

## Shipping & Logistics Solutions

Up to 30% Savings  
Performance Based

**Maximizing Transportation & Logistics Profits:** *Finding the Money  
you Never Knew Was Missing.*

**50+ Years Serving Thousands.**

# Four Areas: Enhance Profits

1. Invoice Audit Services.
2. Benchmark & Target Pricing Analysis.
3. Contract Optimization & Negotiation Services.
4. Logistics Consulting Services.

# Part 1: Invoice Audit Services

**Invoice Audits include all of the following Transportation and Logistics Services:**

- ✓ Less-Than-Truckload (LTL).
- ✓ Truckload (TL).
- ✓ Parcel (Electronic Invoices Only).
- ✓ Ocean / Air.
- ✓ Rail.
- ✓ Logistics Service Providers.

# Invoice Audit Services

## Two Options

- ✓ Pre-Audit – Invoices audited prior to payment.
- ✓ Post Audit – Invoices audited after payment.

## Returns: 1% to 5% of Client's Annual Freight Expenditures

- ✓ Provides visibility to carrier performance.
- ✓ Full refunds for overcharges.
- ✓ Uncovers Profit Leaks.

# Profit Leaks Uncovered: \$2,760,000

**\$63,000 in actual refunds vs. \$690,000 in Profit Leaks Per Year.**

- ✓ Client spent over \$80,000 per year to double insure their shipments.
- ✓ Client spent over \$50,000 per year for incorrect address charges.
- ✓ Client spent over \$60,000 per year for Chargeback shipment charges.
- ✓ Client overspent \$500,000 per year due to Guaranteed Service Refund Waiver.

Over a 4-year period our client experienced profit leaks in excess of \$760,000 and missed late delivery refund opportunities in excess of \$2,000,000.

# Part 2: Benchmark & Target Pricing Analysis

- ✓ Proprietary Benchmark & Target Pricing software is powered by over 40 years industry expertise and vast data bases.
- ✓ Benchmarks and Target Prices ANY business' transportation and logistics expenses regardless of mode of shipping.
- ✓ Result is a CLEAR understanding of how a clients' transportation and logistics expenses stack up against other "Best-in-Class" contracts.
- ✓ We implement "best-in-class" transportation and logistics solutions significantly reducing annual costs, without sacrificing service.

# Benchmark & Target Pricing Success Story

## The Situation

- ✓ Annual Transportation & Logistics Spend: \$18,000,000.

## Client Issues

- ✓ Excessive Shipping Costs & Accessorial Fees.
- ✓ Over 90 different service providers utilized.
- ✓ Extremely difficult to measure/track carrier performance and costs.
- ✓ Client unable to determine if logistics operations were optimal, or if rates were competitive.

# Benchmark, Target Pricing Solution, & Results

- ✓ Benchmarked and Target Priced Client's Transportation & Third-Party Logistics services to ensure "Best-in-Class" results.
- ✓ Create new contracts for Client's Domestic Trucking and Parcel carriers.
- ✓ Create a 'Carrier Scorecard' so Client could measure all service providers' performance.

## **Annual Benchmark & Target Pricing Results: \$3,400,000**

- ✓ Domestic Trucking costs reduced by 50% (same carrier); Parcel shipping costs reduced by 30%; Significantly improved services.

# Part 3: Contract Optimization & Negotiation Services

## Why is this Important?

- ✓ Evergreen Contracts – Automatic Renewal.
- ✓ Annual Rate Increases, Arbitrary Pricing Adjustments.
- ✓ More Complex Agreements.

## Also...

- ✓ 35% of revenue is from accessorial fees.
- ✓ Sales compensation based on account profitability.
- ✓ Carrier Strategy: Avoid Negotiations or Bids.
- ✓ Parcel carriers deal direct with the customer, NOT third parties due to dilution of revenue.

# Contract Optimization & Negotiation Case Study

## The Situation

- ✓ Annual Parcel spend: \$5,500,000.

## Client Issues

- ✓ Client utilized the same Parcel carrier for over 15 years.
- ✓ Client never audited carrier's invoices.
- ✓ No previous contract negotiations performed.
- ✓ Continually incurred excessive shipping expenses year after year.

