



UPS Capital®

Fine rugs inspire
the room.
Cargo insurance
inspires the
bottom line.



Case Study:

Kenneth L. Mink & Sons, Inc.

The Kenneth L. Mink Company has been in the area rug business since the early 1970s, always embracing the goal of exceeding customer expectations. Today, the third-generation, family-owned business manages all the fine rug galleries at a major national retail chain. They are a leader in timeless rug design and styling for the inspired home.



Challenge

Fine rugs can be tricky to ship. Larger rugs can be more than 10-feet wide and weigh 150+ pounds, increasing the risk of damage. Facing upwards of \$300,000 in annual claims, Mink was frustrated with only getting reimbursed cents on the dollar for their losses.



Solution

After choosing a new small package and LTL carrier, Mink also added an all-risk [Cargo Insurance](#) policy from UPS Capital®.



Results

Claims reimbursements are way up. Staff time to chase claims is way down. And thanks to the fast claims process, customer satisfaction is up because customers receive replacement rugs in a fraction of the time they did before.

When Ryan Gittelman was promoted to senior vice president of operations and logistics for Kenneth L. Mink & Sons, Inc. in 2014, one of his challenges was to improve the cargo claims problem.

“Yep, that’s what I walked into,” he recalls. “The claims process was a nightmare. It was taking a lot of time and a lot of our people, without a lot of resolution.” In addition, Mink’s customer service people had to wait a minimum of 10 days for the carrier’s “investigation,” which caused a delay for customers to receive a replacement rug.

“To be honest,” Ryan says, “we had just gotten used to it. We thought it was the industry norm...the way business got done.”

Then he met some folks from UPS® and UPS Capital.

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– Ryan Gittelman



“They promised us it would be easy, and that was such a breath of fresh air,” he says. “But I’ll be honest, we might have still been a little skeptical at first...”

They didn’t just address their claims problem. They virtually eliminated it.

Kenneth L. Mink & Sons, Inc. was averaging \$300,000 in annual claims. “But we were only recouping, maybe, \$16,000,” Ryan says. “The rest came right off the bottom line. Plus, we were still paying declared value fees!”

“They were pretty frustrated,” Karen Crawford, UPS Capital Business Development Officer, remembers.

When Mink switched to UPS, they discovered there was more to the logistics company than just reliable shipping (See sidebar). They also discovered UPS Capital.

“Our UPS sales rep introduced us to UPS Capital,” Ryan says. “We had existing cargo insurance for full containers (from another insurer), but that was still an ordeal to get claims approved. So, we asked UPS Capital how we could address our claims problem.”

UPS Capital set Kenneth Mink up with an all-risk [Cargo Insurance](#) policy with a simplified claims process that dramatically reduced paperwork. Now claims are aggregated and submitted monthly — on one form — with nearly 100% recovery, according to Ryan. “They promised us it would be easy, and that was such a breath of fresh air,” he says. “But I’ll be honest, we might have still been a little skeptical at first...”





“UPS Capital is an amazing enhancement to UPS.”

– Ryan Gittelman
Senior Vice President/Operations
& Logistics
Kenneth L. Mink & Sons, Inc.

Today, Ryan and his team are believers. “They had an epiphany when they ran the numbers, says Karen. “Their insurance policy actually helped them grow their business.”

“UPS Capital was the only logistics provider that could put a program like this in place for Mink,” Karen adds. “And Ryan was eager enough to explore new ways of thinking.”

Ryan elaborates: “We’ve cut our losses, we’re saving money and the amount of back-office work is dramatically reduced. The best part is we can send replacement rugs to our customers immediately! So customer service is better, too.”

So why doesn’t everyone use cargo insurance? “Sometimes I think people think it’s too good to be true,” Karen says. “They’re just so used to declaring value, they believe it’s actual insurance.”

Adds Ryan, “I don’t think they understand the benefit of cargo insurance. You recoup your losses, your staff workload is reduced, there’s a lot less hassle and it more than pays for itself.

“For us, it’s an absolute must.”

Learn more about [Cargo Insurance](https://upscapital.com) at upscapital.com.

And get more information on the big differences between declared value/carrier liability and cargo insurance at upscapital.com/besure.



UPS Capital®

Why UPS Capital? Nobody understands transportation and logistics like UPS®. And while you’ve probably never thought of a UPS company for financing and insurance services, our global supply chain expertise uniquely positions us to help protect companies from risk, and leverage cash in their supply chains. Insurance companies and banks can’t say that.

More than just a cargo insurance policy.

One of the best ways to improve the claims process is to simply reduce claims. Before customizing the all-risk cargo insurance policy for Kenneth L. Mink & Sons Inc., UPS Capital and UPS worked with the rug retailer to find ways to reduce damages, avoid claims and improve their overall supply chain.

- UPS helped Mink enhance their rug packaging to further minimize the chance of damages in transport.
- The UPS Solutions group helped Mink redesign their warehouse layout and helped enhance their technology systems.
- Some of Mink’s larger rugs receive special handling that has helped reduce damages to oversized, expensive rugs, while making customers happier.
- UPS also helped Mink deal with their damaged rug inventory challenge. Engaging with a leading consignment group, UPS now helps move damaged goods out of the Mink warehouse. “We had tons of damaged rugs before,” Ryan says. “We were writing off a lot. Now we don’t. And UPS even recoups some of their cost.”

Be sure. Be insured.™

Insurance coverage is underwritten by an authorized insurance company and issued through licensed insurance producers affiliated with UPS Capital Insurance Agency, Inc., and other affiliated insurance agencies. UPS Capital Insurance Agency, Inc. and its licensed affiliates are wholly owned subsidiaries of UPS Capital Corporation. The insurance company, UPS Capital Insurance Agency, Inc. and its licensed affiliates reserve the right to change or cancel the program at any time. The insurance coverage is governed by the terms, conditions, limitations and exclusions set forth in the applicable insurance policy. Coverage is not available in all jurisdictions.

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