

Landstar Case Study: Streamlined Solutions



FINE TUNING LEADS TO SAVING MONEY

What Landstar means to a leading technology equipment manufacturer in the heart of California's Silicon Valley is hundreds of thousands of dollars in saved chargeback fines.

For years, the technology company had been using a large, well-known logistics provider to handle its North American logistics. And for years the company was getting hit with chargeback penalties from several of the “big box” retailers it does business with. The fines – which were in the hundreds of thousands of dollars annually – were the result of failing to comply with the retailers’ stringent protocol for deliveries such as on-time performance, proper labeling and securement.

Landstar independent agent and President of JIT Transportation based out of San Jose, California, Gene Ashley and his team have been doing business with the technology company on a smaller scale for 20 years and had developed an outstanding reputation for handling in-state logistics. When Ashley learned of the company’s dissatisfaction with its existing national logistics provider, he leveraged his good relationship and key contacts within the organization to arrange for an opportunity to take over the account. Having joined Landstar in May of 2011, Ashley had also added the power and support of a global industry leader in transportation and logistics.

With the support of Landstar regional and corporate representation, Ashley made a pitch for the account, emphasizing his company’s past outstanding performance as well as Landstar’s excellent safety and loss prevention records, technology and experience with big box retailers. Equally important was the structure of Landstar versus that of the previous logistics provider. Landstar’s system benefitted the customer by having a “local agent” in their

own backyard, accessible 24-hours a day for all decision making, but with the backing of a global industry leader. In 2012, JIT Transportation and Landstar took over the account, handling 100 percent of the customer’s North American transportation, managing all carriers and modes.

“We’re managing it all for them. We handle every mode of transportation they have in North America – inbound, outbound, LTL, truckload, air and expedited. Our long standing good relationship with the customer was key, but without the horsepower of the Landstar system, financial backing and superior technology, it would be impossible to do this,” said Ashley. “The EDI connectivity was essential to making this work. We spent a lot of time with Landstar regional and corporate teams to integrate our company with the customer and all of their vendors.”

Landstar Vice President of Sales Development – Western Field Division David Carpenter said working with a 3PL like Landstar offers the customer a higher level of visibility and reporting than would be possible with a standard carrier.

“Information is everything today. Our ability to provide real-time information on key performance indicators and live dashboard reporting keeps the customer’s support teams, their customers and our own Landstar team armed with the latest critical information,” said Carpenter.

Since taking over the account in the fall of 2012, Ashley’s agency and Landstar are hitting home runs, with an Overall Best in Class Supplier rating. After implementing a change in sourced capacity, strategically matching the right carriers with the project, those massive chargebacks from the big box retailers have become a thing of the past.

“We came in and helped them streamline and improve

their process and minimized those chargeback fines from hundreds of thousands of dollars to practically nothing,” said Ashley. “We were also able to secure retail customer performance rebates from one of their most problematic big box retailers for three quarters in a row, which is unheard of.”

Who better to tout the benefits of switching to Landstar than the customer:

“The Landstar/JIT Transportation team has been one of our keys to success in the retail sector. Prior to their support, our company paid fines to retailers well into the six figures. Through a great deal of persistence and excellent

management of the network of LTL and FTL carriers, this number is virtually nonexistent. We have received supplier bonus incentives from the most stringent customer. The Landstar/JIT Logistics team has also added valuable time saving connectivity with our shippers to remove all manual processes in our distribution centers. We have visibility of all our shipments from receiving the order to final delivery. This allows us to be proactive and monitor the network on a real-time basis. With on-time performance consistently exceeding our target, the Landstar/JIT Logistics team is best-in-class.”

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.

All Contents Copyright ©2016, Landstar System, Inc.