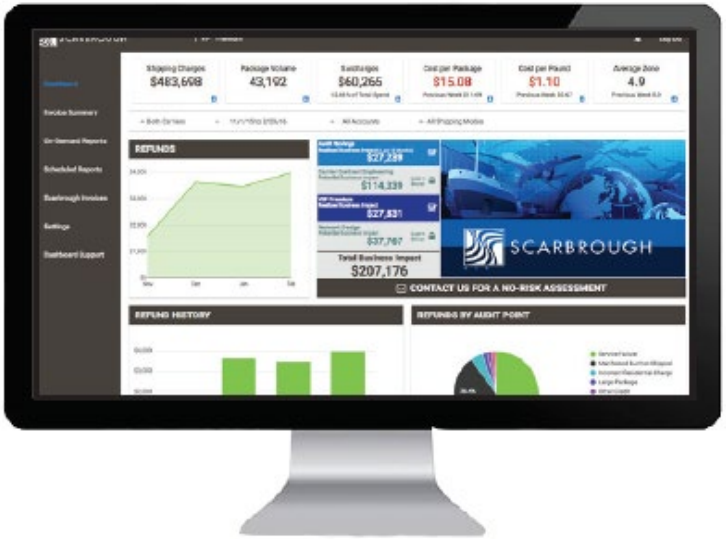
SCARBROUGH

Q&A Session
Parcel Savings



Save 10-30% of Annual Parcel Spend

The Scarbrough Group

Freight Forwarding &
U.S. Customs Brokerage

SCARBROUGH INTERNATIONAL, LTD.

1984

NVOCC Operations &
Consolidation Services

SCARBROUGH SIX LINES, LTD.

2003

Freight Forwarding &
Mexico Customs Brokerage

SCARBROUGH DE MEXICO S. DE R.L. DE C.V.

2015

1988

SCARBROUGH LOGISTICS, LTD.

Regional Asset-Based Trucks

2014

SCARBROUGH TRANSPORTATION, LLC

North American Truck Brokerage

2018

SCARBROUGH CONSULTING, INC.

Customs & Supply Chain Consulting

Speakers

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Agenda

1.) Why are we here?

2.) 3D Approach

3.) Q&A

WHY PARCEL ACCOUNTABILITY?

TO HOLD THE DUOPOLY ACCOUNTABLE FOR GUARANTEES

1. **Why would I want to bother?**
It's your money.

2. **Is this going to be a hassle?**
Not at all. It's easy to implement and start realizing immediate savings.

3. **Am I going to jeopardize my relationship with UPS/FedEx?**
No. One of the reasons FedEx/UPS are so much more expensive than regional carriers/USPS is because they guarantee their shipments.

Is It Fair?

They Promise to DELIVER:

- Date
- Rate
- In its entirety
- Applicable discounts

YOU PAY in good faith

BUT THAT SOMETIMES INCLUDES:

- Late/non-delivered
- Over/double-billed
- Surcharges
- Unapplied discounts
- Damage

Parcel Audit

What's Fair is Fair

Recouping parcel costs isn't about placing blame—it's about holding parcel carriers accountable to their promises.

And that's what the audit helps you do.

Our philosophy

The data supplied from your carrier can be a treasure.

However, effectively leveraging this data is a major challenge.

The data tells you three important things:

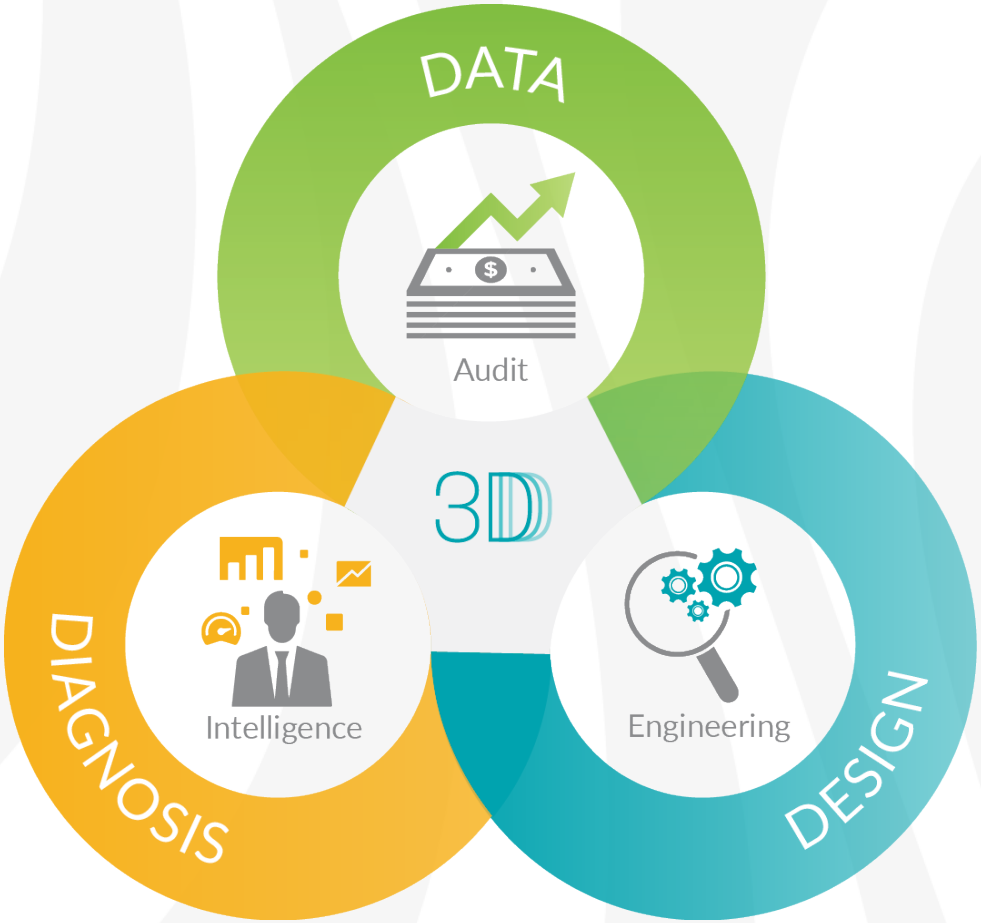
- Did your carrier make mistakes?
- What could you do better?
- Are your rates competitive?