# Contract Optimization & Negotiation Solution

## Solutions Delivered

- ✓ Initiate electronic invoice audit.
- ✓ Client now obtains refunds for all late deliveries and all invoice discrepancies.
- ✓ Provide monthly 'Audit Savings Reports'.
- ✓ Benchmarked and Target Priced Clients Parcel Carrier Contract.
- ✓ Uncovered specific areas where rates, discounts and accessorial incentives should be significantly improved.
- ✓ Provide monthly 'Contract Savings Reports' outlining actual cost savings for each shipment.

# Annual Contract Optimization Results: \$1.2 M

- ✓ Annual Audit refunds in excess of \$100,000.
- ✓ Reduced annual Parcel shipping costs by \$1,100,000.
- ✓ Annual savings in excess of 20%.

# Services Process and Sample Reports

## Audit Process

- Step 1: Receive all carrier pricing agreements and access to all invoices.
- Step 2: Review information and confirms the entire exposure is captured.
- Step 3: Set up up the audit parameters.
- Step 4: Download electronic invoice data; physical invoices submitted.
- Step 5: Perform audit and submits claims to carriers on behalf of Client.
- Step 6: Provide monthly audit reports substantiating all credits received by the Client.

# Parcel Audit Credit Summary Report

## UPS Audit Credit Summary

Audit Point	Quantity	Total Amount	Percentage
Incorrect Residential Charge	93	\$442.09	3%
Invalid Address Correction	30	\$375.00	3%
Invalid Delivery Area Surcharge	37	\$82.10	1%
Large Package	16	\$573.45	4%
Manifested but not shipped	210	\$2,016.24	14%
Other Credit	12	\$68.16	0%
Saturday Delivery Fee	1	\$16.79	0%
Service Failure	1,044	\$10,598.93	75%
	1,443	\$14,172.76	100%

# Detailed Parcel Audit Report

Date	Tracking Number	Arrived	Credits	Credit Description
<b>Account: 0000</b>				
<b>Invoice: 000000 - ( Original Invoice: 000000 5/23/2015 )</b>				
From:	10300029413	To:	\$7.27	Manifested but not shipped
<b>Account: 0000</b>				
<b>Invoice: 000000 - ( Original Invoice: 000000 6/20/2015 )</b>				
05/04/2015	80343167551	05/12/2015 01:27PM	\$1.78	Other Credit
From:		To:		
05/12/2015	30344678702	05/19/2015 12:18PM	\$1.77	Invalid Delivery Area Surcharge
From:		To:		
<b>Account: 000</b>				
<b>Invoice: 000000 - ( Original Invoice: 000000 6/6/2015 )</b>				
05/28/2015	00393341662	06/01/2015 10:16AM	\$1.77	Invalid Delivery Area Surcharge
From:		To:		
<b>Account: 0000</b>				
<b>Invoice: 000000 - ( Original Invoice: 000000 5/30/2015 )</b>				
05/15/2015	10373163535	05/27/2015 03:41PM	\$12.50	Invalid Address Correction

# Benchmark & Target Pricing Process

## Audit Process

- Step 1: Receive all pricing agreements and access to electronic/paper invoices.
- Step 2: Review information and confirms the entire exposure is captured.
- Step 3: Benchmark & Target Pricing Analyses performed (typically two weeks to completion).
- Step 4: Deliver comprehensive Benchmark & Target Pricing results to Client for implementation.

