

CASE STUDY // ARIZONA PUBLIC SERVICE

**Energy company partners with
GlobalTranz for shipping solutions
that help provide power for
millions of Arizonans.**



Arizona Public Service Overview

Arizona Public Service (APS) has nearly 6,000 employees and provides reliable, affordable and increasingly clean energy to more than 1.3 million homes and businesses in 11 of Arizona’s 15 counties. According to its website, the APS territory “stretches across the state, from the border town of Douglas to the vistas of the Grand Canyon, from the solar fields of Gila Bend to the ponderosa pines of Payson.”

With warehouses, power plants, offices and substations located throughout Arizona, APS relies heavily on shipping to move everything from “pencils all the way up to turbines.” The energy company has worked with GlobalTranz for 15 years and has entrusted the third-party logistics (3PL) provider to assist with its shipping needs.

In fact, Brandon Baker, a category manager at APS, said GlobalTranz has visited many of the power plants APS owns and made it a mission to understand the intricacies of their business and operations.

“GlobalTranz consistently makes shipping more efficient and easier for us,” Baker said.

INDUSTRY	SHIPPING SOLUTIONS	SHIPMENTS PER MONTH	CUSTOMER SINCE
Energy: B2B, B2C	Full truckload (FTL), less-than-truckload (LTL), expedited shipping	343 - all modes	2008

Evolving Shipping Requirements

MODE SELECTION FOR INCREASED SAVINGS

The company needed expertise in selecting the right freight option for a variety of shipment types.

LOGISTICS SUPPORT DURING POWER OUTAGES

APS needed expedited shipping for critical parts and equipment during planned and unplanned outages.

CONTRACT PRICING FOR FREIGHT SHIPPING

To combat fluctuating freight shipping costs, APS needed a solution that provided competitive and predictable freight rates.

KPIs TO MANAGE AND MONITOR SHIPPING

Partnering with GlobalTranz, APS defined key performance indicators to better understand shipping successes and failures.



A Partner with Solutions



GlobalTranz provides shippers of all sizes with industry-leading transportation services across all major modes of freight. Reliable capacity, expert support and technology-driven agility are some of the ways benefits customers receive from partnering with GlobalTranz.

The company's transportation network includes over 75 best-in-class LTL carriers and over 85,000 active FTL carriers. GlobalTranz can grow with a business' changing logistics needs to achieve a competitive edge in today's rapidly evolving supply chain environment.

GlobalTranz has partnered with APS since 2008 by assisting with fulfilling their shipping requirements while continuing to develop new strategies for cost savings. But the partnership goes beyond pricing and capacity for shipping. By collaborating and strategically finding ways to increase operational efficiency throughout the company, GlobalTranz allows APS to focus on their services, solutions and — most importantly — their customers.



Challenge 1 // Inefficient Mode Selection

SHIPPER CHALLENGE

APS currently utilizes LTL and FTL freight shipping. However, there wasn't always a process in place that would help them select the right service for the right shipment.

GLOBALTRANZ SOLUTION

GlobalTranz and APS, working as partners, have created a process where internal buyers confirm that FTL services are completely essential — particularly if they are time sensitive and need door-to-door service or if they are fragile and need the entire truck. Otherwise, APS will utilize the GlobalTranz network of LTL freight carriers, which is a more cost-effective option.

"Mode selection has provided massive savings. We have cost saving goals in our contract with GlobalTranz and with mode selection alone they typically meet that number."



Brandon Baker
Category Manager, APS



Challenge 2 // Power Outages

SHIPPER CHALLENGE

Like most power companies, APS performs planned outages so maintenance can be performed at their power plants, but also occasionally experiences unplanned outages. In both scenarios, APS has tight deadlines to perform necessary tasks and restore power. This requires them to utilize expedited shipping for crucial parts and equipment.

GLOBALTRANZ SOLUTION

GlobalTranz works closely with APS during outages, offering expertise and shipping solutions that ensure delivery of shipments. In fact, during a recent unplanned outage, GlobalTranz located and offered a chartered jet that could deliver a critical part from across the country in a matter of hours. APS ended up not needing the service, but the exercise illustrates that GlobalTranz is willing to explore all options to meet the critical needs of its customers.

"All of the people on our side were personally feeling the urgency during this situation. In the end, we didn't need the part or the jet, but the experience was good and now we know we have an extreme expedited solution through GlobalTranz."



Brandon Baker
Category Manager, APS



Challenge 3 // Pricing

SHIPPER CHALLENGE

Fluctuating freight shipping costs make it difficult to plan for logistics spending. This was a particularly sensitive issue since APS, due to business requirements, tends to ship with premium carriers who charge more for their services. However, the company found itself going with the cheaper, but not necessarily better, carriers to combat increased rates.

GLOBALTRANZ SOLUTION

Working with GlobalTranz, APS now has contract shipping rates with top-tier LTL and FTL carriers for 30 of their most used lanes. The tactic has helped control costs without diminishing the service level needed to maintain the reliability customers expect.

Accountability Through KPI Metrics

GlobalTranz and APS thought it was important to create checks and balances to ensure the shipping service level was maintained. Working as partners, the two companies developed a strategic KPI structure that would point to successes and failures. According to APS, GlobalTranz **always** meets the agreed-upon KPIs, including:

PRICING ACCURACY

Less than 1% of invoices contain overcharges in any quarterly period.

ON-TIME DELIVERY

Less than 5% of shipments are delivered after their scheduled delivery date each quarter.

EFFICIENCY GAINS AND COST SAVINGS

Cost saving program aimed at saving up to \$300,000.



Benefit for APS Customers

The money saved from GlobalTranz's logistics solutions helps APS keep their energy rates affordable while providing reliable service to their customers.

"GlobalTranz helps keep the power on for millions of Arizonans."



Ryan Hensley
Logistics Dept. Manager, APS



Moving Ahead into the Future

After 15 years of shipping success, the partnership between APS and GlobalTranz remains strong. Together, they ship as many 168 FTL and 175 LTL freight shipments each month. In GlobalTranz, APS has a trusted shipping adviser who works hard every day.

GlobalTranz will continue to provide APS with shipping solutions, explore ways to improve shipping and increase overall operational efficiency for APS. The two companies will continue to closely monitor important KPIs to ensure goals are being met and costs remain within or below budget.

“Monsoon season in Arizona can be really stressful. The last thing we need are logistics issues since we are dealing with serious emergencies and people going without power. GlobalTranz takes a lot of that stress off our shoulders because we know they are reliable.”



Ryan Hensley
Logistics Dept. Manager, APS

Are you ready to upgrade your freight shipping game?

GlobalTranz is an industry-leading 3PL that helps shippers manage rising shipping rates and find the most cost-effective solutions for freight shipping. The company is here to empower shippers like you with LTL and FTL stability, no matter the state of the current market. GlobalTranz enables shippers with an exhaustive range of shipping solutions, innovative technology and decades of industry experience.

Are you looking for a long-term shipping partner that can help reduce and manage your freight shipping costs? See how GlobalTranz can help maximize your shipping success.

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