

BUSINESS WHITE PAPER

# Logistics Flow Control: Gaining Command of the Inbound Supply Chain

## Logistics Flow Control: Gaining Command of the Inbound Supply Chain

### Executive Summary

What retailers want from their inbound supply chain is simple. They want the greatest product availability with the lowest inventory. Or put another way, they want the right goods at the right and shortest time possible with the correct labeling and supporting electronic documentation to allow those goods to seamlessly flow through their distribution network to their stores or customers. However a number of factors conspire against a retailer's vision of a high velocity, high precision supply chain: suppliers, third-party logistics services providers (3PLs) and transportation providers with varying levels of capability and performance, disconnected processes and technologies across the supply chain and poor synchronization of all of the commercial, logistics and customs documents from purchase order to warehouse receipt. Traditional solutions have been enterprise focused, addressed only pieces of the retail inbound problem and in some cases produced competing and supply chain slowing results.

To meet retailer's inbound supply chain needs, Descartes created Logistics Flow Control, a comprehensive multi-party solution that spans the entire purchase order to warehouse receipt process that collaboratively brings together all of the parties – retailer, suppliers, 3PLs, transportation services providers, and brokers to simultaneously manage commercial, logistics and customs inbound processes. As part of Descartes' cloud-based Logistics Technology Platform, Logistics Flow Control can be implemented in a modular fashion and leverages Descartes Global Logistics Network to get results faster. With Logistics Flow Control, retailers gain greater command of their supply chain, improving product availability, while reducing inventory, logistics and compliance costs.

### The Inbound Supply Chain Challenge

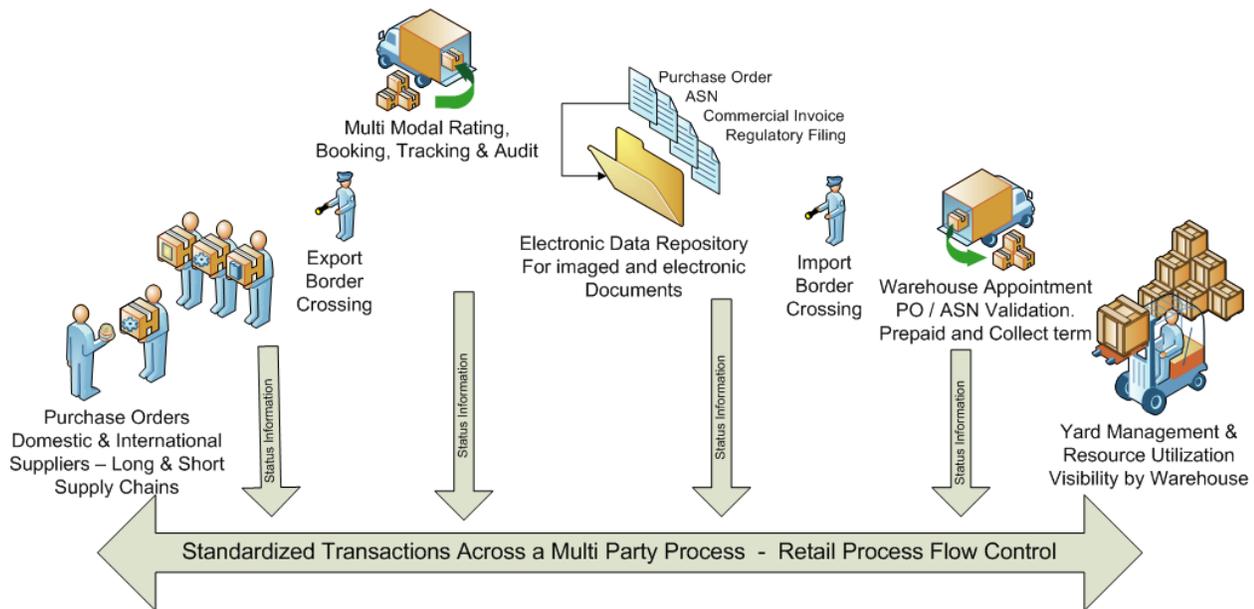
Inbound retail supply chains face significant coordination challenges across parties. Buyers, suppliers, 3PLs, carriers, regulatory agencies and receiving parties must be synchronized for efficient supply chain operations. Industry initiatives, such as CPFR (Collaborative Planning, Forecasting, & Replenishment), have dramatically reduced inventory for retailers, improved buyer/supplier coordination and visibility of retail demand. However, CPFR only addresses part of the inventory challenge. Effective coordination and execution extends beyond sharing Point of Sale (POS) and demand data with suppliers. CPFR does not address the logistics challenges faced by the parties responsible for getting those collaboratively planned orders from the supplier to the final receiving point.

Coordinating logistics processes and participants involved in the inbound supply chain, from purchase order placement until successful warehouse receipt, requires more than paper route guides and supplier compliance programs with rules and penalties. Retailers are finding that penalties and fines are not sufficient to ensure adherence to inbound process control rules. It has proven impossible to achieve compliance and proper coordination across hundreds, and often thousands, of tier 2 and 3 suppliers based solely on paper and penalties. Suppliers, 3PLs, carriers, brokers, etc. have their own agenda when it comes to sourcing and shipping products. Product gets pushed and pooled throughout the inbound supply chain. The consequences of lagging inbound program compliance and

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unsynchronized activities are wide ranging, including excess in-transit inventory; receiving facility congestion; warehouse crew scheduling issues; and priority goods for promotions and events not received when they are needed most. These and other issues associated with managing the fallout of non-compliance and attempted penalty program management across a large base of technologically-challenged suppliers are costly and frustrating for all participants.

