

Case Study: AAA Auto Parts



A National Auto Recycler Chooses LPS for their Innovative Insurance Program; Great Rates

“We compared rates and services [of logistics providers] and LPS does a good job for us.”

Executive Summary

AAA Auto Parts, a national auto recycler, wanted a reliable 3PL with competitive rates to handle the company’s LTL shipments. LPS was selected for its innovative method of providing carrier insurance, great shipping rates and five-star customer service.

Challenges

AAA Auto parts shipping manager, Mike Manthey wanted to simplify his firm’s dependence on third-party logistics companies by paring down the company’s partners from six.

The decision to reduce AAA’s number of logistics providers was a natural evolution for this growing family business. Dealing with six companies – each with its own group of carriers – was too much for Mike and his shipping department to manage. Too many carriers and too many moving parts.

Mike wanted a reliable 3PL with competitive rates for handling the company’s LTL shipments. AAA ships auto parts across the U.S. to body

shops-its biggest customer segment-car dealers, mechanical shops, and private buyers. The shipments make up about 120 heavy items a month such as engines and transmissions. The bulky vehicle parts are secured to pallets and picked up at the company's main facility in Minnesota.

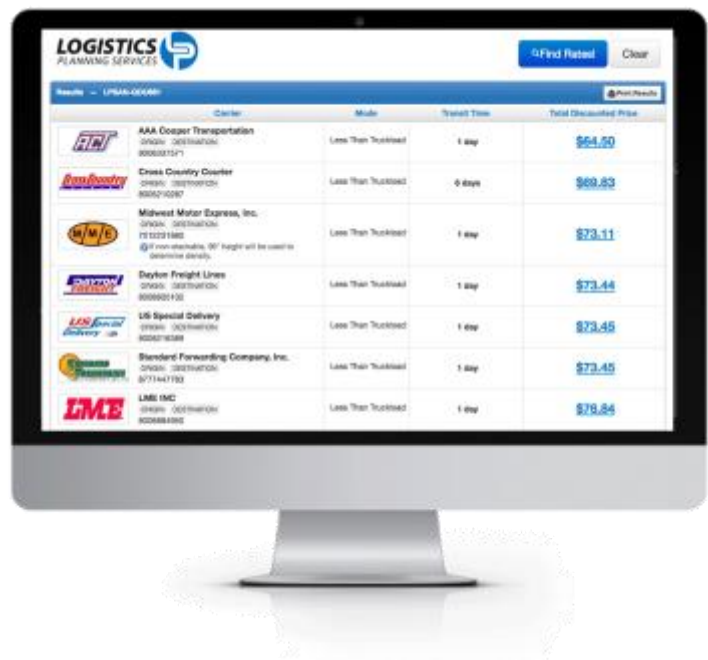
In addition to its LTL shipments, AAA sends another 300-400 small parcels a week sold through a thriving eBay store. Most of these packages ship via UPS.

How Customer Service Makes a Difference

LPS builds its shipping insurance into the LTL rates that AAA sees. Every shipment is insured with an all risk policy that's affordable, yet covers all damages. LPS rarely receives a claim, but when it does, the company cuts its customer a check. Customers don't have to wedge themselves in between the carrier and insurance company to wrestle a payout. From the beginning, Mike and AAA decision makers were intrigued by LPS's innovative insurance plan.

"The customer service has been really good."

The insurance program plus competitive shipping rates directly led to the partnership. "We compared rates and services, and LPS does a good job for us, so we kept them in the mix." Mike says.



AAA Auto Parts, a national auto recycler and parts distributor, wanted a 3PL that could help simplify their logistics, save money on freight, and cover their shipments with innovative insurance plans.

Results, Return on Investment and Future Plans

By most measures, it appears that AAA made the right decision. The company is saving money on its overall freight spend. Along with cash savings, Mike appreciates the constant communication-email and phone calls he receives from the LPS support team. That's another way LPS is different," he says.

One recurring issue Mike sees is when a carrier attempts to deliver a shipment to a private residence, and the homeowner is nowhere to be found. "LPS contacts me immediately so we can get the issue resolved before any extra handling fees come into play."

Between the steady communication from LPS on AAA's shipments and access to all shipping activity through MyLPS (LPS's transportation management system), Mike has learned to appreciate the extra levels of customer service he's getting from one of his logistics partners. "Seeing the daily emails from LPS is good. It makes me think [they] are on the ball, and the customer service has been really good."

About Logistics Planning Services (LPS)

LPS is a private-owned 3PL and transportation management system company with 29 years of logistics experience. Our mission is forging trusted partnerships with customers by simplifying logistics and building world-class freight operations. Whatever your supply chain challenges, wherever your shipments are going, LPS has the people with integrity, strong carrier relationships, and the advanced technology to make choosing us an easy decision.

Why Shippers love LPS

- ✓ LPS is one of the few providers in the US that can give you a single-source partnership, yet allow you to maintain relationships with the best 3PLs, brokers and carriers in the market
- ✓ Lean pricing structure
- ✓ Proprietary, customizable and web-based TMS integrates directly with your ERP
- ✓ Zero implementation cost for our TMS
- ✓ We host fixed LTL & FTL rates, plus, we give the open market a chance to spot quote every shipment. Your team (or ours) can compare costs and provide the best solution
- ✓ You get a dedicated account manager and support team available 24/7/365 to help you increase efficiency and save money on your logistics every day.

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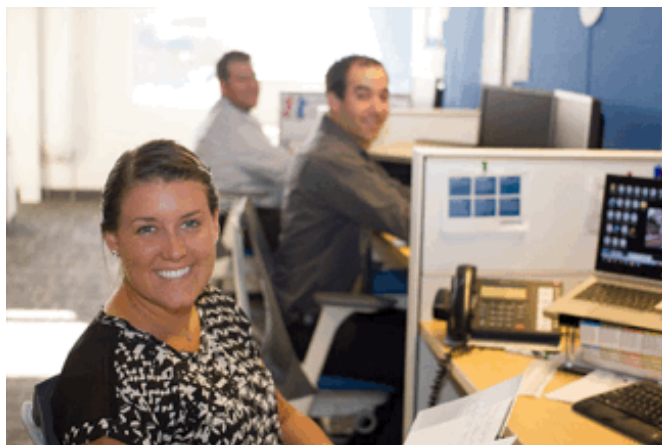
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