

CLX LOGISTICS
EUROPE

IBM

IBM Transportation Management System & Case: European Automotive OEM

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Today's Agenda

- + Overview of CLX Logistics
- + IBM Transportation Management System
- + Case: European Automotive OEM

CLX Logistics – Company overview



CLX Logistics Europe



LHC Consulting



VistaLogix



ChemLogix



CLX Logistics Global Overview

Global provider of comprehensive logistics management and transportation technology services

Fast Facts

- + Established in 1997
- + Blue Bell , PA & Eindhoven, NL
- + Certified IBM Business Partner
- + TMS Expertise: > 30 Installed
- + Over \$1.75 Billion of Freight
- + Over 4 Million Shipments
- + Complete Logistics Service Offerings
- + Private, with Strong Growth (30%+), No Debt or Venture Capital.



Value-Added Service

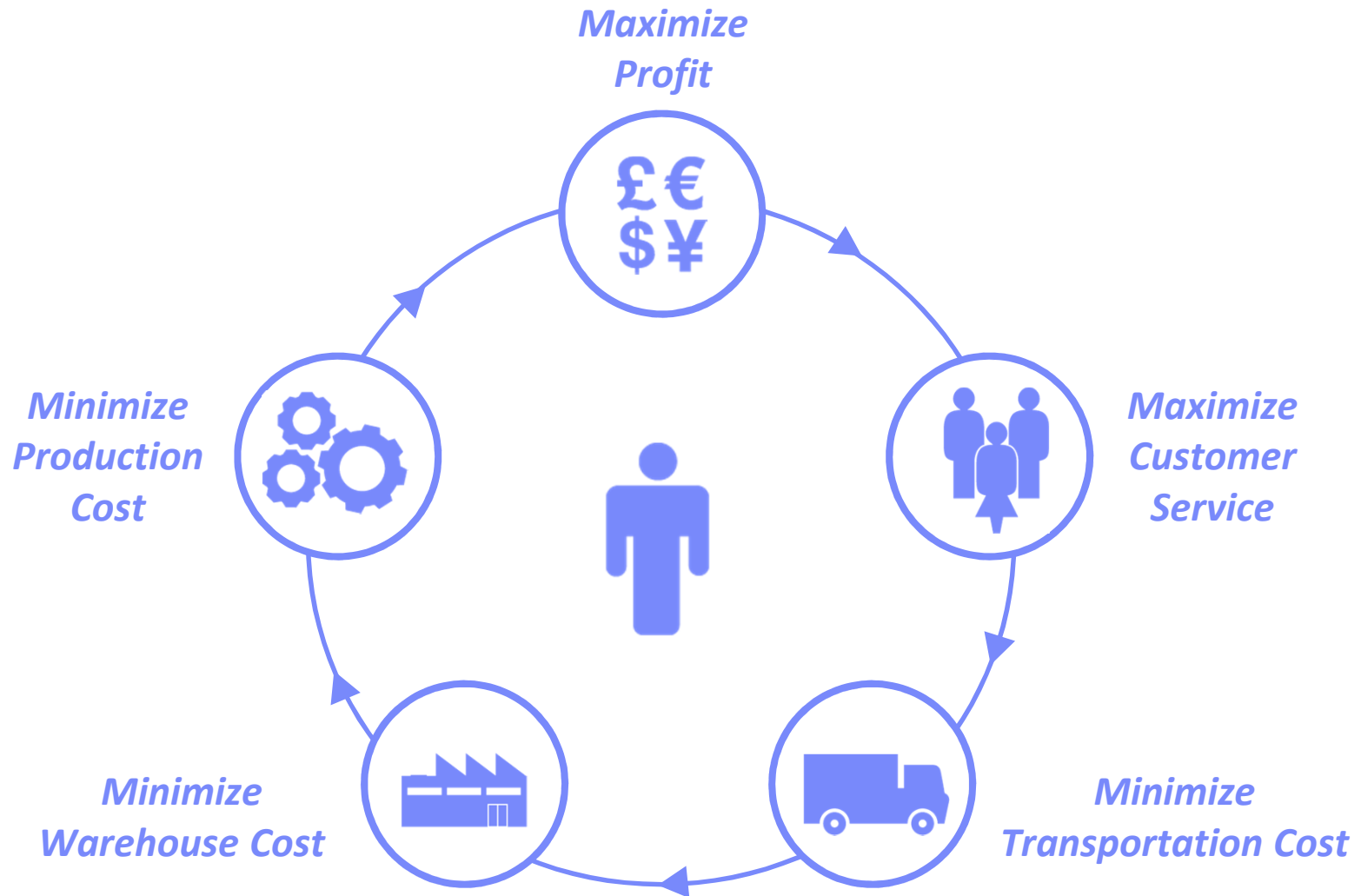
Best-in-class technology across all disciplines:

