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## TRANSPORTATION MANAGEMENT ANALYSIS

Logistics and Compliance Specialists (LCS) will analyze your current supply chain transportation network and recommend solutions that will provide for significant cost reduction while maintaining excellence in that network. This will include review of your Company's short and long term expected trends and expectations, operations initiatives, current transportation network and contracts, supplier details, carrier invoices, and much more. For the most part our fees for streamlining and cost reducing your transportation costs are a portion of the total savings that result from our analysis. This makes the justification of our services reasonable and quite simple.

Areas where we can assist in streamlining and cost reducing after review are:

**Freight Cost:** Companies without the proper focus and expertise in transportation management are spending unnecessarily, sacrificing service or both. After reviewing your global transportation network we can develop a RFP that is customized to your supply chain. The RFP will be geared towards ensuring you have world class transportation suppliers at the best cost. This can usually result in a 10-15% savings depending on the complexity of your supply chain. Our fees can either be project-based or a portion of the total savings.

**Freight Management:** Transportation is becoming more and more complex not just for mature supply chains but developing supply chains as well. Hiring full time personnel to manage your transportation network can be a tough sell in this economy but the expertise is absolutely required. LCS can be your day-to-day source for managing your transportation network. We are not just experts in domestic transportation but we also understand the complexity of International shipments and dangerous goods and the documents required for importing or exporting including commercial invoices, certificate of origins, bill of lading (BOL), Shipper's Letter of Instruction (SLI) and Dangerous Goods declarations. We can assist in AES submission, HTS classification, ECCN, Schedule B, TIB, NAFTA and other Free Trade Agreements, ITAR or EAR classifications and licensing.

**Customs Clearance Cost:** Customs duties and taxes are another area of expertise. These can be complex and require specific expertise in the various customs regulations here in the US and abroad. Incorrect classification or lack of understanding of the regulations can result in payment of unnecessary duties and taxes and/or storage costs. We can also assist in understanding foreign import regulations, including VAT or GST.

**Supplier management:** An area often overlooked by businesses when managing their supply chain are supplier shipments. Suppliers frequently add freight cost onto the billing invoices and there is usually a markup that can be 20-30% higher than the actual freight cost. After carriers are identified, we can develop transportation routing guides that are specific to regions, weight and destination. They can include or reference your Purchasing Term and Conditions. We can develop a routing guide that is closed loop with Supplier acceptance and agreement. Routing guides will ensure your Supplier base is meeting your delivery expectations at the most cost effective transportation solution. In addition we can assist with Supplier scorecards based on your key performance indicators. Typical global transportation costs can be reduced 10-15% depending on the complexity of your supply chain. Our fees can either be project-based or a portion of the total savings.

**Freight Invoice Auditing:** One area that can bring immediate savings is the auditing of your freight invoices, especially small parcel. Since FedEx and UPS are committed, time-sensitive deliveries there is opportunity for savings with service failures. We can usually lower invoice amounts by 2-10% depending on your small parcel volume. LCS can also audit heavyweight air, ocean, truck or rail invoices for accuracy against your established rates as well as for duties/taxes, and other accessorial charges. LCS will attain carrier agreement prior to any auditing or adjustments. We will not just review invoices for correctness but will also organize the invoices by carrier and account number, if applicable. We can code the invoices if provided your GL coding scheme and requirements. Invoices can be sent directly to LCS or can be sent to us from your A/P department. Our fees are a portion of the total savings, although coding is an extra cost.

**Freight Invoice Post-Audit:** LCS can perform on-site audits of paid freight invoices up to the previous 12 months to look for additional savings. Provide LCS access to your accounts payable files and we will do the rest. We will obtain carrier agreement prior to starting the audit. As part of this process we can also assess the potential need for our other services. Our fees are a portion of the total savings

In the end LCS will use our expertise and familiarity of global logistics, freight and supplier management and trade compliance to streamline and cost reduce your transportation network in a method that will be customized to your company.

If you choose LCS, we are confident that you will be very satisfied with the services that we offer.