

AFMS CASE STUDY

Major Automobile Manufacturer

A major automobile manufacturer hired AFMS for the second time, to review parcel contracts and data to identify parcel savings. AFMS' initial engagement with our client yielded \$5 million in parcel savings in North America. This new initiative brought together the Parts, Dealerships, Body Shops, and Vendor freight programs under the focused guidance of ABC's newly created North American Buying Group.

Our client collectively had \$200 million in domestic U.S., Mexico, and Latin America spend with UPS and FedEx. At the time AFMS engaged with our client, UPS and FedEx had just extended their pricing contracts for an additional year with zero pricing concessions. AFMS indicated that there was approximately \$2.5 million annually in additional savings without disrupting their incumbent carrier relationships.

The AFMS team collaborated with our client on their strategy to how to discuss the pricing requirements to retain their business with UPS and FedEx. AFMS created ghostwritten documents for our client UPS and FedEx contacts. Within 30 days, both carriers presented our client with new pricing. The combined proposal savings for the existing business came in at approximately \$2.8 million annually. Under the advisement of AFMS, our client executed the new agreements, keeping both carriers and saving approximately \$8.4 million over the 3-year agreements. In less than 4 months, our client achieved savings with zero out-of-pocket expense.

Our client valued AFMS as a trusted partner and continued to utilize our services to provide ongoing reporting and analytics replacing their incumbent FP&A "reporting" function. The FP&A company's dashboards were archaic and lacked depth compared to AFMS' streamlined online dashboards. This Major auto manufacturer now uses AFMS' analytic tools for internal Executive reporting, carrier on-time performance, and GL coding support.

In continuing to deliver savings, AFMS team has already identified millions more opportunity in Air Freight and LTL negotiation support for our client in 2019 and beyond.

AFMS has been a trusted partner of ABC for 4 years and has delivered over \$6 million in cost reductions, all while keeping carrier service at the highest levels.



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