- + Multi-tenant Cloud TMS
- + Benchmark and On-Line Freight Bid Service
- + ILOG Network Optimization
- + Freight Pay and Audit
- + Rail Management
- + Intermodal Management
- + International Logistics Services

IBM Transportation Management System

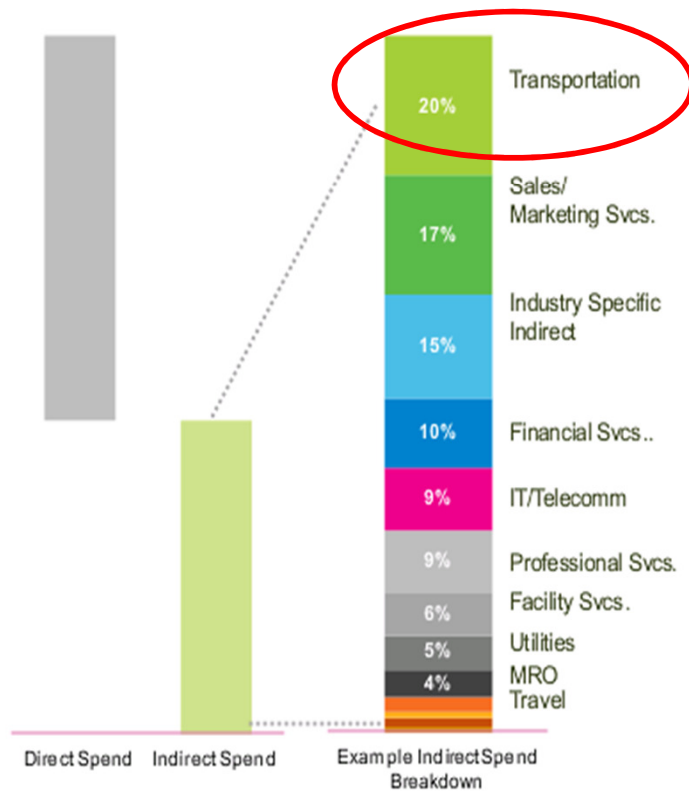


Transportation must be optimized along side other objectives



Transportation is one of the largest indirect costs

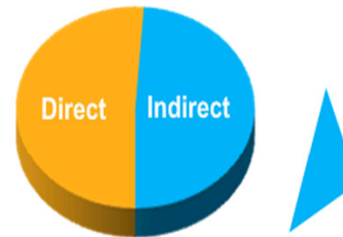
20-40 % of most company revenues go to indirect purchases:



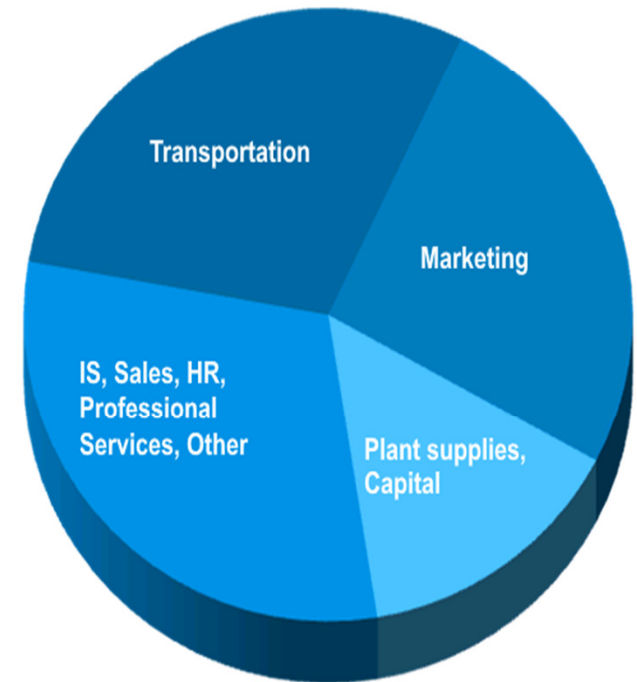
Source: Procurian benchmarks

Large CPG manufacturer

Total Spend: \$2.8 Billion



Indirect Spend: \$1.3 Billion



Inherent Challenges:

- **Magnitude:** represents 25% of revenue
- **Fragmented:** >50 categories
- **Thousands of end-users**

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11

IBM Transportation Management



1st Cloud TMS - 1997

#1 Cloud TMS Today

#1 Cloud Customers

#1 Cloud Carriers

#1 Optimization ILOG

#1 Financial Services

#1

Shippers reduce costs by automating key processes

Analyze

- Functional Dashboards
- Best of Breed Reports
- Ad-Hoc Reports
- Carrier Scorecard
- Compliance