Figure 1:



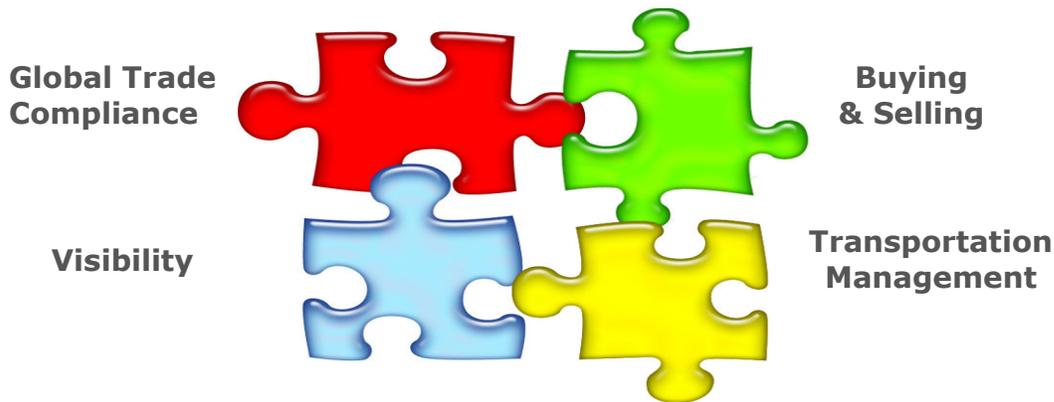
Each inbound retail supply chain is unique, but there are many common processes and a basic flow. Every retailer has a commercial process that starts with the purchase order and ends with supplier payment. The logistics process manages the flow of the goods from the supplier to the retailer’s dock door. If the goods are sourced internationally, various government regulations determine the documents that are required to allow goods to efficiently cross borders and calculate the related duties to be paid. Because much of the data is shared across the processes, they are intertwined and interdependent.

These processes can be complicated by the strategies used to manage supplier performance and related costs, along with any supply chain constraints and operational capabilities. Most retailers have employed a myriad of strategies that include who controls the freight, what are the transportation modes, is inventory consigned, are third parties used for consolidation and how international products are sourced. Operationally, retailers must factor in supplier

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capabilities, product mix, volumes and seasonality, retail distribution center size and capability, etc. into their processes to optimize the flow of inbound goods. Functionally, inbound supply chains cover a wide range of capabilities that must be synchronized across the parties for effective operation. However, the supporting technology is not all encompassing or end-to-end process based. Instead, it is disjointed within the retailer and scattered across all of the parties of the inbound supply chain (see Figure 2).

Figure 2: Disparate, Competing Enterprise Focused Solutions



### The New Requirements for High Performing Inbound Supply Chains

Traditional processes and solutions will not produce efficient or effective performance required for today’s inbound supply chains. What retailers need are collaborative solutions that are multi-party, just like their inbound supply chain, and coordinate the commercial, logistics and regulatory process simultaneously (see Figure 3).

Figure 3: All Parties and Processes Coordinated Through Common Services



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Through work with leading retailers it has become clear that the following functional capabilities are required for high performing inbound retail supply chains:

- **Visibility and collaboration for all of the inbound supply chain parties.**  
Simple supplier retailer visibility/collaboration is no longer enough. There are many more parties in the inbound supply chain that impact inbound product flow.
- **Coordination of the entire PO to warehouse receipt process flow with solutions that align the parties to a common goal.**  
Disparate solutions addressing individual pieces simply do not synchronize all parties to ensure the right product shows up at the right location and with the right information.
- **Solutions that understand the impact of change and can communicate it to all of the parties.**  
Individual decisions made along the inbound supply chain impact the end performance, but traditional systems do not project those changes, especially to the retailer.
- **Provide unified visibility for commercial, inventory, shipments and customs events.**  
Because the commercial, logistics and regulatory processes are now so closely intertwined, there needs to be a single place to see all activity.
- **360° view for all inbound parties and the expanded constituency.**  
There needs to be one “truth” for supply chain status and performance information visible to ALL participants and organizations, such as merchandising that can benefit from the same information as the retailer’s supply chain organization.
- **Ability to manage prepaid and collect freight.**  
Putting all freight under control may not make financial sense, but there is no reason that supplier paid freight cannot be managed by the retailer, including changes to deliveries already in transit.
- **Compliance for all suppliers.**  
The vast majority of small suppliers can be just as compliant as the largest ones.

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These new functional capabilities also demand a new class of technological capabilities:

- ***The ability to get ALL parties connected and collaborating.***  
Retailers need solutions that go beyond the “high tech” partners, to include the “low and no tech” parties that make up a large percentage of the inbound supply chain.
- ***A network to manage the flow of information across the supply chain.***  
Collecting, combining and disseminating data across the inbound supply chain is complex and can vary with each trading partner, so there needs to be flexibility in the ways to connect and collaborate.
- ***Cloud-based solution to provide true multi-party processes and unified access.***  
Enterprise solutions are not designed to take into account all of the constituencies of the supply chain nor to provide secure and segmented access which is based upon a parties role in the overall supply chain.
- ***Data capture and leverage to improve supply chain velocity.***  
So much of the data in the commercial, logistics and regulatory processes is common and must be shared to reduce data latency that slows down supply chain performance and increase systems implementation costs.
- ***A way to manage data quality.***  
Data performance is just as important as delivery performance and despite technological advances, still alarmingly poor.
- ***The flexibility to implement the solution in pieces and scale with the retailer.***  
No retailer can afford to take the traditional extended and all-encompassing enterprise implementation approach as their supply chains are constantly evolving and every retailer has different challenges that must be addressed first.
- ***Leveraging a pre-connected community to accelerate time to value.***  
One of the greatest inhibitors to getting returns fast or at all, can be connecting the many parties of the inbound supply chain to the new solutions that control the PO to warehouse receipt processes.

