



Cardinal Logistics saves \$1 million through fleet optimization

After a merger tripled its equipment inventory, Cardinal Logistics turned to AmeriQuest to help the company make the most of the opportunity.

NEW MERGER, NEW OPPORTUNITIES

Since 2004, Cardinal has turned to AmeriQuest for help in running a lean, cost-effective organization, including services such as remarketing, leasing, and procurement.

But in February 2013, the company faced new challenges. A merger with Greatwide Logistics Services, a supply chain management chain serving manufacturing and distribution companies throughout the United States, meant that Cardinal was suddenly responsible for managing nearly triple the amount of equipment. While that meant some growing pains for the team at Cardinal, it also presented the company with opportunities for enhanced efficiency and cost savings if they identified the right strategies for managing growth.

A CREATIVE COLLABORATION

In addition to using AmeriQuest's services,

Cardinal regularly taps into its consultative expertise to explore and analyze new market opportunities. After the merger, a series of conversations about the used truck marketplace led Cardinal to look closely at a group of 79 tractors that were not nearing the end of their lease.

The combination of higher interest rates from several years ago and low mileage meant that Cardinal was paying more for older units than it would for new units, and missing out on very favorable selling opportunities in the used truck marketplace.

When Cardinal started factoring in the maintenance costs on the older units, it realized the potential savings could be even higher. Cardinal asked AmeriQuest to analyze its fleet—from mileage to fuel economy to lender payouts—and analyze the opportunity. With access to comprehensive, industry-wide benchmark data, AmeriQuest

CUSTOMER

Cardinal Logistics

INDUSTRY

Logistics & Transportation

AMERIQUEST SOLUTIONS

- **Commercial truck rental & leasing**
 - Warehouse services
 - Roadside rescue & assistance
 - Logistics consulting
 - Independent contractor programs
- **Fleet equipment & supplies**
 - Used commercial trucks for sale
- **Strategic fleet planning & financing**

was able to run a deeper analysis of all the variable expenses, verify Cardinal's assumption that it could improve its fleet planning, and quantify the potential savings with pinpoint accuracy.

"It's just hard work, knowledge and great mathematical tools on their part," says Tom Toton, [Senior Vice President - Finance & Treasurer] of Cardinal Logistics. "It's the epitome of partnership at its best."

In addition to providing the company with critical market intelligence, the partnership enabled Cardinal to benefit from the collective buying power of AmeriQuest's 700,000 vehicle network. AmeriQuest was able to arrange a vehicle replacement a couple of years before the lease actually expired and at the point where Cardinal saved the most money as well as sell the old units and generate a gain on sale for Cardinal.

A MILLION-DOLLAR RESULT

While tripling in size comes with challenges, it also means that small improvements can yield big profits. The deal AmeriQuest designed helped Cardinal save 8 cents per mile on maintenance costs alone. At 100,000 miles per unit, that translates to a savings of \$8,000 per unit.

"We formulated this together and created a plan where everybody wins," says Toton. "The vendor wins, AmeriQuest wins, and we win with new trucks, fewer miles per gallon, lower payments, and reduced maintenance costs. We created a win-win-win by utilizing AmeriQuest's expertise and customer-driven solutions, and it's going to save us about \$1 million."

Cost management will continue to be a focus area as Cardinal's operations increase in size and complexity. But for Cardinal, the value of the relationship with AmeriQuest goes beyond dollar savings, enabling the company to stay a step ahead in a fast-moving and competitive market. Through day-to-day collaboration and special events such as the AmeriQuest Symposium, Cardinal gains a window into the future of transportation.

"The AmeriQuest team understands our industry," Toton says. "They are very smart, and they understand our business model. They're our ears to the ground when it comes to the rest of the world and the new ideas that are emerging—not just within our industry, but where other industries are impacting transportation."

"We created a win-win-win situation just from communicating with AmeriQuest."

ABOUT CARDINAL LOGISTICS

Cardinal Logistics (cardlog.com) manages one of the largest, most diverse dedicated fleets in the U.S. and delivers a range of services to move products along the supply chain, including dedicated contract carriage, bulk transport, home/jobsite deliver, life science logistics, temperature control, transportation management, warehousing and distribution, supply chain consulting, and technology solutions. By combining customized transportation solutions, specialized equipment and handling, and integrated technology, Cardinal Logistics enables creative, effective solutions for its customers.

How does Cardinal Logistics describe the AmeriQuest advantage?

"Communication. Knowledge. Results."



About AmeriQuest Business Services

AmeriQuest is a technology-enabled provider of financial process automation, procurement, and asset management solutions. AmeriQuest enables companies to simplify and streamline their complex business processes through a combination of technology, expertise, and process efficiencies, and gives them the operational leverage they need to grow their business. For more information, visit ameriquestcorp.com.