Optimize

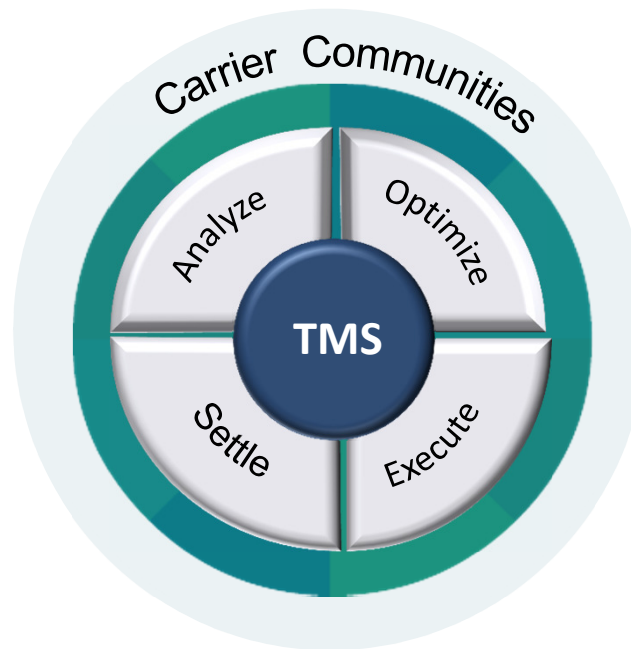
- Route Guide Compliance
- Carrier Network Queries
- Shipment Optimization
- Carrier Optimization
- Bid/Proposal

Settle

- Match & Pay or Self-Invoicing
- Pre-Shipment Audit
- Accessorial Charges
- Integrated Accruals

Execute

- Booking
- Dock Scheduling
- Events and Alerts
- Shipment Visibility
- Spot Market Tendering



IBM TMS Benefits

Reduce costs

+ System-directed handling reduces cost

Increase load consolidation

+ Consolidate loads from parcel to LTL and from LTL to TL and Inter-modal

Optimize carrier and mode selection

+ Automate the selection of lowest-rate carrier, mode, and accessorial combination

Identify transportation invoice discrepancies

+ Automate the audit of freight invoice vs. original contract

Track carrier performance

+ Carrier performance info helps negotiate lower carrier rates

Lower administrative costs or increase in “value-add” activities

+ Reduce manual processes by automating tendering, shipment creation, consolidation, and invoice processes

Asset Utilization

+ Better utilize equipment for asset-based fleets

TMS Customers areas of ROI...

Potential Transportation Savings

Carrier Rate Management & Procurement

2% - 4%

Planning / Optimization

4% - 15%

Route Guide Compliance

1% - 5%

Fleet Capacity Management

2% - 10%

Freight Payment / Invoicing

4% - 8%

Supplier & Carrier Collaboration

2% - 10%

Complete Visibility and Management of Network Freight Activity

Graphical Freight Activity Management

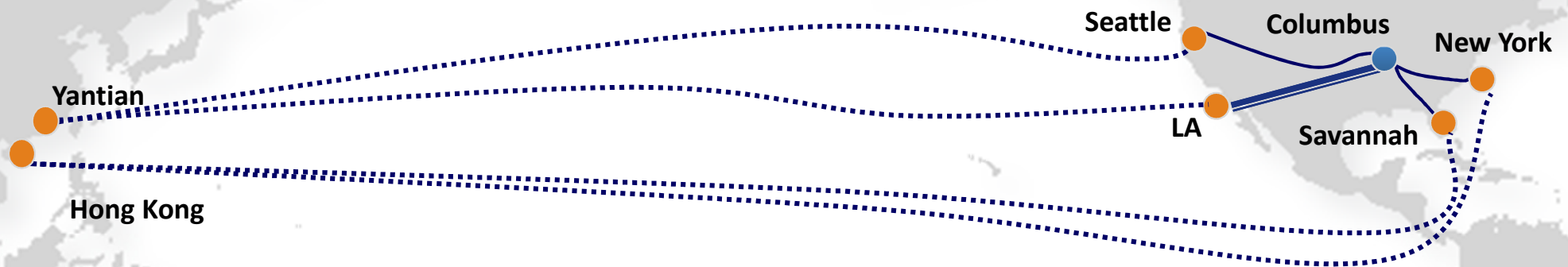
The screenshot displays the Sterling TMS web application interface. At the top, the browser title is "Sterling TMS - Last Update: Mon Jun 6 08:53:21 CDT 2011 - Windows Internet Explorer" and the address bar shows "http://demo.sterlingtms.net/servlet/Execution". The main header area includes the word "Execution" on the left, the date and time "Monday, June 06, 2011 8:54:39 AM" in the center, and the IBM logo on the right. Below the header, there are navigation links: "logout", "edit account", and "refresh page".