## Logistics Flow Control: Gaining Command of the Inbound Supply Chain

### Logistics Flow Control: Enabling the Next Level of Inbound Supply Chain Performance

#### What is Logistics Flow Control?

Logistics Flow Control addresses these challenges with a platform for Retailers, Suppliers, Customs Brokers and Carriers to coordinate every stage of the inbound supply chain logistics execution process. Features of Logistics Flow Control include:

- **Visibility:** Retail buyers, merchandisers, and logistics personnel can know the current status, location, estimated time of arrival (ETA), and contents of every purchase order and shipment. Based on status and priority of inbound orders, shipping plans and receiving priorities can be adjusted in Logistics Flow Control to alleviate OOS (Out of Stock) and react to promotional campaigns or other pressing current inventory replenishment needs. Suppliers, 3PLs and carriers get a comprehensive view of their work with the retailer and changes as they occur.
- **Compliance Assurance and Shipping Advice Processing:** A key step in bringing order to the inbound supply chain is to coordinate with the supplier on ship date, receipt date, carrier, methods of shipping, and requirements on orders that can or cannot be split, short shipped, or consolidated. Logistics Flow Control takes these important compliance requirements out of paper guides and in to an electronic system that supports the supplier with pre-populated source data on orders, and handles customer delivery expectations, compliance rules, validation processes, UCC carton labeling, and electronic delivery confirmations. The supplier, carrier, and retailer can then be assured of accurate information, compliant shipments, timely delivery, and priority order handling.
- **Automated Receipt Scheduling:** In dynamic retail environments, order priorities change daily while purchase orders are in transit. Logistics Flow Control provides a mechanism for the retailer to adjust order priorities and collaborate with the inbound carrier to define the receiving priority and bundling requirements on shipments for co-delivery at warehouses. Deliveries that adhere to the requirements spelled out by the retailer can automatically be scheduled for a receiving appointment at the warehouses, eliminating tedious and error prone manual appointment scheduling processes.
- **Entry Control and Yard Management:** When the time comes for the shipment to arrive, Logistics Flow Control provides enhanced security and control by validating facility entry to expected loads, reducing facility congestion and labor issues by screening out unscheduled and improperly documented loads, and allowing loads to be put away with proper tracking of placement when not received directly to the warehouse.

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- **Import Compliance:** By collecting and synchronizing all commercial, logistics and regulatory documents, Logistics Flow Control helps ensure that proper fees are paid for imported goods and penalties are avoided.
- **Performance Reporting:** At each stage of the processes from purchase order to receipt, performance information is collected by Logistics Flow Control that can be used to improve performance of suppliers, carriers, and the retailer, cut lead-times, as well as adjust the receiving program's compliance rules to optimize results.
- **Unifying Network:** Because data synchronization is critical and partner technology capabilities are so diverse in the inbound retail supply chain, an underlying infrastructure is needed to efficiently and effectively capture and coordinate data and connect the "high-tech", "low tech" and "no-tech" partners. With tens of thousands of pre-connected parties, both the length of time it takes to get everyone connected and collaborating and the time to value decrease dynamically.

### Why is Logistics Flow Control a breakthrough service?

Logistics Flow Control provides unprecedented levels of coordination and control of the inbound supply chain by providing tools, instead of just rules, to suppliers to work more closely with their retail partners. Logistics Flow Control also directly involves the carrier in a collaborative process that goes far beyond simply taking a booking. Logistics Flow Control unites the previously disparate processes of:

- Inbound Visibility
- Shipment Consolidation
- Shipment Booking
- Route Guides
- Compliant Labeling
- Delivery Appointment Scheduling
- Yard Management
- Performance Analysis
- Commercial, Logistics and Customs Document Synchronization

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Logistics Flow Control goes beyond unifying these processes and parties - it extends the level of command and control a retailer has over inbound shipments to allow receiving order priority changes with the partnered carrier right up to the carrier's destination terminal.

Logistics Flow Control is all about data leverage and collaboration. It takes one piece of data such as the purchase order and combines it with others such as the advanced ship notice to form the basis for comprehensive management of the commercial, logistics and customs filing processes. Because all of the parties have access and are contributing information, Logistics Flow Control rapidly builds up the critical information required to run a high performing inbound retail supply chain. Synchronization and elimination of redundant and error prone data entry is eliminated because it is captured at the source, tied to the related business documents and incorporated into the supply chain wide processes. The result is increased supply chain velocity and reliability. Logistics Flow Control has been proven to work for domestic and global supply chains with the benefits for global supply chains including reduced fines due to incorrect reporting.

Logistics Flow Control provides comprehensive reporting capabilities and an audit trail for the events and documents in a single repository. This allows all of the parties involved to see the actions that lead to the inbound supply chain performance and the ability to provide "360°" performance scorecards to manage poor performers and improve the overall effectiveness and efficiency of the supply chain.

Logistics Flow Control delivers a comprehensive value set for retailers, suppliers and 3PL/carriers covering a wide range of critical performance metrics:

### **Retailers**

- Lower Inventory Levels
- Higher Inventory Turns
- Reduced Carrying Costs
- Reduced PO-to-Receipt Cycle Times
- Increased Perfect Deliveries
- Increased Delivery Flexibility
- Lower Transportation Costs
- Lower Distribution Center Costs

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- Reduced Demurrage Charges
- Lower Importing Fines and Penalties
- Better Store Shelf Stock Rates
- Higher Sales
- Lower Information Technology Costs

### Suppliers

- Lower Inventory Levels
- Higher Inventory Turns
- Reduced Carrying Costs
- Shorter “Cash to Cash” cycles
- Reduced Delivery Performance Penalties
- Lower Transportation Costs

### 3PL/Carriers

- Lower Operational Costs
- Better Asset Utilization
- Reduced Delivery Performance Penalties

## Logistics Flow Control: Gaining Command of the Inbound Supply Chain

### The Logistics Flow Control Solution Suite

Logistics Flow Control is a comprehensive, but modular and interoperable cloud-based solution. This inherent flexibility allows retailers to start where the greatest pain or opportunities lie and expand in any direction at their own pace. There are eight major components of Logistics Flow Control.

- Descartes' *Global Logistics Network* (GLN) is the foundation of Logistics Flow Control and the world's largest multimodal network. The GLN connects all of the parties and coordinates the movement of data between them.
- *Visibility* links all the inbound supply chain documents and statuses to provide a comprehensive view of inventory and shipments.
- *Dock Appointment Scheduling* controls the flow of goods into the retailer's distribution centers and provides increased shipment and inventory visibility.
- *Yard Management* controls the movement of trailers in and out of the retailer's distribution centers and provides increased shipment and inventory visibility.
- *Load Flow Control* manages the consolidation of purchase orders/shipments for supplier managed freight, integrating the carrier into the consolidation process.
- *Transportation Manager* manages the retailer controlled freight from orders and contracts to delivery and freight audit.
- *Supplier Compliance* provides smaller or less technologically sophisticated suppliers with the capabilities to produce vendor compliant labeling, electronic documentation and shipment statuses.
- *Import Compliance* helps ensure that the commercial, shipment and customs documents are synchronized to minimize penalties associated with customs importing filings.
- *Reporting Services* is a flexible reporting tool to allow the retailer to provide performance reporting across the inbound supply chain.

