Visibility as an enabler/accelerator of Digital Transformation

Bart De Muynck
Chief Industry Officer, project44
The Logistics Landscape
Industry Trends & Observations
Key areas of Focus in Logistics

Customer Experience
Inventory Levels
Inland Distribution and Last mile
Logistics Sustainability
Logistics Collaboration
Logistics Workflow Automation
But progress is hampered by the Following Logistics Challenges

- Logistics is Siloed
- Lack of Logistics Visibility
- Too many Logistics Applications
- Fragmented LSP Landscape
- Poor/Disconnected Logistics Data
- Lack of Logistics Collaboration
- Manual or Inefficient Processes

These issues are crippling their Digital Transformation efforts. Logistics Visibility Data enables companies to be both Connected and Collaborative.
Future Outlook

... the Never Normal
Top Challenges for 2023

Geopolitical Issues
Inflation
Weather Disasters
New Regulations
Labor Crisis
Near-shoring vs Off-shoring
How do we solve for Current and Future Challenges?
The “Never Normal” requires ...

- A different way of Thinking
- Increased adoption of Technology
- New Digital Talent
- Digital Transformation and Collaboration
- More focus on Sustainability
Visibility Data holds the Key to Digital Transformation
Data historically has been siloed and hard to transport

- Manual processes
- Siloed Functions
- Disparate data
- Huge Application Portfolios
- Closed-off Application Stacks
- Lack of strong interfaces (dependent on EDI or FTP)
Visibility Platforms are the Essential Connective Tissue Powering the Global Supply Chain Ecosystem

• Visibility
• Collaboration
• Automation
• Resiliency
• Intelligent Actions
• Efficiency, Innovation, Growth
Supply Chain Intelligence Platform Enables: End-to-End Predictive Visibility


• To make supply chains work
• with the connective tissue and global inventory visibility that delivers a seamless, world-class experience.

FROM RAW MATERIAL TO CONSUMER DOOR

Arrival estimate for the final destination

Best-in-class ETAs from each mode and even unknown modes are combined to predict arrival for a whole journey, not just an individual transit.
Data, Visibility, and Workflows Deliver Value From End To End

1. **Planning**
   - Planner at a supplier uses Port Intel to identify port congestion; works with carrier to reallocate volume across lanes to avoid D&D & transshipment delays.

2. **Procurement**
   - Direct procurement manager at a manufacturer watches inbound status of PO from supplier for potential production stoppage and to plan for OTR tendering.

3. **Visibility**
   - Inbound logistics manager alerted with cause for likely delay & suggested resolution path for proactive exception management.

4. **Capacity**
   - 3PL uses Cooperative to identify terminating capacity and collaborate with shipper for dispatch.

5. **Booking**
   - Dispatcher uses OTR Rating to determine cost and execute the rebooking.

6. **Yard Management**
   - Warehouse manager uses Yard Visibility & Management solutions to automate collaboration, eliminate manual errors, and reduce detention charges.

7. **Last-Mile**
   - Fulfilment uses consumer-facing alerts & automated case management to send damaged product replacement, gain visibility into parcel return.

8. **Sustainability**
   - Supply Chain leader evaluates trend of emissions improvement across product categories and lanes, end-to-end.
Benefits of Visibility and Use Cases
Typical Benefits Realized from Visibility

- **Improved Customer Service**
  - 1-to-3-point increase in overall Net Promoter Score (NPS)
- **Increased Operational Efficiency**
  - 60% - 80% decrease in manual, track-and-trace activities
  - 10% - 30% increase in labor efficiency in warehouses
  - 2% - 5% improvement in inventory investment
- **Ability to Dispute / Validate Carrier Penalties**
  - 30% - 50% decrease in late arrival penalties
- **Decreased Transportation Cost**
  - 10% - 20% decrease in demurrage and detention costs
- **Sustainability Footprint**
  - Ability to track Scope 3 emissions from 3rd parties
- **Overall Value:** 1% - 2% Decrease in Overall Transportation Costs
Visibility is the beginning of the transformation journey

market conditions, labor/capacity challenges, and port congestion... a ‘good crisis not to waste’

Operational Efficiency
Reduction in manual interactions, improved distribution planning, improved warehouse operations
Cost Reduction
D&D, expedite costs, carrier detention

Working Capital Improvement
Reduce excess stocks by decreasing lead time deviation, Reduce SLOB Inventory, Reduce Invoicing Days

Drive new business models
Improve ecommerce sales conversion, new revenue streams with data-driven product advertisement

