

### Challenge:

CVS Systems shipped Less-Than-Truckload (LTL) orders to midsized retailers to save cost, but in some locations found trailer delivery problematic. Shipments to smaller retailers went traditional ground delivery, but cost more for heavier electronic equipment. Was there a happy medium of price and convenience?

### Solution:

UPS creatively leveraged UPS Ground and UPS Freight® services to offer an innovative UPS Ground with Freight Pricing (UPS GFP) option. The UPS GFP solution satisfies CVS Systems customers with reduced cost *and* added convenience.

# DISHING OUT SAVINGS AND SATISFACTION

## CVS SYSTEMS SERVED RETAIL CUSTOMERS BETTER AND FASTER WITH A CREATIVE UPS GROUND OPTION ... AND SAVED MONEY IN THE PROCESS.

CVS Systems faced a dilemma.

The Indiana-based distributor of DISH Network equipment and other consumer electronics to retailers in seven Midwestern states supported a growing number of 10- to 20-unit orders. DISH Network equipment, HD TV and other electronics shipments weigh 200 to 500 pounds per package — a range normally handled by LTL transport.

Customers weren't completely happy.

Some felt financially forced into LTL transport because of lower shipping prices ... but they also felt lower prices came at the expense of convenience. Some customer locations couldn't easily receive LTL shipments, and other customers dreaded personally unloading the bulky shipments, or else

paying extra for in-store delivery. Still other retailers left their locations at times to visit customers; if a trailer arrived while they were out, these retailers faced an extra charge for redelivery. On top of everything else, LTL transport required a higher fuel surcharge than ground delivery.



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Other CVS Systems retail customers chose ground delivery, but they sometimes grumbled about the delivery cost of heavy shipments.

The management team at CVS Systems wondered if there were a better way — a hybrid of LTL pricing with ground speed and convenience.

Enter UPS.

UPS worked with Mark Snyder, Distribution Manager for CVS Systems, to introduce GFP. The innovative option allows CVS to ship loads up to 500 pounds on UPS's regular ground delivery network.

The solution brings yet another option to the UPS portfolio of solutions — UPS Freight where it makes most sense, UPS Ground shipping for customers who benefit most from its advantages and UPS GFP, a solution that blends the best of both.

### **SAVINGS IN FUEL SURCHARGES, SHIPMENT WEIGHT, PALLET COST AND LTL SURCHARGES**

"UPS GFP has been a great solution for us," says Snyder. "Our retailers really like it because of the pricing, the inside delivery and the free redelivery if they have to be out of the office for some reason."

UPS brought another advantage: UPS Ground on average charges a lower fuel surcharge than LTL carriers.

"CVS Systems has seen a substantial fuel surcharge saving from our very first shipment," says Snyder. "UPS Ground makes a big difference."

Snyder touts other benefits.

"With UPS GFP, you don't have to use a pallet to ship the order. That saves us an average of about \$4 per shipment. So for 30 orders a week, we save about \$6,000 a year in shipping costs over LTL. It adds up."

Finally, along with the cost reduction, CVS Systems can often get faster shipping times. Many DISH equipment shipments that took two days with LTL take just one day with GFP. The solution helps CVS Systems make true believers of its customers.

"Most of our retailers trust the transit times of UPS Ground more than the LTL carriers," Snyder says. "And internally, we've had far fewer issues using UPS GFP than using any of the LTL carriers as far as reweighs, transit times, time of day deliveries, lost shipments and ease of using shipping labels."

Snyder says UPS WorldShip® technology now integrated into CVS Systems facilitates the transportation improvements.

"WorldShip® really speeds up our process of shipping. The new version of WorldShip gives us transit times, and lets us still choose the best way to ship to our retailers by comparing UPS GFP rates to LTL rates. We punch a button and up comes all the shipping information. The LTL shipping systems just can't do that."

Mark Snyder's business card bears his company's slogan: CVS Systems — The Ultimate Distributor.

Thanks to UPS and UPS GFP, that's never been more true.

### **UPS GFP ADVANTAGES**

- Lower fuel surcharges
- Reduction in shipment weight
- No pallet cost
- No LTL accessorial charges
- No liftgate or inside delivery charges

### **YOU ALSO GET WITH UPS GROUND**

- A guaranteed service
- Tracking on every package
- Three delivery attempts at no cost

