



## Altec Lansing Relies on Kuehne + Nagel for Transportation Needs

### ***Truckload management added to LTL & small-parcel services***

#### **SITUATION**

Distributing to its chain store customers, consumer electronics company Altec Lansing was managing its truckload (TL) shipments with a multitude of carriers in a spot-market pricing environment. This method of booking freight limited Altec Lansing's ability to balance costs and service. Heavy end-of-the-month or seasonal demand in the retail market worsened the situation by increasing truckload requirements.

Month-end sweeps at both DC locations created bottlenecks at the docks, leading to:

- Capacity constraints, late pick-ups and detention charges
- Lack of available month-end equipment in the "spot" market
- Confusion on pick-ups, resulting in missed shipments
- Higher carrier pricing because of month-end supply/demand
- Increased administrative support/cost
- Poor vendor compliance metrics

Altec Lansing, which uses a two-distribution center model (one, its own, and the other a Kuehne + Nagel shared DC in Cerritos, CA) had initially signed a service agreement with Kuehne + Nagel to manage its less-than-truckload (LTL) and small-parcel shipments. During the first six months, Kuehne + Nagel recognized deficiencies with end-of-month and quarter-end processes and presented the company with a well-defined trailer capacity program.

#### **SOLUTION**

First, Kuehne + Nagel established an expanded, pre-selected truckload carrier base to control cost and provide consistent service. In addition, Kuehne + Nagel coordinated pick-up and drop-trailer programs. This flexibility allowed both warehouses to load trailers at month-end during convenient times.

Kuehne + Nagel's Transportation Control Center (TCC) staff proactively managed trailer drops, pick-ups, track-and-trace and delivery of shipments. The TCC pre-assigned deliveries and provided shipment alerts to both the company and its retail customers.

#### **RESULTS**

The solution offered the flexibility to meet seasonal "spikes" created by variations in retail demand. Kuehne + Nagel has delivered:

- Stable TL rates via one-year price and service agreements that lock rates with TL carriers under contract
- Detention charges reduced
- Carrier selections that matched preferred carries at Best Buy, Wal-Mart, Circuit City and Target, gaining priority entry at DC yards
- Expanded first-, second- and third-level carrier base, ensuring equipment availability at month-end or seasonal peaks
- Due date/delivery date management that improved on-time delivery, which improved vendor metric scorecards and reduced charge-backs
- Documentation for resolving compliance disputes
- Established process controls, leading to consistent performance
- Ability to recognize available revenue at end of month or quarter
- Recognition as "best in class" by its customers.

Kuehne + Nagel  
Contract Logistics  
1-888-856-8726  
logistics@kuehne-nagel.com  
www.kuehne-nagel.com