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Figure 4: Logistics Flow Control Solutions



Logistics Flow Control solutions were designed to be modular and interoperable because retailers need the flexibility to deploy them quickly within a retailer's existing portfolio of solutions. As history has shown within the enterprise application market place, a monolithic application approach is too inflexible and takes too many years to roll out. With Logistics Flow Control, retailers don't need to throw everything out and start over. Since Logistics Flow Control was designed to be interoperable and multi-party, it can deliver functionality that is more the sum of the parts. The "1+1=3" effect that retailers are looking for to change their logistics operation performance is achievable when retailers roll out Descartes' solutions across their logistics processes - whether in-house or across a complex network of partners.

To be fast, agile and extend to the edge of the enterprise and across the trading partner network, Logistics Flow Control uses web-native or wireless user interfaces. Descartes' goal is to make deploying our solutions simple and to keep the complexity buried behind our firewall - they are designed to work with a browser, smart device and connection to the Global Logistics Network. Because the solutions are "network aware", we can quickly connect them to the trading partners and logistics companies that are already part of the network, accelerating your time-to-value.

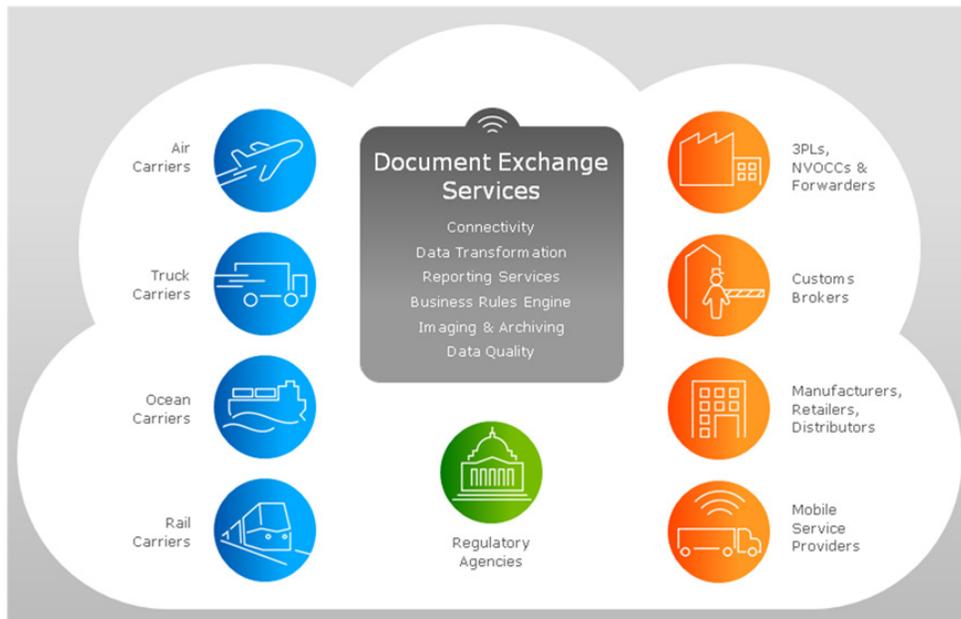
Logistics Flow Control's "pay as you use" pricing is also flexible. There is no need for a large upfront software license investment. Volume and scope of functionality determine the monthly costs. Retailers can quickly start in specific area of their business and scale up from there knowing that the costs will be in line with the use and that a positive return on investment will be achieved quickly.

## Logistics Flow Control: Gaining Command of the Inbound Supply Chain

### Descartes' Global Logistics Network (GLN)

Descartes' GLN is the world's largest multi-modal logistics messaging network with over 35,000 logistics focused organizations connected in over 160 countries. Descartes' GLN is differentiated by its management of data semantics, message delivery and transformation of data pertaining to regional or global operations. The GLN speeds time to value by having many of the carriers and trading partners pre-connected to the network. Unlike traditional EDI oriented networks that use "store and forward" technology, the GLN is a current generation high speed messaging network that provides integration to not only your carriers and trading partners, but to your "back end ERP" systems such as order management and finance. The GLN supports logistics industry standard messaging formats across all modes of transportation, many of the common commercial transaction sets and emerging regulatory compliance filing formats, but also has the flexibility to address customer specific needs. Having full standing within the EDI industry, the GLN maintains interconnects to 26 general and logistics specific messaging networks to help customers gain access to the widest array of carriers and trading partners. For those carriers and trading partners that do not have sophisticated connectivity capabilities, the GLN offers portal and e-form technology that gets logistic partners up and communicating quickly. This technology allows "low tech" carriers and trading partners to act and respond as if they have "high tech" capabilities. The GLN's messaging management services gives customers full access to their data moving through the network, helping to ensure the timeliest and highest data quality. If your carriers and trading partners are not already on the GLN, Descartes offers activations services to rapidly connect them to the network.

Figure 5: The GLN



# Logistics Flow Control: Gaining Command of the Inbound Supply Chain

## Visibility

Descartes Visibility helps improve logistics efficiency by providing organizations and their supply chain partners with a single integrated view of shipments, inventory, cross border compliance status and delivery performance. Integrated with Descartes' Global Logistics Network, Descartes Visibility is already connected or can be easily connected to the disparate set of carriers, logistics services providers, trading partners and regulatory agencies that make up your supply chain. For manufacturers, retailers and distributors, Descartes Visibility can provide a comprehensive view – purchase order to warehouse receipt, of the product delivery process. The solution's multi-company role based access allows logistics services providers, to provide value-added visibility services to their customers in virtually segregated environments. The solution continuously gauges material movement against shipment milestones and helps monitor at-risk or critical orders. Descartes Visibility enables trend analysis of performance versus prior periods or service level commitments, provide score-carding of carriers and suppliers based on lead-time, fill rate, or on-time rates, and tracks key performance indicators (KPIs) for various user orientations, such as buyer, seller, carrier, or forwarder. The advanced comments functionality enables written logs of arrangements made between buyers and suppliers outside the parameters of the system (e.g., a note attached to an item indicating expediting arrangements discussed over the telephone).