The central part of the interface is a map of Europe showing various freight routes and stops. The routes are color-coded: purple, blue, red, and green. Stops are marked with letters 'D' and 'P'. The map includes labels for countries like "Nederland", "Deutschland", "Polska", "Belarus", "Ukraine", and "Romania". A sidebar on the right contains a list of navigation options: "SELECTION", "STATUS", "NEW", "EDIT", "RELOAD", "LIBRARY", "MAP", "TRAILERS", "DETAILS", "HISTORY", "RANGES", "DETAIL", "SUMMARY", "W/ LTL", "TRACER", "ENTRY", and "OVER ALL".

At the bottom of the screenshot, the Windows taskbar is visible, showing the start button, several open applications (Wireless Co..., ThinkVanta..., 5 Window..., 2 Micro..., 5 Lotus N..., 6 Internet..., Rhodia Cle..., IBM TMS fo...), and the system tray with the time "8:54 AM Monday 6/6/2011" and a battery level indicator at "100%".

Optimize Global Transportation with Multiple Factors

- Meet customer service objectives
- Minimize total delivered costs
- Minimize supply variability



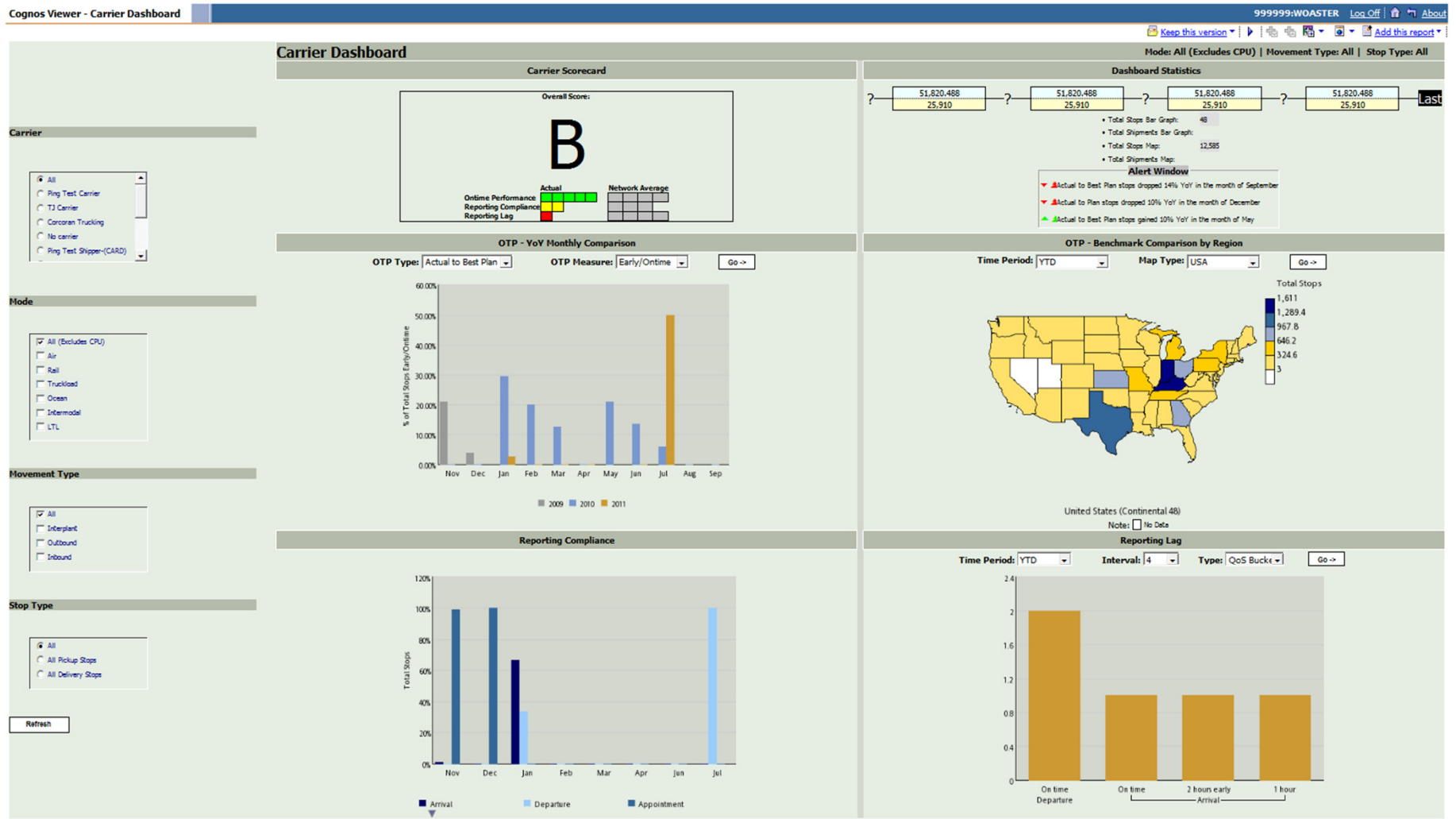
“Rate Explorer gives my customer service managers an edge when helping our shipper clients understand their routing options and pick a service that meets their required delivery dates and logistics budgets.”

