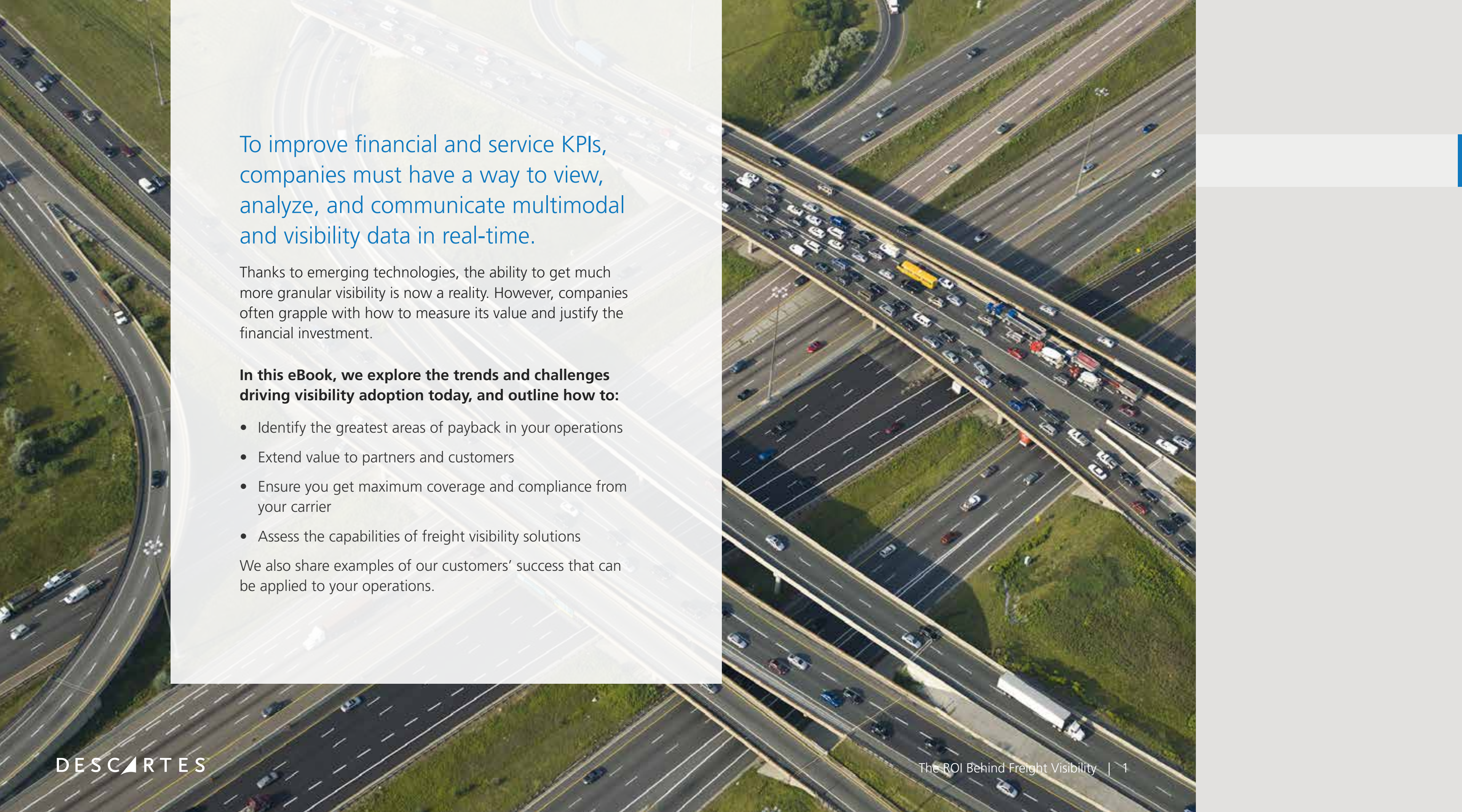




# The ROI Behind Freight Visibility

- **Global supply chain visibility has become an extremely hot topic in recent years.** In Descartes' 2021 survey of transportation and logistics professionals, it was rated the #1 capability needed for successful transportation management.





To improve financial and service KPIs, companies must have a way to view, analyze, and communicate multimodal and visibility data in real-time.

