Creating the ROI for a Multi-Carrier Parcel Shipping Solution

Presented by:
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President & CSO
Logistyx Technologies
The benefits gained must outweigh the total cost of the solution
TMS for Parcel Solution Segmentation

- Global expansion of lower left
  - Basic MCSS in multiple markets
  - Adds regional carriers
  - Local market execution

- Domestic shipping solution
  - 2-3 carrier connections (UPS/FedEx/USPS)
  - Basic rate and label capability

- Global shipping solution
  - Domestic and international carrier networks
  - Local market execution
  - Visibility
  - Procurement (rate simulations)
  - Finance (integrated financial reconciliation)
  - Business Intelligence
  - Audit services

- Extension of lower left
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Segment One
The basic parcel shipping solution

Description of Scope

• Single carrier strategy
  • A carrier provides a more personalized approach to customer service (delivery requirements)
  • Will likely cost a little more for the “extra attention”

• Single Carrier +1
  • A carrier provides a more personalized approach to customer service (delivery requirements)
  • Will likely cost a little more for the “extra attention”
  • Adding USPS for local market delivery or cost efficient for smaller items (<1 lb, .5 kilo)

• Multi-Carrier domestic strategy
  • Different carriers by lane
  • Different carriers by price
  • Rate shopping to select appropriate carrier based on
    • Origin
    • Destination
    • Lead time
    • Service type
    • Cost

• Domestic shipping solution
• 2-3 carrier connections (UPS/FedEx/USPS)
• Basic rate and label capability
Segment Two
Expansion (Geographic or Increased Domestic Carrier)

Description of Scope

Includes requirements of segment one

• Increased geographic markets
  • Adds carriers outside the domestic market
  • Adds documentation requirements
  • Adds localized compliance by market

• Increased Domestic Carriers
  • May add LTL/FTL for “white glove” or “bigger than parcel”
  • Same Day Delivery (SDD) enabling a courier network
Segment Three
Capability Expansion

Description of Scope
Includes requirements of segment one

• Increased geographic markets
  • Adds carriers outside the domestic market
  • Adds documentation requirements
  • Adds localized compliance by market

• Increased domestic carriers
  • May add LTL/FTL for “white glove” or “bigger than parcel”
  • Same Day Delivery (SDD) enabling a courier network
Segment Four
Global Execution, Visibility and Intelligence

Description of Scope
• Combines the requirements of segments two and three
• Not all global requirements
• Often multiple regional requirements
• Global multi-Carrier shipping requires
  • Standardized solution
  • Adapted to local process and carrier requirements
**TMS for Parcel Solution Segmentation**

**Where are you today?**

<table>
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**Where are you aiming to be?**

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**How do you get there?**

- Global expansion of lower left
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- Adds regional carriers
- Local market execution
- Domestic shipping solution
- 2-3 carrier connections (UPS/FedEx/USPS)
- Basic rate and label capability
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Defining the Stages from Segment to Segment

Does each stage create a ROI?

How do you operate today?
- Describe your segment
- What is working
- What is not

Define the steps/stages to achieve the Target
1. 
2. 
3. 
4. 
5.

What does the “To Be” solution look like for you?
- Geographic expansion?
- Global e-commerce?
- Omni-channel?

TODAY

TARGET

Plans to get from where we are to where we want to be
Find the Benefits
How to Justify Seeking the Benefits

Look for opportunities that demonstrate specific, variable ROI

• CAG report
  • Demonstrates potential savings of what a multi-carrier solution would provide in rate and carrier selection versus the way it’s being done today

• Address correction report
  • Shows the incorrect/correct addresses and associated costs

• Shipment corrections report
  • Demonstrates problems with dimensions and other areas

• Freight spend analysis
  • Behavior correction
How to Justify
Seeking the Benefits

Look for opportunities that demonstrate specific, variable ROI

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CAG Report
Cost Opportunity
The Starting Point
Cost Opportunity
Switching Options (Option 1)
Cost Opportunity
Switching Options (Option 2)
Cost Opportunity
Optimize
Freight Spend Management Analysis
Objective – Freight Spend Management
What are we trying to accomplish?

Addressing Accessorial

• Fixed rates

• Outsource

• Manage and correct behavior
Benefit
The Perfect World

Volume of Shipments

% Errors

Objective

Time
Manage and Correct Behavior
Beyond the Label

Requirements to Fix the Problem

• Shipment orders from “system of record”
  • ERP, WMS, OMS
• Carrier communications
  • Sending orders, receiving deviations and delivery notifications
• eInvoice
  • E.g., EDI 810, 210 or invoice
• Carrier incentive
  • Pay quicker on reconcile
  • Threat of alternative providers
Case Study
Where to Start
Clean Up your Data

• Data extraction
• Data cleansing
• Data verification
• Data validation
• Data segmentation
Analyze the Data
Utilize the Experts

• Industry experts
• Consultants
• Vendors
About Logistyx
Addressing Global Parcel Logistics Market

Growth retail eCommerce sales reached $2.3 trillion, creating a surge in parcel shipping industry.

Logistyx was created to provide:

- **Single unified shipping platform** to address the global market
- Strongest **carrier compliant network** for parcel and extended modality delivery **worldwide**
- **Business Intelligence** providing analytical tools and services to **optimize activity and predict behavior**

Extensible Platform
About Logistyx
Logistyx Innovation. Delivered.

• Leading provider of global, multi-carrier parcel transportation management systems
• One of the industry’s largest multi-national, global, major, and regional carrier networks
• FedEx® Diamond/Platinum Compatible Solution Provider including EU and APAC certifications
• UPS Ready Certified Partner
• Certified solution partner with major supply chain software providers: JDA, Manhattan Associates, Oracle, and SAP
• 1,500+ years industry experience

8
Global Office Locations
250+
Employees
Over
2B
Cartons Shipped Last Year
1,000+
Clients around the world

POWERED BY POSSIBILITIES.
## Global Presence / Local Knowledge

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<th>EMEA</th>
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Or visit MODEX Booth #7275