

LynnCo Weighs in with 20% Cut in Logistics Costs for Cardinal Detecto

Cardinal Detecto manufactures a complete line of scales. They make the truck scales you see along America's highways. From their manufacturing plant in Webb City, MO, Cardinal ships truck scales to all 50 states. As one travels the world, you'll also find their scales used to measure infants and adults at health care clinics and hospitals in 91 countries.

Point of Pain

In 1991, Charlie Masters joined Cardinal Scale as its chief financial officer. As a \$50million company, little time and effort was spent on devising a logistics strategy. When freight payment and shipping needs arose, clients and vendors would check in with any of a number of departments. Some directly called the guys in shipping, others contacted customer service reps, while others checked in with the CFO or even the CEO, himself. This was unruly and a cause of frustration for both employees and customers.

It became clear to Charlie that there was no single point of contact watching out for their outbound logistics and the CEO quickly assigned him to oversee the process.

"In a small organization like ours, there aren't a lot of places to generate efficiencies. I saw our logistics operation as an opportunity to improve our processes and margins," said Charlie Masters, Cardinal Scale's chief financial officer.

We don't have the in-house resources to get the best possible deals on shipping our freight, let alone track it from our factory to our customers, Masters explained. So, we put LynnCo to work for us.

Heavy Cargo Logistics Experts Add to Bottom Line Upon taking on Cardinal

Scales' logistics operations, LynnCo put out a request for proposal to collect competitive bids as their representative and set out to negotiate preferred domestic and international shipping rates. Cardinal Scale was surprised to learn that they had been getting off-sheet rates. LynnCo was able to quickly come to agreement with carriers for better rates, leveraging its long standing relationships and the transaction volume of its entire client base.

In addition, LynnCo took the confusion out of the order process and streamlined the tracking and point of contact, thereby improving customer service for Cardinal Scale's customers and generating operating efficiencies in the first year. "Any snags are passed on to our LynnCo rep, which serves as the single point of contact for all logistics issues." "The quick turnaround on problem solving makes all of our trading partners happy," according to Masters.

From early in the partnership, LynnCo saved Cardinal Scale 20% on its freight costs. "In a company where freight ran us one million dollars per year on \$50 million in revenue, LynnCo contributed directly to our bottom line. The financial savings began the first year of our relationship and has continued since!" Masters exclaimed. This savings has resulted in improved margins for Cardinal Scale, as well as its customers who have benefited from improved service.

Together, Masters and his LynnCo staff found another point of pain in their logistics process. They realized that Cardinal Scale was pre-paying for its customers' freight delivery and first receiving payment for it 45 days later. With LynnCo, they established a new freight payment system to time the outlay of freight fees with the receipt of cash from their customers. No more floating payments inviting loss and risk.

Today, Cardinal Scale outsources its international logistics management to LynnCo. LynnCo manages Cardinal's international freight forwarder, including air and ocean shipments, as well as their domestic trucking deliveries.

"LynnCo has a person dedicated to our account who handles all of our international shipments and can leverage their daily knowledge of changing rates and requirements to be sure Cardinal Scale gets the best service at any given time," Masters said. "We feel we receive best-in-class customer service with added benefits like LynnCo's ability to provide our sales team with quotes for international shipments on a same day basis."

Year round LynnCo helps Cardinal Scale understand the documentation requirements for each country they are shipping to, negoti-ate the best deals with truck, air and ocean carriers, and track their parts and finished scales from point of origin to delivery over the Internet.