Thanks to emerging technologies, the ability to get much more granular visibility is now a reality. However, companies often grapple with how to measure its value and justify the financial investment.

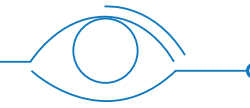
**In this eBook, we explore the trends and challenges driving visibility adoption today, and outline how to:**

- Identify the greatest areas of payback in your operations
- Extend value to partners and customers
- Ensure you get maximum coverage and compliance from your carrier
- Assess the capabilities of freight visibility solutions

We also share examples of our customers' success that can be applied to your operations.

*The Amazon effect is no longer simply relegated to consumer transactions; it's expanding into the B2B arena.*

## Visibility Adoption Trends & Challenges



Today's business climate is extremely challenging. Market drivers such as the Amazon effect and finding optimal carrier relationships are putting more pressure on supply chains than ever before.

As the rest of the market starts to get on board with free and one-day shipping, Amazon introduces new innovative concepts such as home delivery for bulky items, value-added services for install and same-day delivery in cities.

Effective visibility tools are crucial to meet evolving customer expectations as competitors continue to raise service and performance levels.

### Fragmented Systems and Processes

Offering end-to-end delivery to your customers requires providing and managing numerous modes, which makes gaining visibility even more challenging. The carriers all have different formats, processes and systems, which increases the difficulty.

There is still significant room for improvement when it comes to addressing visibility challenges. Some companies using suppliers to ship directly to their end customers still exchange emails and spreadsheets to get visibility on the orders shipped. Yet, there are many solutions available to provide better visibility in that situation.

The lack of visibility has measurable impacts on supply chain performance in multiple areas. While customer service may be the area most obviously effected, others like detention fees, dock congestion and carrier relations are also influenced by poor visibility.





# The Value of Visibility

Visibility is so much more than just knowing the location of your freight. It includes knowing in advance that the freight will be late and being able to offer predictive ETAs, plus analyzing the network to identify customers that may need help streamlining their supply chain.

Visibility creates value for teams, business units, and operations throughout an organization – beyond the transportation department. Here are some examples of the positive effects visibility has across the supply chain.



## Deliver on customer expectations

Live visibility data can provide a better experience for your customers. It allows you to identify potentially late deliveries and alert customer service so they can proactively notify customers and better manage expectations.



## Lower detentions costs

Having visibility to potential issues ahead of a late delivery allows warehouses to be better prepared and reduce delays at the receiving dock with improved labor planning. By being proactive, receiving can reduce delays for carriers and reduce detention time and fees. These benefits can be applied at your own docks, or in collaboration with customers who are receiving shipments.



## Minimize chargebacks

Customers are imposing greater demands with tighter delivery windows and raising on-time performance metrics. After last year's capacity crunch, Walmart renewed their march towards higher expectations, raising on-time expectations from 85% to 87%. By leveraging real time visibility and being proactive with customers, expected appointments can be reset to avoid a late delivery and the associated charges. This varies by customer so make sure you understand which customers provide more flexibility.



## Streamline inventory inbound deliveries

Having good data facilitates your inbound deliveries. If you know in advance that shipments are going to be late, you can reschedule on the fly to help with proper pacing and avoid dock congestion. This results in more efficient dock and warehouse operations, and can reduce detention costs.

For manufacturers and retailers, knowing in advance that inventory might be delayed is a significant advantage over finding out after the expected delivery. If inventory is low, which could potentially lead to shutting down a plant or product, getting ahead of the issue could help avoid any closures.

# Differentiate Customer Service

Today's customers expect fast, accurate order fulfillment. And, they are demanding detailed information about their deliveries. Effective visibility solutions make this possible.

Real-time visibility solutions can improve your vendor scorecard, differentiate your customer service and ultimately drive revenue. Here are some examples of how visibility creates value by improving service.

- **Increases on-time deliveries.** Get ahead of any delays, rework the schedule and proactively notify your customers to eliminate "where's my order" calls with better communication
- **Improves vendor scorecard.** Capitalize on vendor scorecard improvements to expand the mix of products you offer, serve more locations and increase overall volume
- **Expands revenue opportunities.** Leverage vendor-of-choice status for differentiated, high-value products to add commodity products that can provide margin protection

## Gain a Competitive Advantage

Maintaining customer service excellence is a top priority for BASF, a global leader in the chemical industry. But poor visibility was causing issues with customers, impacting their manufacturing operations and increasing track and trace and chargeback costs.