Figure 6: Visibility

**DOCUMENT TRACKING**

Monitor | Notify | Customization | User Profile | Help | System Monitor | Logged-in as demo.pmp since 10:26 AM | LOGOUT

Track and Trace / Document Tracking

**Document Tracking**

TRACK CLOSE

Track and Trace / Document Tracking / Tracking Results - PMPA101

**View Tracking Results**

PRINT EMAIL

**Tracking Results**

PO #	Buyer Org ID	Rel Order #
PMPA101	PMP1	0

Pickup Date	Delivery Date	Pickup Location Code	Delivery Location Code	Seller Org ID	Buyer Identification	Promotion Code
2006-01-10T00:00:00	2006-01-11T00:00:00	SC	HDTL	RYOBI	Tool	0

**Bill(s) of Lading**

BOL #	Shipper Org ID	Status
BOLSPMPA10100	RYOBI	Delivered

Location	Location Name	Location Code	Address	Planned Time	Actual Time
Origin	Ryobi Technologies, Inc.	SC	1428 Pearman Dairy Road, ANDERSON, SC 29625, US	10-JAN-2006 00:00	10-JAN-2006 00:00
Destination	NATIONAL DEPOT ATLANTA WHSE	HDTL	1950 N Norcross Tucker Rd., ATLANTA, GA 30071, US	11-JAN-2006 00:00	11-JAN-2006 00:00

**Status Events**

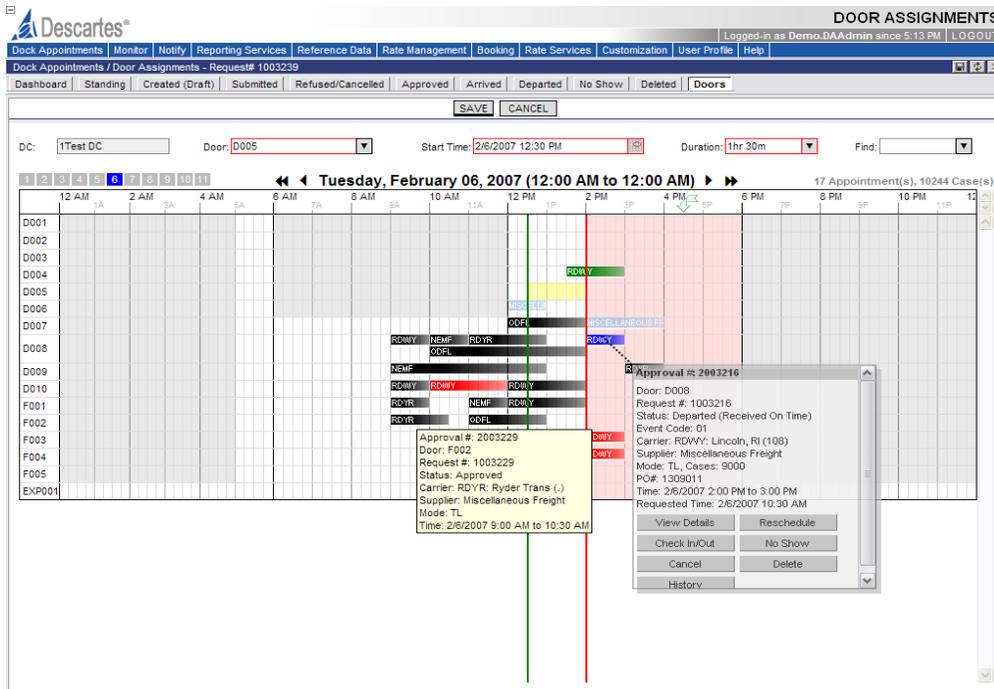
WB #	Carrier #	Status Type	Status	Event Time	Location Name	Location Code	Address
WBSPMPA10100	UPSG	Planned	Delivered	11-JAN-2006 00:00	NATIONAL DEPOT ATLANTA WHSE	ND1	

# Logistics Flow Control: Gaining Command of the Inbound Supply Chain

## Dock Appointment Scheduling

Descartes Dock Appointment Scheduling is a collaborative solution that enables shippers, carriers and consignees to schedule dock door appointments. It streamlines the dock appointment process by distributing the responsibility for scheduling warehouse deliveries or pickups to carriers and suppliers. By ensuring all supply chain partners are involved in the process and have visibility into requested, scheduled and rescheduled dock appointments, this solution optimizes receiving operations for inbound shipments and helps coordinate outbound pickups. Dock Appointment Scheduling allows facilities to “load level” resources to minimize overtime and maximize productivity. It also provides critical inbound delivery visibility to help manage overall carrier and supplier delivery performance and make product deployment decisions in advance of the actual warehouse receipt. The solution provides online and recurring appointment scheduling, automated scheduling with load/unload service time calculations taking into consideration trailer type, dock type, special equipment, and product handling unit types, appointment audit trail, milestone notification, historical data analysis and compliance tracking, and integration to warehouse management systems. The solution’s straightforward design and network delivery model facilitates rapid time to value and can be scaled from the largest enterprises managing thousands of shipments monthly to smaller organizations that want advanced capabilities but do not have the technical where-with-all in house.

