



HELPING TOYOTA PARTS HIT THE ROAD

Lanter Delivery Systems 0800 Express gives Toyota new delivery results

**“WE CHALLENGED
LANTER: ‘CAN YOU
HELP US DO THAT?’
AND THEY SAID YES.
THEN WE SAID, ‘CAN
YOU DO NIGHTTIME
UNATTENDED?’ - A
SERVICE WHICH TOYOTA
WAS UNABLE TO
CAPTURE BEFORE IN
THE MIDWEST - AND
THEY SAID YES.”**

*- Jeff Reinoehl
Parts Distribution Manager,
Kansas City Regional Office*

With its parts distribution centers in Chicago and Kansas City, Toyota Motor Sales USA, is able to provide more than 16,000 lines of warranty and replacement parts a day to dealerships throughout the Midwest. While each of these distribution centers is unique in its own way, the two have a common goal: Providing their customers - Lexus and Toyota dealers – with the earliest possible delivery of damage-free parts, based on the latest possible prior-day ordering.

The Challenge

When Jeff Reinoehl became Parts Distribution Manager, Kansas City Regional Office, he immediately recognized the need for a change.

“I started in April 2000 and there was no dedicated carrier,” says Reinoehl. “It was strictly service by LTL carriers and we were having problems. Dealerships would receive parts second-day late or third-day; there was no set time for receiving parts. So we set out to bring consistency to delivery so that our dealerships could meet their customers’ expectations of same-day service.”

“We challenged Lanter: ‘Can you help us do that?’ And they said yes. Then we said, ‘can you do nighttime unattended?’ – a service which Toyota was unable to capture before in the Midwest – and they said yes.”

It wasn’t long before news of the success of the Kansas City office made it to Chicago.

“We did hear some good things about what was going on in Kansas City,” says Bob Gallagher, Parts Distribution Center Manager for the Chicago office of Toyota Motor Sales USA.

In addition to distributing Toyota parts and accessories, the Chicago office also delivers Lexus parts and accessories to 10 states in the Midwest.

“Between the two brands, we service 144 dealers,” says Gallagher. “We serve 52 of those dealers with our own trucking company. But the balance was being serviced by eight different common carriers. With so many carriers, we were having to prepare orders for different drivers every day; having to show them where freight was...it was very time consuming. We realized we had to minimize the number of carriers.”

Besides finding one carrier who could handle the job, that carrier had to have the capability to reach Toyota’s smaller dealers, many of which are in outlying, rural areas.

- continued



HELPING TOYOTA PARTS HIT THE ROAD

Lanter Delivery Systems 0800 Express gives Toyota new delivery results

“LANTER REALLY

WENT OUTSIDE

THE BOX OF

TRADITIONAL LTL

SERVICE, AND

HAS PROVIDED

GREAT SERVICE

AT VERY

REASONABLE COST.”

– Jeff Reinoehl

*Parts Distribution Manager,
Kansas City Regional Office*

The Solution in Chicago

After hearing the LDS proposal, it wasn't long before Lanter Delivery Systems was rolling out of Chicago.

“We rolled out the program for the 92 dealers in 4 phases,” says Gallagher, “with the final phases being completed in March 2003. And so far, we've been very satisfied. Lanter has the infrastructure set up to handle even outlying dealers.”

During the first year, Lanter Delivery Systems “reduced transportation costs by \$380,000 over what we were paying common carriers,” says Gallagher. “We've been able to save some of our internal overpacking hours, too, thanks to Lanter providing assistance on the dock. And Lanter excels at damage prevention.”

According to Gallagher, the LDS 0800 Express Program delivers to 88% of the Chicago office's dealers by 8:00 a.m.

Out of 92 dealers Lanter Delivery Systems handles, “we've been able to allow 43 of those dealers later ordering times, which is key. Now dealers can order parts for the next day later in the afternoon which really means a lot to a dealer,” says Gallagher.

The Solution in Kansas City

While the number of lines delivered daily from the Kansas City office is almost half that of the Chicago office, Jeff Reinoehl says he still receives “the ultimate service.”

“Lanter really went outside the box of traditional LTL service,” says Reinoehl, “and has provided great service at very reasonable cost. We've gone from a 40-hour lead-time – point of order to point of delivery – down to 27 hours now. They've played a big role in that. With 98% of our dealers, we're now able to deliver next day service. And every delivery is made by 8:00 a.m. thanks to ‘unattended overnight’ which is so important for our dealers.”

Reinoehl also says he was looking beyond timely delivery when searching for the right partner.

“We really had customer service in mind – having the part arrive correctly the first time and in shape for re-sell. With Lanter's help, we've reduced our damage rate by almost 70%,” says Reinoehl.

“Lanter has really come through...they know the product and understand the need from the customer's end to receive that product in good shape. And that's the bottom line.”