Driven by customer demand, the company wanted an automated tracking solution that would provide real-time updates for its bulk truck shipments. By implementing Descartes MacroPoint™, BASF gained visibility across 40 carriers, managing 60,000 shipments per year.

Since implementing the freight visibility solution across its supply chain, customer care, sales and logistics business units, BASF has seen tremendous improvements in efficiency and customer satisfaction. Plus, the level of shipment transparency provided gave BASF a competitive advantage in the chemical industry.

[Learn how visibility differentiated BASF from its competition.](#)

## VISIBILITY PAYBACK

### A Better Customer Experience

A global manufacturer of agricultural products delivers 300,000 shipments to dealers and small growers, typically in rural areas. To customer concerns, the executive team launched an initiative to improve the overall customer experience.

**Challenge:** Customers were demanding improved visibility to help manage their daily schedules. The company's current approach was inefficient, using multiple tracking systems and fragmented data.

**Solution:** By integrating Descartes MacroPoint with the company's transportation management system, they have visibility for 60+ carriers in North America and can provide customers with more precise delivery ETAs.

### Results

- Streamlined track and trace
- A single system of record within the TMS flowing back into SAP for downstream teams to leverage



# Reduce Costs

Live visibility data can help your company meet financial KPIs by reducing detention, tracking and internal labor costs. Here are some examples of results our customers experienced.

## Detention costs

- Customers saved up to 25% in detentions costs. With real-time visibility, they knew when a truck arrived at the delivery site. So, if the end of their contract-free time was approaching, they could alert the warehouse to unload the truck before detention kicked in.
- Quick access to visibility reports reduced clerical time spent resolving detention errors by 75%.
- Invalid detention charges were cut by 10%.

## Tracking costs

A huge return on investment in a visibility solution is the labor savings associated with tracking shipments. Here's a snapshot of cost savings one customer realized.

- 10 logistics planners spent 35% of their time on non-value added tasks, e.g. managing order inquiries
- 1 dedicated track and trace
- Annual labor costs: \$180K
- Tactical track and trace was reduced by 50%
- Cost savings of \$90K

## Labor costs

Lack of visibility creates distractions that waste efforts and money, and degrade the customer's experience. The time employees spend managing customer escalation calls adds up quickly. One customer time study estimated each instance cost from \$400 to \$500. Proactive notification reduced customer escalation and frustration dramatically.

## VISIBILITY PAYBACK

### Significant Savings

Steelcase, a leading supplier of architecture, furniture and technology products and services, implemented Descartes MacroPoint to enhance shipment visibility across its U.S. distribution network.

**Challenge:** Homegrown manual processes and reliance on carriers for status updates were leading to inefficiencies, late shipments, costly chargebacks, and compromised customer service.

**Solution:** Fully integrated with Steelcase's SAP transportation management system, our solution allowed the company to track loads in real time to improve on-time deliveries, speed up response times, and provide real-time updates for customers.

### Results

- A 50% reduction in time spent tracking the fleet
- Minimized penalties and customer chargebacks
- Improved customer service and satisfaction

[Click here for details on the Steelcase solution](#)

# Streamline Inbound Deliveries

Major problems can arise when manufacturers don't stay on top of inbound shipments. Delays of incoming products or parts can impact the business and sometimes even shut down production, which has strong financial implications.

Having visibility to both on-time and at-risk deliveries ensures your logistics team can respond quickly to:

- ✓ **Reduce shutdowns**
- ✓ **Lower out-of-stocks**
- ✓ **Cut dock congestion**
- ✓ **Lower warehouse overtime**



## VISIBILITY PAYBACK

### Fewer Production Delays

A global automotive manufacturer managing 330 suppliers and 800 full truck inbound deliveries daily from across North America experienced huge supply chain impacts due to winter storms. They estimated their lack of visibility resulted in losing production of thousands of vehicles.