Figure 7: Dock Appointment Scheduling

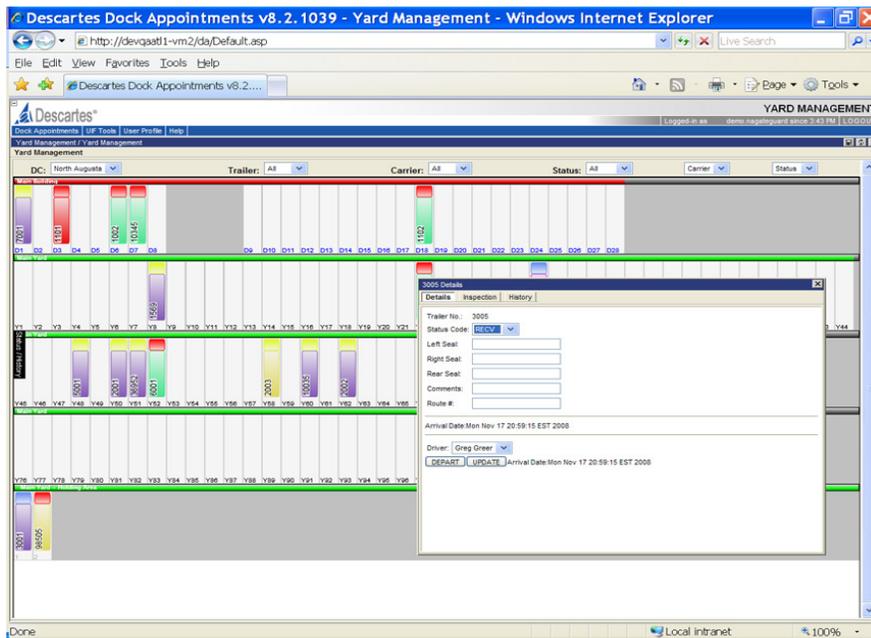


# Logistics Flow Control: Gaining Command of the Inbound Supply Chain

## Yard Management

Descartes Yard Management is specifically designed to help operators more effectively manage the movement of trailers and the associated inventory. Real-time visibility into trailer content and locations within the yard enables organizations to quickly identify and access stock on hand, thereby reducing inventory requirements to save costs and improve efficiencies. With Descartes Yard Management, coordinators can plan and track trailer positions, arrivals and departures across distributed or centralized yards; as well as record trailer status, moves, inspections and security seal changes. The solution also provides the ability to assign parking, quickly locate trailers in the yard, and identify contents within a trailer as well as its age and condition. With support for satellite yards, Descartes Yard Management is an enterprise solution that provides insight into the movement and location of trailers across all yards in a single instance. It enables users to search for specific inventory within a trailer and also makes it easy to prioritize trailers for unload according to its contents, trailer age (by hours or days), carrier, or a driver's current hours of service. The solution automatically records all trailer movements and maintains a valid audit trail for loss prevention and security. Descartes Yard Management offers a graphical user interface that is optimized for use with a touch screen tablet PC. These devices can be used in-cab, while walking through the premises, or in the guard shack to identify and validate loads that arrive and leave the yard, or confirm the location of a trailer. Built specifically for low Internet connectivity, the devices help ensure that content is never lost even when an Internet connection is not available.

Figure 8: Yard Management



## Logistics Flow Control: Gaining Command of the Inbound Supply Chain

### Transportation Manager

Descartes' Transportation Manager (TM) addresses the lifecycle of transportation management challenges from turning purchase or sales order fulfillment into transport orders, carrier contracts, carrier communication methods and formats via the GLN, capacity booking with carrier partners, to optimized planning of loads and multi-factor carrier selection including holistic order assignment to the fleet vs. for-hire carriers, appointment scheduling for Carriers and assigned BOLs, tracking pick up through delivery, and auditing of the freight invoice. With the component architecture of TM, customers can address their entire transportation management process or implement only the workflows in areas such as optimized planning, carrier assignment compliance, execution, or audit. The component architecture allows logistics organizations to rapidly fill holes and garner more value from their existing transportation solutions. It is not unusual for components of Descartes Transportation Manager to be implemented in conjunction with other leading TMS packages to provide a more comprehensive solution. The GLN makes integration straightforward with its support of transportation industry and commercial transaction standards.

Figure 9: Transportation Management Footprint

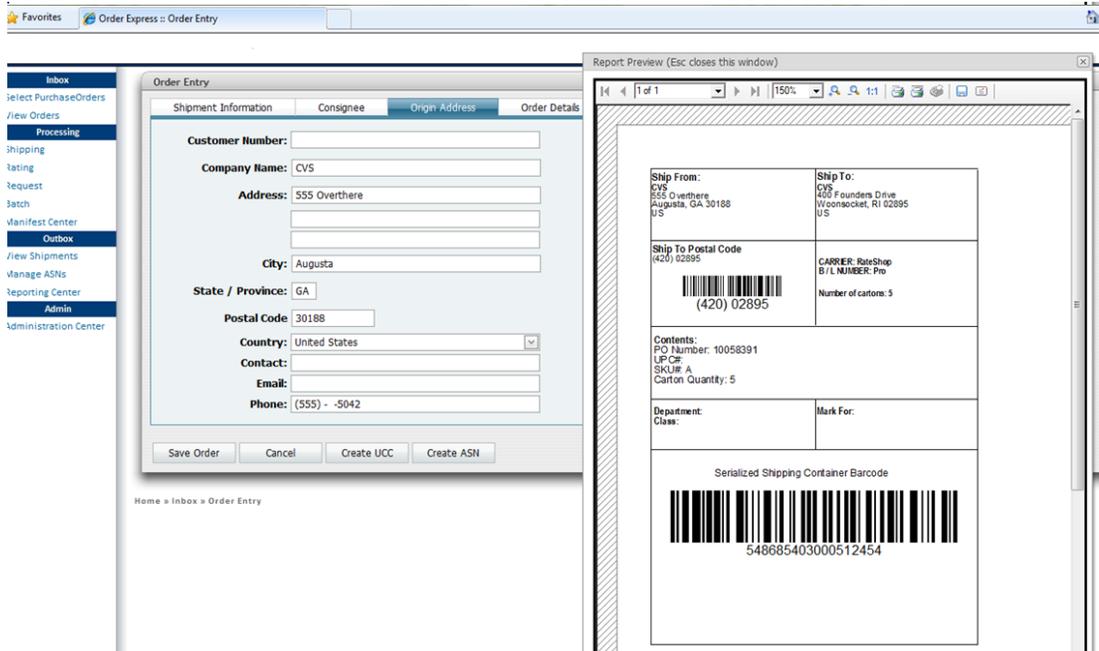
Order Management	Contract Management	Rating	Load Planning	RFQ/ Spot Market	Load Tendering	Shipment Documentation	Tracking	Audit/ Claims	Analysis Reporting
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### Supplier Compliance

Descartes Supplier Compliance enables the "long tail" of smaller suppliers in a supply chain to produce retailer required shipment labeling, electronic advance shipment notices (ASN's), and order quantity completeness reporting. When suppliers login they are presented with all outstanding PO's. PO's are easy to find and fulfill with this browser accessible solution and simple date filtering criteria eases label creation and ASN generation. Selected PO's and shipping quantities presents the user with the option to print compliant UCC128 labels and to send the retailer partner's pre-configured compliant ASN. This means no integration or interfacing work is required for the supplier. All that is required is a browser and connection to the internet. Shipment creation, with pallet and case level UCC128 labeling, which is a standardized label, makes product induction into the warehouse efficient and easy for the retailer. Carrier communication for the ASN requires no setup on the suppliers' part, and no special mappings as the document is generated from the retail host's perspective to their unique requirements. Again, the GLN enables and makes this integration to the retailer straightforward with its support of transportation industry and commercial transaction standards.