John Onorato, Chief Operating Officer Triton Overseas Transport

- How much does it cost?
- What are all routing options?
- What is the transit time?
- How reliable is the service?
- What are the contractual commitments?

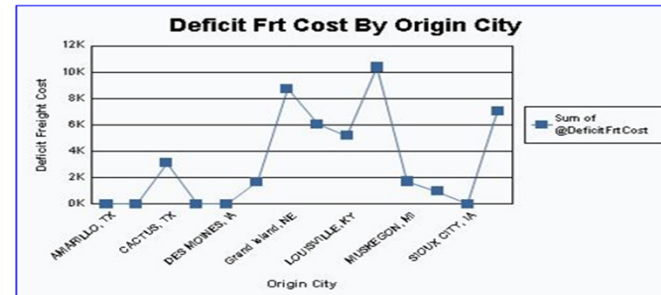
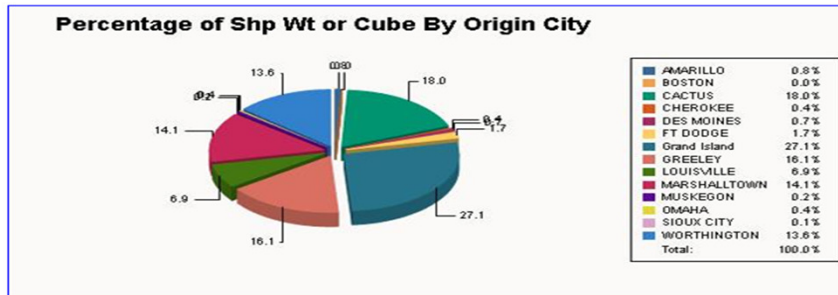
Carrier Scorecard Dashboard

On-time Performance / Reporting Compliance / Reporting Lag Time



Business Intelligence for Transportation & Logistics Management

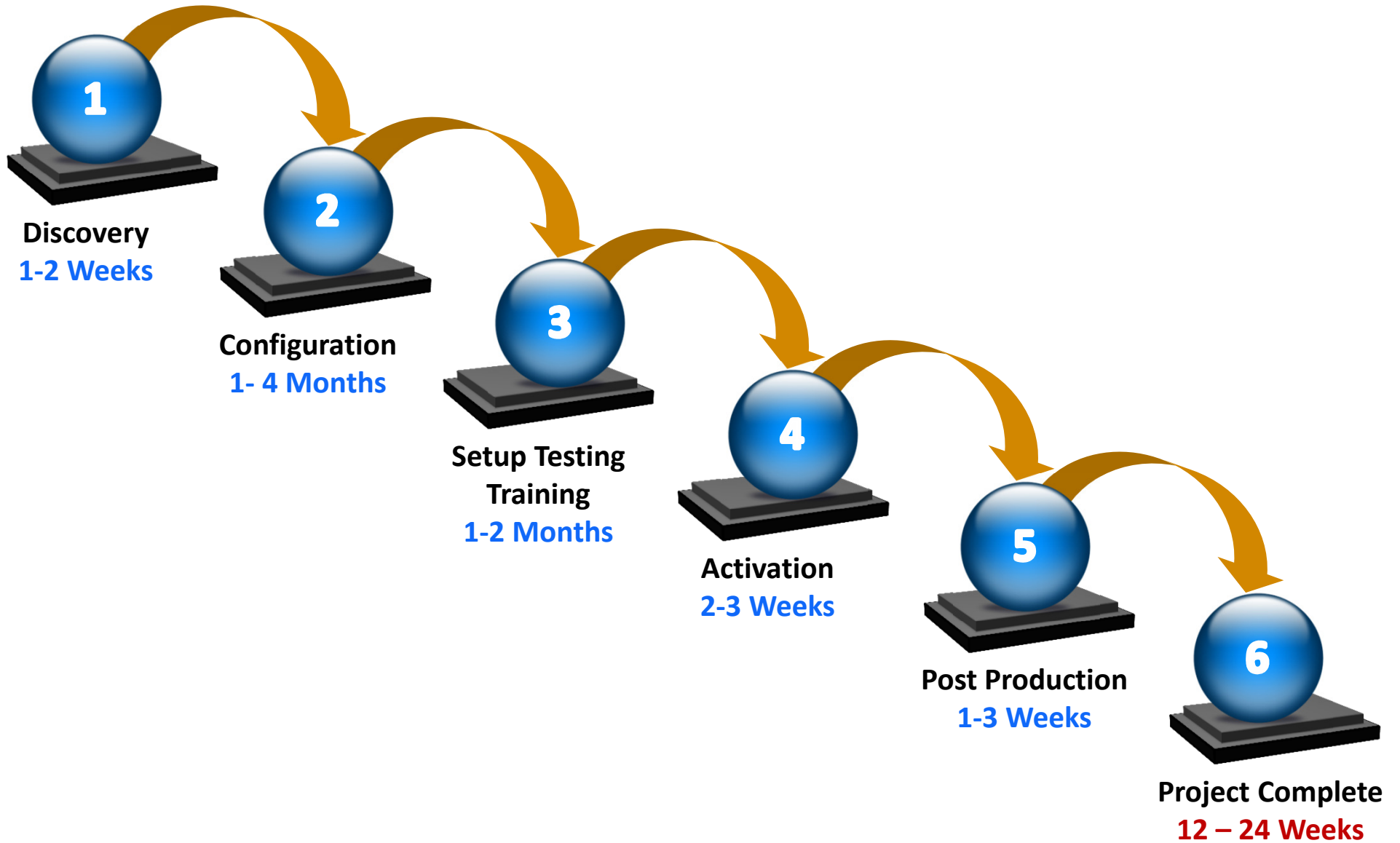
Deficit Cost (Weight or Cube) Report w/SubReport