# Benchmark & Target Pricing Report

ABC Company Savings Analysis Old Rates vs New Rates														
Pro Number	Shipper City	Ship State	Ship Zip	Destination City	Dest State	Dest Zip	Weight	Accessorial Charges	Fuel Surcharge	New Total Amount Paid	Total Paid Less Fuel & Accessorial	Old Rates	Dollar Difference	% Difference
1132683313	GARDENA	CA	90249	MORGANTON	NC	28655	630	\$0.00	\$37.54	\$204.39	\$166.85	\$476.22	\$309.37	185%
1221738579	WILKES BARRE	PA	18705	BAY SHORE	NY	11706	264	\$0.00	\$22.25	\$116.95	\$94.70	\$153.33	\$58.63	62%
1221739064	WILKES BARRE	PA	18705	BAY SHORE	NY	11706	300	\$0.00	\$23.20	\$117.90	\$94.70	\$174.24	\$79.54	84%
1389491873	SUNBURY	PA	17801	PINEVILLE	NC	28134	299	\$0.00	\$21.31	\$116.01	\$94.70	\$107.19	\$12.49	13%
1389597280	SUNBURY	PA	17801	PINEVILLE	NC	28134	293	\$0.00	\$21.31	\$116.01	\$94.70	\$105.04	\$10.34	11%
1389603945	SUNBURY	PA	17801	PINEVILLE	NC	28134	273	\$0.00	\$23.20	\$117.90	\$94.70	\$97.87	\$3.17	3%
1389623635	SUNBURY	PA	17801	PINEVILLE	NC	28134	692	\$0.00	\$26.53	\$130.55	\$104.02	\$228.20	\$124.18	119%
1789151661	FARMINGDALE	NY	11735	BRIDGEPORT	CT	06606	155	\$0.00	\$21.31	\$116.01	\$94.70	\$106.89	\$12.19	13%
2034190203	PINEVILLE	NC	28134	COLORADO SPRINGS	CO	80906	550	\$26.00	\$31.23	\$196.04	\$138.81	\$396.58	\$257.77	186%
203450781X	VALDESE	NC	28690	BAY SHORE	NY	11706	154	\$0.00	\$23.20	\$117.90	\$94.70	\$194.90	\$100.20	106%
2034675624	VALDESE	NC	28690	BAY SHORE	NY	11706	530	\$0.00	\$26.24	\$137.90	\$111.66	\$344.42	\$232.76	208%
2034843255	VALDESE	NC	28690	PONTOTOC	MS	38863	794	\$0.00	\$26.37	\$138.59	\$112.22	\$244.00	\$131.78	117%
2034870077	FORT MILL	SC	29715	PINEVILLE	NC	28134	1,370	\$0.00	\$23.20	\$117.90	\$94.70	\$167.37	\$72.67	77%
2034954539	PINEVILLE	NC	28134	MIDDLETOWN	NY	10940	610	\$0.00	\$24.13	\$131.36	\$107.23	\$336.43	\$229.20	214%
2034961725	PINEVILLE	NC	28134	MIDDLETOWN	NY	10940	1,370	\$0.00	\$46.19	\$234.72	\$188.53	\$591.53	\$403.00	214%
2376582759	CHAMPLAIN	NY	12919	PINEVILLE	NC	28134	4,020	\$26.00	\$119.50	\$633.27	\$487.77	\$1,064.00	\$576.23	118%
552242265X	GLEN RAVEN	NC	27217	FAIR LAWN	NJ	07410	723	\$0.00	\$23.70	\$129.03	\$105.33	\$261.00	\$155.67	148%
5522422678	GLEN RAVEN	NC	27217	JOHNSON CITY	TN	37604	729	\$0.00	\$21.31	\$116.01	\$94.70	\$168.10	\$73.40	78%
5522422999	BURLINGTON	NC	27216	PANAMA CITY	FL	32405	287	\$0.00	\$21.31	\$116.01	\$94.70	\$129.14	\$34.44	36%
5522423008	GLEN RAVEN	NC	27217	GASTONIA	NC	28056	330	\$0.00	\$21.31	\$116.01	\$94.70	\$79.11	(\$15.59)	-16%
5522427040	GLEN RAVEN	NC	27217	JOHNSON CITY	TN	37604	2,710	\$0.00	\$43.61	\$214.62	\$171.01	\$359.97	\$188.96	110%
6085325816	FALL RIVER	MA	02721	LEBANON	MO	65536	1,950	\$0.00	\$74.58	\$391.96	\$317.38	\$753.79	\$436.41	138%
6828182498	SENECA	SC	29678	BAY SHORE	NY	11706	245	\$0.00	\$21.31	\$116.01	\$94.70	\$191.37	\$96.67	102%
6828748567	SENECA	SC	29678	BAY SHORE	NY	11706	2,340	\$0.00	\$82.01	\$430.99	\$348.98	\$1,034.69	\$685.71	196%
<b>Total</b>											<b>\$3,496.19</b>	<b>\$7,765.38</b>	<b>\$4,269.19</b>	
												<b>Savings</b>	<b>122%</b>	

# Part 4: Logistics Consulting Services, Contract Optimization, & Negotiation Process

## **Contract Optimization and Negotiation Process**

- Step 1: Initiate negotiations with carriers; Provide metrics and strategy for negotiations.
- Step 2: Analyze all proposals from carriers; Provide requirements for revising proposals.
- Step 3: Track and re-rate each shipment to provide precise savings reports.
- Step 4: All savings and customer specific reports are provided monthly.

## **Logistics Consulting Services**

- Case by Case Basis – Client Customized Driven.