

Landstar Case Study: Combined Solutions



A WORLD OF SOLUTIONS

Landstar independent agency Artisan Logistics is bringing a world of different services to a worldwide manufacturer of heavy machinery.

Agent Dennis Brannon and his business partner and Chief Marketing Officer Doug Wilkes began their relationship with the customer in 2009, moving sporadic van loads of their forklift product. What it has grown into today, however, is worlds apart. The agency is now managing roughly 80 percent of forklift deliveries and providing specialized/heavy haul, LTL and intermodal services to the customer, a multinational corporation that's one of the largest heavy machine manufacturers in the world.

"The shipping schedules and customization of what we do for them, customer service and flexibility of Landstar's capacity across the country has been a big advantage for us and is really what's pushing this growth with the customer," said Wilkes.

One example from last year involved moving an unusually large order for one of the company's extremely specialized pieces of heavy machinery.

Wilkes said another carrier had been hired to move 40 units of the large equipment valued at \$700,000 to \$800,000 apiece. But after working on the project for two months, the other carrier had only managed to move 10 units, he said, leaving the customer up against their deadline for delivery.

"The other carrier was not very responsive and was not getting the job done, so they called us," said Wilkes. "These pieces of equipment were coming from four different origins and we managed to deliver the remaining 30 units for them in 4 days."

Artisan Logistics has also been able to introduce intermodal door-to-door service to the customer for its forklift product – something the client had struggled with in the past.

"They wanted to do rail service but didn't know how to do it. They were running up against the rail industry's reservations about moving forklifts on trains," said Wilkes. "We worked with Landstar's intermodal department which had the industry contacts to make it happen. With our experience, we were able to provide diagrams on how to safely load and secure the forklifts onto rail."

Wilkes said, so far, the agency has moved approximately 20 forklift shipments via intermodal at a savings of roughly \$1,500 to \$2,000 per shipment.

"We brought this product to them and lowered their freight costs which is enabling them to be more competitive in pricing when servicing their own customers on the West Coast," he said.

Wilkes adds that the agency has recently been named the exclusive 3PL provider for one of the customer's largest West Coast dealers.

"They had another 3PL that was having problems finding capacity which met the state's CARB requirements. We now manage everything for that dealer across all of their 14 locations throughout the West Coast. Our success comes from providing capacity that can meet California's environmental requirements," he said.

The Landstar agency has also had success in reintroducing LTL service to the customer after past bad experiences with the mode due to ill-advised trans-loading which led to freight damage. Wilkes said they work closely with LTL providers to ensure no trans-loading

of the product takes place. The result has been successful LTL moves with reduced claims and lower costs for the customer, he said.

Reviews from the customer are glowing:

I work with countless carriers daily and I can tell you that I have nothing but great things to say about Doug and his crew. I trust my cargo in his hands daily. Not many carriers will I say that about.

The agency isn't resting on its laurels, however, as they are currently partnering with Landstar freight forwarding and warehousing agents to offer proposals for international and warehousing services to the customer.

"With Landstar, we have the ability to do everything for them. We could combine all their inland, freight forwarding and ocean all into one invoice," said Wilkes. "They liked the sound of that. It could make their world a lot easier."

landstar.com | 877-696-4507 | solutions@landstar.com

About Landstar: Landstar System, Inc. is a worldwide asset-light provider of integrated transportation management solutions delivering safe, specialized transportation services to a broad range of customers utilizing a network of agents, third-party capacity owners and employees. All Landstar transportation services companies are certified to ISO 9001:2008 quality management system standards and RC14001:2013 environmental, health, safety and security management system standards. Landstar System, Inc. is headquartered in Jacksonville, Florida. Its common stock trades on The NASDAQ Stock Market® under the symbol LSTR.

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