Origin City	Total Shipments	Total Stops	Total Orders	Total Weight	Average Weight	Shp Under Weight	% Under Weight	Deficit Frt Cost
AMARILLO, TX	16	5	18	725,410.00	40,300.56	0	0.00%	0.00
BOSTON, MA	12	4	11	33,635.30	3,057.75	12	100.00%	0.07
CACTUS, TX	342	110	392	15,768,486.34	40,225.73	26	7.60%	3,104.23
CHEROKEE, IA	5	4	7	429,592.82	61,370.40	0	0.00%	0.00
DES MOINES, IA	4	3	2	276,230.60	138,115.30	0	0.00%	0.00
FT DODGE, IA	25	12	20	1,047,416.28	52,370.81	9	36.00%	1,700.95
Grand Island, NE	424	154	498	24,369,813.40	48,935.37	92	21.70%	8,754.88
GREELEY, CO	335	135	452	16,583,521.22	36,689.21	85	25.37%	6,055.57
LOUISVILLE, KY	161	80	193	6,287,177.52	32,576.05	51	31.68%	5,177.12
MARSHALLTOWN, IA	349	125	397	12,234,105.22	30,816.39	129	36.96%	10,380.57
MUSKEGON, MI	21	7	21	122,098.00	5,814.19	21	100.00%	1,718.52
OMAHA, NE	9	5	9	308,803.30	34,311.48	6	66.67%	982.32
SIOUX CITY, IA	1	1	1	44,160.00	44,160.00	0	0.00%	0.00
WORTHINGTON, MN	282	110	319	11,736,661.32	36,792.04	67	23.76%	7,049.85
Grand Totals	1,986	538	2,340	89,967,111.32	282,028.56	498.00	25.08%	\$44,924.04

- Trading partner performance scorecard evaluation
- Financial Impact reporting and metrics
- Configurable and flexible access to data and key reporting indicators

Implementation Timeline

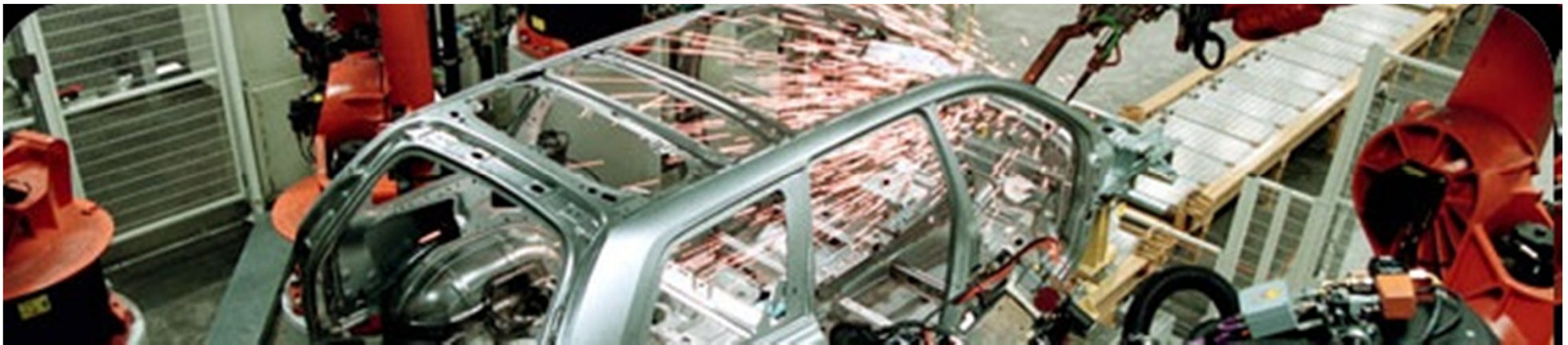


140+ Industry Leading Companies Rely On IBM Sterling TMS





Case: European Automotive OEM



Client Overview and Business Objective

Leading European OEM

Manufactures a range of SUVs, Station wagons (estates), Sedans (saloons), Compact executive sedans, Coupes.