Short-term
Mid-term
Long-term
### CUSTOMER STORIES

**project44 Data, Visibility, and Innovation Delivers Value From End To End**

<table>
<thead>
<tr>
<th>Customer Expectation</th>
<th>Operational Efficiency</th>
<th>Cost Reduction</th>
<th>Customer Service</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Problem</strong></td>
<td><strong>Solution</strong></td>
<td><strong>Result</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VP of Logistics:</td>
<td>P44 for multi-modal</td>
<td>Provide customers accurate ETA information and eliminated over 17,000 manhours on manually tracking shipments.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor delivery</td>
<td>visibility (Ocean, Air, TL, LTL, Parcel) at the order-level.</td>
<td>Global ocean shipments from multiple suppliers in 1 screen; proactive exception management.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>information</td>
<td></td>
<td>Global visibility; 75% reduction of (~500 hours/week) of manual work with reduction in customer service enquiries.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>impacting customer</td>
<td></td>
<td>Enabled end-to-end distribution visibility to optimize operations and provide real-time ETA updates to customers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>delivery promises</td>
<td></td>
<td>Board-level investment in emissions reduction; on path to measure up to 60% of supply chain driven emissions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and AR Invoicing.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VP Supply Chain:</td>
<td>P44 for Ocean visibility of inbound supplier shipments.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of inbound</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>supplier shipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>visibility was</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>impacting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>manufacturing.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VP of Global Logistics:</td>
<td>P44 unified, order-level, ocean, Air, Parcel &amp; OTR visibility.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manual tracking;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>data quality issues;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>impacting customer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>service response.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VP Supply Chain:</td>
<td>P44 TL and LTL visibility with integration to OTM platform.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Needed a single</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>source of truth in</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>real-time, to focus</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>on exceptions and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>proactively react to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>inform customers of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a potential delay.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VP Sustainability:</td>
<td>P44 collaboration for shipment-level, GLEC accredited calculation of ocean freight.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No ability to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>accurately measure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the 90% of emissions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>outside their control (Scope3).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Customer Stories**

**Flowserve**

**TRANE**

**Generac**

**Electrolux**

**Heineken**
The world’s largest ecommerce company faced challenges obtaining accurate visibility into middle mile lanes in Europe. They turned to project44 in order to leverage the largest carrier network and gain data and insights needed to improve their customer experience.

Before:
- Reliant on manual, incomplete logs and self-reported carrier data
- Struggled to pinpoint the cause of issues and find solutions
- Delays impacted Delivery Estimate Accuracy for middle mile lanes

Outcomes:
- Accurate visibility drove 90%+ compliance across more than 2,500 carriers and 1.5M+ annual shipments
- Optimizing their network and lane analysis provided better customer experience
- Actionable insights made them more proactive and less reactive

Solution:
- project44’s carrier network and high-fidelity data improved Amazon’s origin, carrier, and destination performance
- Actionable insights allow them to resolve issues, investigate trends and partner with fulfillment centers, carriers, and sort centers
- Tracking became a key metric to measure carrier performance
Before: Manual, non-standard process and lack of visibility

- Inefficient ground operations (LTL, FTL, Parcel) leading to inefficient resource planning at logistics site and unreliable cost management
- Lack of standard global process and central TMS
- Poor customer experience by not having agents with trusted information at their fingertips

Outcomes: Cost control & revenue growth with visibility

- All global shipments to be shown in a single platform across modes and geographies
- Far better global visibility, starting with NA and EU
- Precise ETAs for logistics sites to manage transport operations
- Higher customer satisfaction grow in new markets and reduced customer attrition as a result of not having the visibility they seek

Solution: Global Visibility, ETAs, and Transparency

- Global OTR visibility
- Accurate multi-modal ETAs
- Customer-facing visibility

Global Visibility, ETAs, and Transparency for customer retention and expansion as well as reducing logistics cost, and increasing operational processes

$7.4B Logistics Company
Global Visibility, ETAs, and Customer Transparency
Growing my business with Transportation Visibility

Nick Beck, Owner Beck Trucking:

- Beck won new business because they were providing real-time visibility
- Providing Visibility helped fulfill customer requirements and keep them happy.
- Visibility helped Nick improve operations and grow his business.

In general:
- Visibility create an opportunity for carriers to differentiate their service.
- Our data shows that truckload carriers visible on the project44 network are four times more likely to win freight and new customers.
Using RTTV for an Edge in the Trucking Market

Damien Hutchins, CEO Rollzi:

“A lot of venture capital is being invested into truck technology and there was another side that wasn’t using much of that technology. I thought if you figure out how to maximize all that new tech, there’s a lot to be gained. You can increase your margins by using technology to cut your operational costs and smooth out operations.”

Reduce Check Calls:

Project44 saves a truck driver time from making numerous calls because a single connection to the platform enables communication with multiple parties. Because of that, a driver can focus on driving.

“For a driver, project44 is huge,” says Hutchins. “The reason is that all the brokers I work with have their own digital platforms, their own apps, and they all want you to track location through their app. That’s really hard and confusing for a driver when you work with multiple brokers every week.”

Operational Efficiency:

Visibility and single communication through the visibility platform gives ROLLZI operational efficiency.
Thank you

Bart De Muynck
Chief Industry Officer, project44