# Logistics Flow Control: Gaining Command of the Inbound Supply Chain

Figure 10: Supplier Compliance

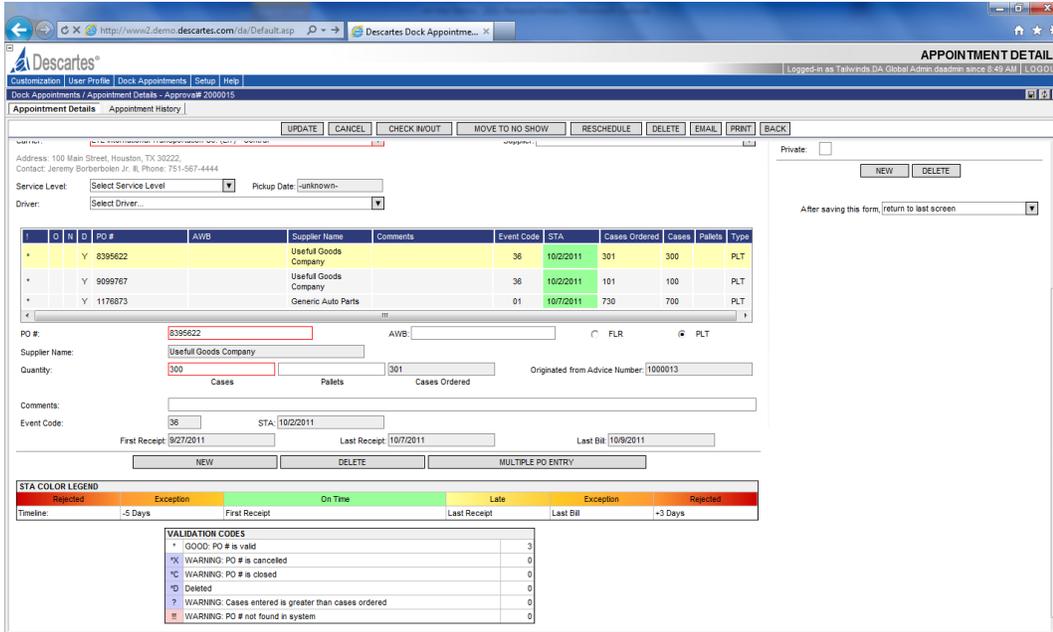


## Load Flow Control

Descartes' Load Flow Control manages supplier controlled freight, by providing the retailer, suppliers and carriers purchase order visibility and consolidation that is synchronized with the retailer's available dock appointment times. Purchase order to delivery time can be reduced, because the coordination hand off process from supplier to carrier to retailer is eliminated, as the dock appointment is confirmed upfront. Changes to the schedule by any party are measured against an electronic date validation guide, improving Performance to Promise Date (P2P) metrics, to ensure that deliveries are in compliance with purchase orders. Retailers can also gain control of consolidation process selecting the most appropriate purchase orders for consolidation and manage them in transit through coordination with the carrier who is also using the solution. Carriers can make better consolidation decisions because they have an advanced view of the purchase orders they are delivering and know instantly the changes to planned pickups or deliveries fall out of tolerance of the retailer's performance guidelines.

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Figure 11: Load Flow Control



## Import Compliance

Import Compliance is a collaborative shipment folder that gathers the information required by the filing brokers in a concise and accurate data electronic set. It includes: consolidation of purchase orders and shipment notifications into a customs ready shipment folder, HTS classification code updates through third party HTS services such as 3CE, scanning and sending of imaged documents, imaged documents storage, association and management, broker's package completeness validation, customs broker selection based on shipper, importer and product, imaged documents delivery management to the customs broker and Canadian RNS release notification. All of this data can be shared directly through the GLN or accessed through the specific user-right managed portals.

# Logistics Flow Control: Gaining Command of the Inbound Supply Chain

Figure 12: Import Compliance

ETA*	Supplier	Data Completeness	Images/Documents Status	Broker Delivery Status	Declaration	Port	Count	View
2009-11-29 EST	Elegant Home Fashions	Complete	On-File	Delivered	Accepted	(All)	1	View
2009-11-29 EST	Elegant Home Fashions	Complete	Not On-File	Pending	N/A	(All)	1	View
2009-11-29 EST	Elegant Home Fashions	Not Complete	On-File	Pending	N/A	(All)	20	View
2009-11-29 EST	Elegant Home Fashions	Not Complete	Not On-File	Pending	N/A	(All)	1	View
2009-11-29 EST							87	View
2009-11-29 EST							5	View
2009-11-29 EST							13	View
2009-11-29 EST							2	View
2009-11-29 EST							1	View
2009-11-29 EST							1	View
2009-11-29 EST							11	View
2009-11-29 EST							41	View
<b>Total:</b>							<b>184</b>	