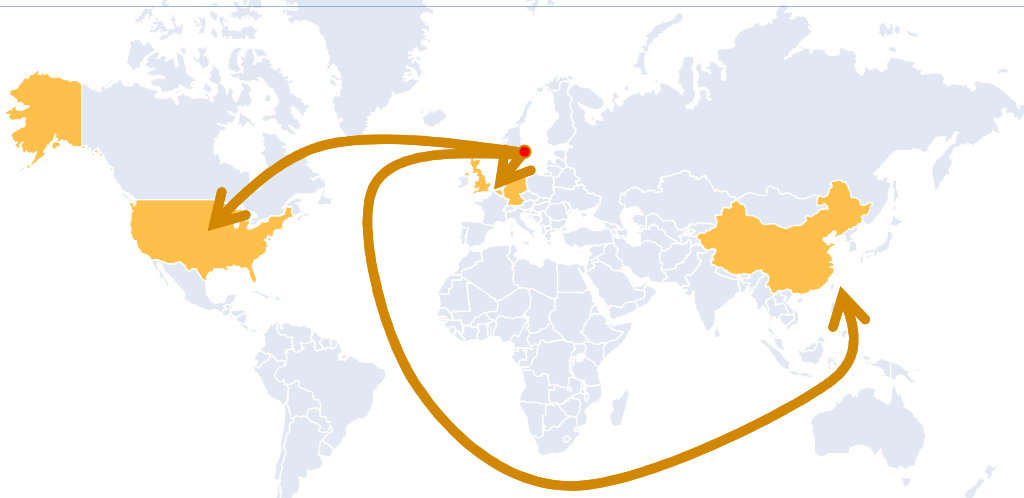
2,300 local dealers from around 100 national sales companies worldwide

Largest markets are the United States, Sweden, China, Germany, the United Kingdom, and Belgium.

2011: global sales of 449,255 cars (+20.3% vs. 2010).

Overall Business Objective

“In-source the Logistics Operations of Finished Vehicles from an outsourced 3rd party logistics provider in order to internally control, execute, and manage their global finished vehicle distribution”

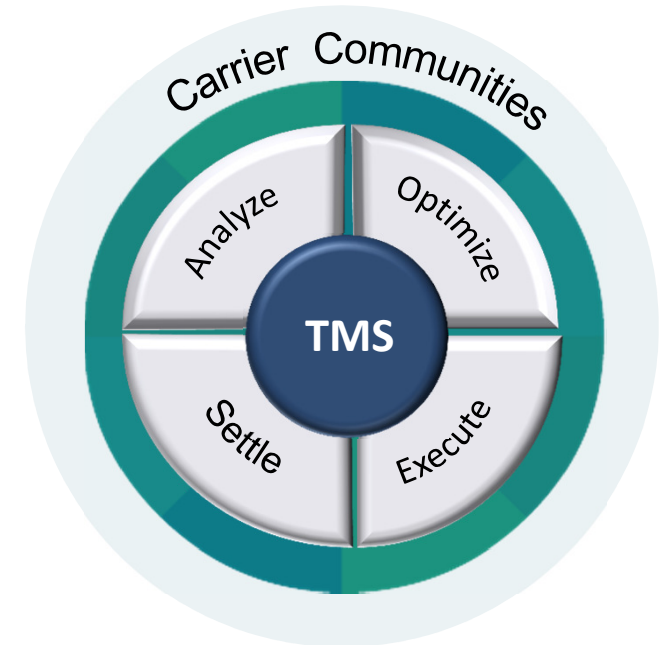


Project Scope and Timelines

Scope

Implement a solution which executes and manages the global finished vehicle distribution of luxury cars. This includes:

- Route Determination,
- Transit Time Calculation,
- Mode Selection,
- Carrier Contract Management & Selection,
- Shipment Visibility,
- Freight Payment and
- Electronic communication with the Shipper's 20+ systems and their 30+ multiple carriers



Timelines

- **Live within 5 months** or the Shipper would not have been able to distribute their finished vehicles.
 - The ideal project timeline for a project with this scope would be over a year in length!
- Started March 2012 - Full scope of functionality working in Production by the end of July in 2012
 - Including the connectivity to all systems (Shipper and Carrier systems).

