain logistics director.



NEARLY

\$800,000

IN PARCEL SHIPPING
SAVINGS OVER 12 MONTHS



\$184,000

IN SHORT PAY SAVINGS
IN ONE WEEK



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Every year, the retailer tasks AFS with analyzing their total parcel spend to ensure their contracted 3.5% rate cap isn't exceeded. Through the audit process, AFS has identified instances where the rate cap was exceeded and worked with the carrier to have the rates adjusted to 3.5% or less.

RESULTS

The retailer has saved nearly \$800,000 on its parcel spend over a 12-month period with AFS. Recently, in the course of just one week, AFS found \$184,000 in short pay savings for the retailer.

If not for AFS, the retailer would have to build the capacity in-house to perform parcel audits. Outsourcing their parcel audit to AFS made the most sense—from both an internal resources and industry expertise perspective.

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