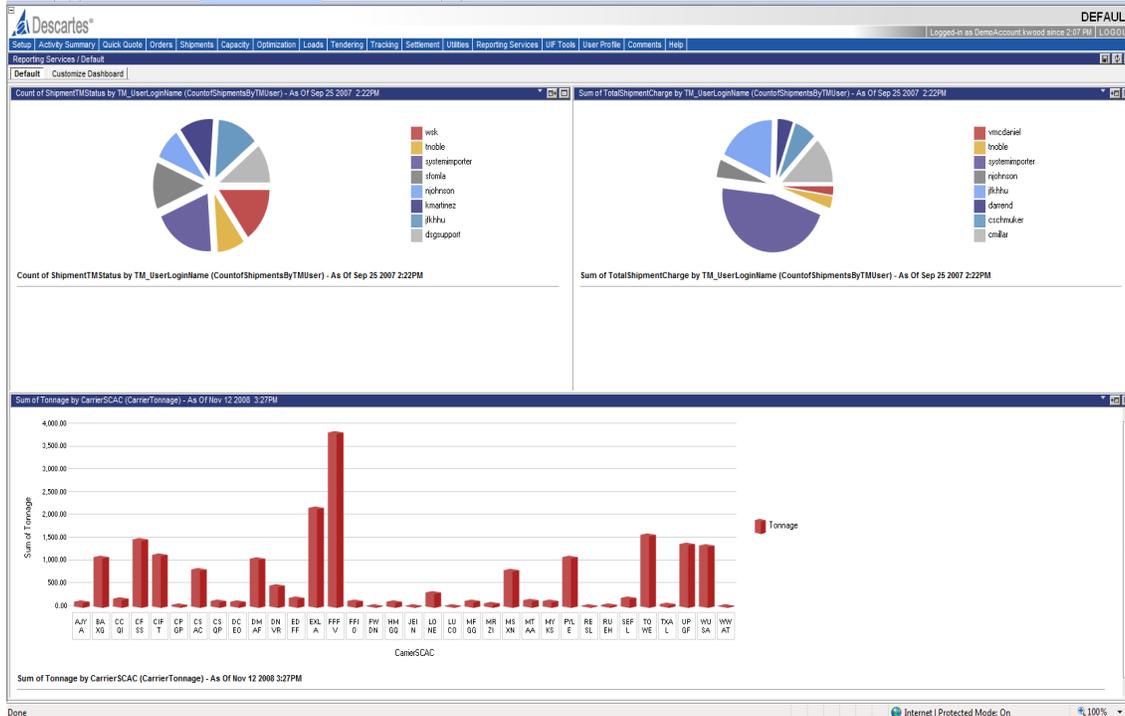
Filter Criteria  
 Supplier: Elegant Home Fashions | Data Completeness: (All) | Broker Delivery Status: (All) | Port: (All)  
 Period: Today | Images/Documents Status: (All) | Declaration: (All) | Granularity: Daily  
 Retrieve | Reset | Download | Excel

## Reporting Services

Descartes Reporting Services is a standard reporting tool that works with Descartes solutions as well as any non-Descartes solution that is an open database-compliant (ODBC) system. Its robust graphical interface allows easy report generation by dragging and dropping selected fields. Users can create sophisticated reports in minutes. Customers can mine all types of supply chain data and more easily display it through the solution’s dashboard capabilities. Descartes Reporting Services has the ability to organize data using hierarchies such as product lines, locations and regions, or organizations and divisions. It can create quick and easy bar charts or pie charts. The solution’s role-based access control allows the reports to be distributed to supply chain partners and carriers for “3600” performance reporting. Descartes Reporting has data extract capabilities to populate data warehouses and customer’s existing third-party reporting tools.

# Logistics Flow Control: Gaining Command of the Inbound Supply Chain

Figure 13: Descartes Reporting Services



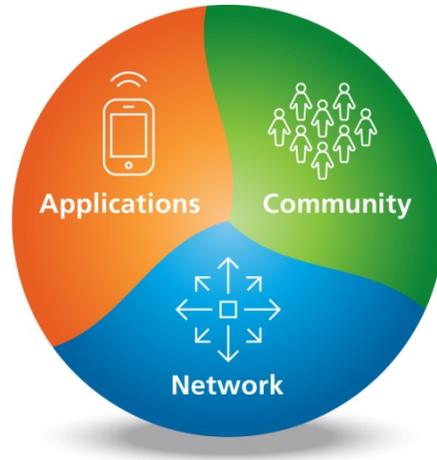
## The Logistics Technology Platform

Working closely with leading retailers, Descartes recognized that these companies wanted to work with a technology provider that understood the unique requirements of logistics organizations and could provide a comprehensive set of solutions that worked the same way they did. The heart of their issue was that retailers needed a simple and elegant way to extend their command of operations to the edge of their enterprise and across the multiple trading partners, logistics services providers and carriers that work with them. The Logistics Technology Platform was created to address those needs and provide a base for continuous innovation.

The Logistics Technology Platform is a simple and elegant combination of network, applications and community. It is the comprehensive technology infrastructure that Descartes retail customers and their trading partners use to extend the command of their logistics operations. The Logistics Technology Platform is the fusion of The Global Logistics Network – the world’s most extensive global multi-modal network with the industry’s broadest array of modular interoperable web and wireless logistics management solutions. The Logistics Technology Platform leverages an extensive logistics community that enables our retail customers to quickly and cost effectively connect and collaborate (See Figure 14).

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Figure 14: The Logistics Technology Platform



### Summary

Logistics Flow Control is the next generation retail inbound logistics management solution. It is a multi-party cloud-based solution that breaks the paradigm of having multiple parties with multiple systems that are inefficient and complicate inbound logistics operations. Retailers, suppliers and carriers use the same solution to manage the “PO to warehouse receipt process”, helping retailers improve control of inventory in motion, reduce PO cycle time and inventory carrying costs and measure supplier and carrier compliance. Descartes “pay as you use” pricing and component architecture allows retailers the flexibility to choose how much functionality their organization needs to deliver value and cost effectively align their expenditures with use of the solution.™

### About Descartes

Descartes (TSX:DSG) (Nasdaq:DSGX) is the global leader in logistics technology. If logistics is critical to your business, Descartes connects the people and technology to put your organization in motion. We extend the command of logistics operations, helping the world's largest and most connected logistics community to quickly reduce costs, improve service and comply with customs and transportation regulations. Descartes' cloud-based Logistics Technology Platform uniquely combines the power of The Global Logistics Network, the world's most extensive multi-modal network, with the industry's broadest array of modular and interoperable web and wireless logistics applications. At our core, Descartes' team of industry-leading logistics experts is dedicated to delivering innovative solutions while working closely with our customers to help ensure their success. Descartes is headquartered in Waterloo, Ontario, Canada and has offices and partners around the world. Learn more at [www.descartes.com](http://www.descartes.com).