Value Proposition

Logistics knowledge / Domain expertise

- + Outsourced 3rd party LSP to manage the shipper's global vehicle distribution
- + No internal vehicle distribution system or domain expertise
- + Logistics Process and Implementation experience provided by CLX vital



SaaS Solution

- + Cloud Service
- + IBM and CLX joint effort
- + Live in the TMS within 5 months of the start of the project
- + Much lower overall cost than a traditional solution



Carrier On-boarding

- + CLX experienced in on-boarding of Carriers (for multiple modes).
 - Including the development and the implementation of new EDI by the Carriers
- + All of the Shipper's Carriers connected to the TMS at the time of the go-live



Overall IBM value

- + Full system for testing within 3 months from the start of the project.
 - Including customizations to the SaaS solution and custom cloud connectivity platform to overcome to the Shipper internal IT weaknesses



Project Challenges

Ambitious initiative to insource

- + No internal vehicle distr. system, no domain expertise, large knowledge gap

Short timeline

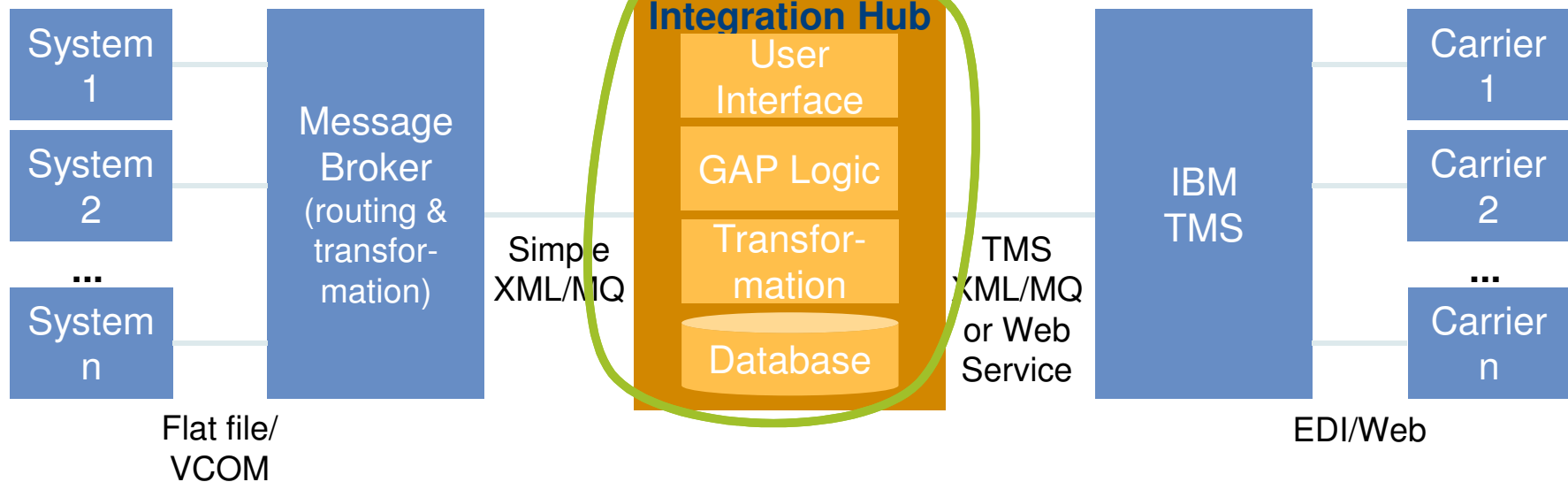
- + Fixed go-live for a complex Project Scope

No central IT structure

- + TMS needed to connect to +20 different IT applications each requiring different data/processes.

New, Complex functionality to be added to TMS for this client

Carrier contacts on 3 different continents



Solution & Results

Full deployment within 6 months

- + Deployed global solution for car distribution in less than 6 months
- + 8,000+ routes via multiple carriers and modes into 120 countries

30+ carriers connected

- 30+ global carriers connected and certified on IBM TMS network

Control & visibility

- Complete control and visibility of global distribution process

Car movement booking

- Booking of car movements from plant, through processing centers, to ports, distribution yards and to dealers (including Routing changes and Dealer allocation updates)

Shipment visibility

- Tracking each shipment leg for visibility of on-time pickup and delivery

Alerts on late arrivals

- Alerting on late events, as well as automatic update of subsequent shipment legs based on actual delivery events on prior legs

SaaS Platform

- SaaS platform providing flexibility to scale with OEM's growth expectations and business changes

Self-billing through TMS

- Automated Self-Billing Freight Payment processing through the TMS

Large money savings: better management of cost through removal of the 3PL and dependency on legacy system support

Questions / Discussion