**Challenge:** Manual Excel-based tracking across their key carriers was inefficient, and caused production issues. A single delivery that is 4 hours late can idle thousands of workers

**Solution:** With Descartes MacroPoint, the company moved to manage-by-exception tracking, and was able to be proactive rather than reactive when faced with late deliveries, minimizing production downtime.

#### Results:

- A 65% reduction in time spent tracking the fleet
- Production re-works were greatly reduced with earlier visibility to potential delays

## VISIBILITY PAYBACK

### Improved Inbound Inventory Control

A national retailer with 5000 retail locations had 115 carriers managing inbound deliveries to their 14 DCs and stores, with a transportation team managing approximately 60,000 loads. They needed help balancing their inventory and service levels.

**Challenge:** EDI and manual based tracking did not provide an accurate view of their inbound deliveries. Data was sometimes 3 days old, and very incomplete. Hurricanes in 2017 highlighted the issues.

**Solution:** Our real-time visibility solution enabled the retailer to manage by exception and better control inbound inventory, while providing pro-active customer service that increases satisfaction.

#### Results:

- Improved on 98.6% in-stock service levels
- Decreased labor on freight tracking by focusing on shipments with issues, e.g. missed pick-ups

# Ensure Compliance from Carriers



Alignment across the supply chain is required to realize the full value provided by visibility solutions. That entails working with a strong freight visibility network and ensuring you have compliance from the carriers. Successful carrier onboarding and compliance is driven by several key factors.



## Freight Visibility Network

**Multiple connection methods:** Need broad set such as ELD, mobile app, direct to a carrier’s dispatch system, EDI, booking system

**Multiple modes:** Extend platform beyond TL and LTL; include parcel, air, ocean, rail, and 3PLs

**Consent management:** Ensure carriers have opted in to share information for strong data protection

**Metrics & report:** Confirm what resources and analysis you will receive to drive a level of supply chain improvement.

## Carrier Commitment

**Business value:** Be carrier friendly, and as a shipper of choice provide benefits to the carrier

Data quality: Ensure data quality is consistent

**Automation:** Work with carrier to understand the level of automation required

**Technical capabilities:** Have a good understanding of their technology

**Deadlines:** Make sure the value of the business initiative and deadlines are communicated between shipper and carrier.

Organizational alignment between the shipper, carrier and visibility network provider helps speed project enablement. By aligning stakeholders throughout the organization, you can build a business case that measures company-wide value to justify the financial investment in a visibility solution.

A typical team includes the following:

## Shippers

**Executive Sponsor:** critical to drive the value, evangelize project importance from a business perspective with the carriers, approve deadlines and secure IT funding if needed

**Carrier Analyst:** makes sure carrier data is accurate

**Project Manager:** drives the team to ensure everyone is aligned

## Carriers

**Business Contact:** focuses on communications about importance/ context of project

**IT Contact:** primary contact with network provider

## Freight Visibility Network

**Project Manager:** drives project and ensures all team members are aligned

**Carrier Specialist:** knows all technologies and best practices for connecting, provides training for carrier

# How Descartes MacroPoint™ Can Help

Descartes MacroPoint™ is a global freight visibility platform that can enable your logistics team to view, analyze, predict and communicate the status of any shipment in real time.

Our patented, automated load monitoring and tracking software provides load location visibility, predictive analytics, and an automated communication platform to truly enable “Manage by Exception” capabilities. That will dramatically improve your ability to manage supply chain disruptions, increase on-time delivery performance and minimize carrier detention fees.

## The Largest Multimodal Carrier Network

We own the largest network of connected carriers and continue to grow by integrating with new technologies and onboarding hundreds of new carriers monthly. The impact? Our customers can track and/or match more of their freight with greater efficiency at a lesser overall cost.

## Uniting the People & Technology That Move the World.


Descartes is the global leader in providing cloud-based solutions focused on improving the productivity, performance and security of logistics-intensive businesses. Our logistics technology platform helps shippers and LSPs manage their operations through a combination of network, application, data and community services.

Our visibility network is a single point of access to all tracking modes and logistics data sources. It's the trusted sources of logistics for:

3M TRUCKS



1.4M DRIVERS



135K CARRIERS



100 PARTNERS





Uniting the People & Technology That Move the World.

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