



Quick Facts

- Headquarters: South Hackensack, New Jersey
- Manufacturer of plastic packaging and stretch film
- 12 distribution centers
- 1.4 billion pounds of freight shipped annually
- 120 million pounds of inbound shipments

Business Challenge

Improve visibility and collaboration by gaining control of the transportation network and associated costs.

SaaS Solution

LeanTMS® leverages the SaaS technology platform behind the LeanLogistics Transportation Network to improve service, reduce cost and gain complete visibility

AEP Industries' Results

- Increased Visibility
- Improved Collaboration
- Provided Seamless Control
- Increased Savings

AEP INDUSTRIES IMPROVES COLLABORATION THROUGH THE VISIBILITY OF LeanTMS®

Client Profile

AEP Industries is a large manufacturer of plastic packaging, films and one of the largest US manufacturers of stretch film. The company produces over 15,000 types of multi-purpose packaging and other films for a variety of industries, including deli meat bags, cereal bags, consumer trash bags and stretch wrap for industrial use. AEP is growing by doubling in size every four years for the last fifteen years through acquisition and new market opportunities.

From a transportation perspective, AEP has a centralized logistics management approach with 12 distribution centers that ship approximately 1.1 billion pounds of freight annually while managing millions pounds of vendor pickup and return-related inbound shipments. AEP has 2,500 employees, and 250 of those are in the logistics, warehousing and transportation division.

Business Process and Problem Definition

With growth through mergers, acquisitions and global expansion, transportation became increasingly complex for AEP. The company added multiple new product lines servicing both regional and long-distance markets in North America. The tremendous growth for AEP created challenges with logistics processes, which provided disconnects and missed opportunities. AEP had outgrown the returns process; service to internal and external customers was suffering, transportation costs were escalating, and increased visibility into freight movements was defined as a major opportunity.

AEP created a list of goals for a new transportation system:

- Bring transportation management in-house
- Utilize a SaaS platform
- Increase visibility with customers
- Improve collaboration with carriers
- Improve operational efficiency and savings
- Enable new modes of transportation



Process Improvement – SaaS Solution

AEP decided to gain tighter control of logistics processes by bringing the management of transportation in-house utilizing SaaS-based technology. LeanTMS® provides the best return on investment option with low up-front cost and fast implementation. Fast ROI was a driving factor since LeanTMS implementations typically take 10 to 12 weeks with a lower implementation fee and a “pay as you go” model. This allows AEP to attain ROI and savings much faster than with an installed or hosted TMS software purchase.

AEP gains flexibility and efficiency with LeanLogistics’ LeanTMS technology to automate and manage day-to-date transportation. AEP can now collaborate with carriers, customers and operation facilities, so everyone works from the same platform with complete visibility into shipment status. With the scalable nature of LeanTMS, AEP is able to quickly onboard carriers and get new facilities running sooner.

Through better visibility and metrics, AEP attracts a better carrier base and increases the number of carriers while still maintaining cost. With detailed knowledge of carrier metrics, AEP easily identifies suitable new carriers while utilizing their core carrier base.

Additional capabilities of LeanLogistics LeanTMS to AEP include:

- Gain centralized control of transportation
- Better scalability and flexibility
- Standardize and automate processes
- Improve collaboration among facilities and suppliers
- Improve integration between systems
- Attract better carriers through visibility and metrics

Value Delivered

With LeanTMS, AEP evolved from managing transportation with Excel spreadsheets and large volumes of paper to using real-time SaaS based software that provides visibility and collaboration to the entire supply chain. Visibility improvements help AEP sustain transportation costs even as average order sizes decreased. The number of LTL shipments has increased as a percent to total yet AEP did not see significant growth in the cost of LTL, proving that visibility and standard processes provided by LeanTMS allowed for greater freight savings.

Previously with manual transportation processes, AEP struggled to handle intermodal shipments for the organization. Now, LeanTMS assists AEP in implementing intermodal capabilities, which represents 7 to 8% of the total outbound volume.

The benefits AEP continues to receive from LeanLogistics include:

- Increase visibility
- Improve collaboration
- Mitigate costs and resources
- Provide intermodal capabilities
- Move 7% of outbound successfully
- Minimize LTL cost increases
- Provide seamless control
- Increase savings

AEP

INDUSTRIES INC.

“As a manufacturer, we need complete visibility, better collaboration, and increased flexibility with supply chain partners to continually drive transportation improvements.

LeanLogistics provides the sophisticated

VP Supply Chain
AEP Industries

ONE OF THE BIGGEST VALUES
OF LeanTMS® WAS THE
ABILITY TO **SCALE** QUICKLY
WITH LITTLE UP FRONT
COSTS



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