In short, we empower you to hold carriers accountable to deliver as promised.

SCAR·U
Scarbrough University

Notable Clients

Our 3D Approach



Our 3D Approach

Comprehensive Parcel Audit

- Provides the data to drive objective decisions
- Comprehensive invoice & service audits
- Quick, easy setup allows cost recovery to begin today

FedEx

Invoice Number	Invoice Date	Account Number	Page
5-103-80103-	Jul 22, 2015	2857-4103-9	46 of 320

Ship Date: Jul 15, 2015 | **Cust. Ref.:** WO#8555419 | **Ref.#2:** PO#
Payor: Shipper | **Ref.#3:**

Fuel Surcharge - FedEx has applied a fuel surcharge of 4.00% to this shipment.
Distance Based Pricing, Zone 5

		Sender	Recipient
Automation	INET	Kenny Page	MediFix Inc
Tracking ID	774059238594	1201 W38 STREET	MediFix Inc.
Service Type	FedEx Standard Overnight	AUSTIN TX 78705 US	8727 Narragansett
Package Type	FedEx Box		LEBANON IN 46052 US
Zone	05		
Packages	1		
Rated Weight	3.0 lbs, 1.4 kgs	Transportation Charge	55.90
Delivered	Jul 16, 2015 11:00	Discount	-35.00
Svc Area	A1	Grace Discount	-1.12
Signed by	A.CATALDO	Courier Pickup Charge	0.00
FedEx Use	000000000/0001349/_	Fuel Surcharge	0.59
		Total Charge USD	$20.37

Ship Date: Jul 15, 2015 | **Cust. Ref.:** TLD Badge_July | **Ref.#2:**
Payor: Shipper | **Ref.#3:**

Fuel Surcharge - FedEx has applied a fuel surcharge of 4.00% to this shipment.
Incorrect recipient address.
Distance Based Pricing, Zone 2
Package Delivered to Recipient Address - Release Authorized
Original address - 1538 Round Lake Court/LEBANON, IN 46502

		Sender	Recipient
Automation	INET	Lora Tuttle	Preston Hilligas
Tracking ID	774059252830	5451 Lakeview Parkway S Drive	1538 Round Lake Court
Service Type	FedEx Priority Overnight	INDIANAPOLIS IN 46268 US	INDIANAPOLIS IN 46268 US
Package Type	FedEx Envelope		
Zone	02		
Packages	1		
Rated Weight	N/A	Transportation Charge	21.15
Delivered	Jul 17, 2015 09:49	Grace Discount	-0.42
Svc Area	A2	Address Correction	12.50
Signed by	see above	Discount	-13.24
FedEx Use	000000000/0000186/02	DAS Resi	3.55
		Residential Delivery	2.98
		Fuel Surcharge	0.42
		Total Charge USD	$26.94

Ship Date: Jul 15, 2015 | **Cust. Ref.:** WO# 0008557855 | **Ref.#2:** PO#
Payor: Shipper | **Ref.#3:**

Fuel Surcharge - FedEx has applied a fuel surcharge of 4.00% to this shipment.
Distance Based Pricing, Zone 6
FedEx has audited this shipment for correct packages, weight, and service. Any changes made are reflected in the invoice amount.
We calculated your charges based on a dimensional weight of 7.0 lbs, 25" x 15" x 3", using a dimensional factor of 166.

		Sender	Recipient
Automation	INET	Kenny Page	Deana Howard
Tracking ID	774059269560	1201 W38 STREET	29 West BELAIR AVE
Service Type	FedEx Standard Overnight	ABERDEEN MD 21001 US	ABERDEEN MD 21001 US
Package Type	Customer Packaging		
Zone	06		
Packages	1		
Actual Weight	3.0 lbs, 1.4 kgs	Transportation Charge	83.80
Rated Weight	7.0 lbs, 3.2 kgs	Grace Discount	-1.68
Delivered	Jul 16, 2015 11:01	Discount	-52.48
Svc Area	A4	Courier Pickup Charge	0.00
Signed by	H.HUMPHEY	Fuel Surcharge	0.89
FedEx Use	000000000/0001371/_	Total Charge USD	$30.53

"St. Thomas Mid-Town";"St. Thomas Mid-Town";"300 20th Ave N";"";"NASHVILLE";"TN"
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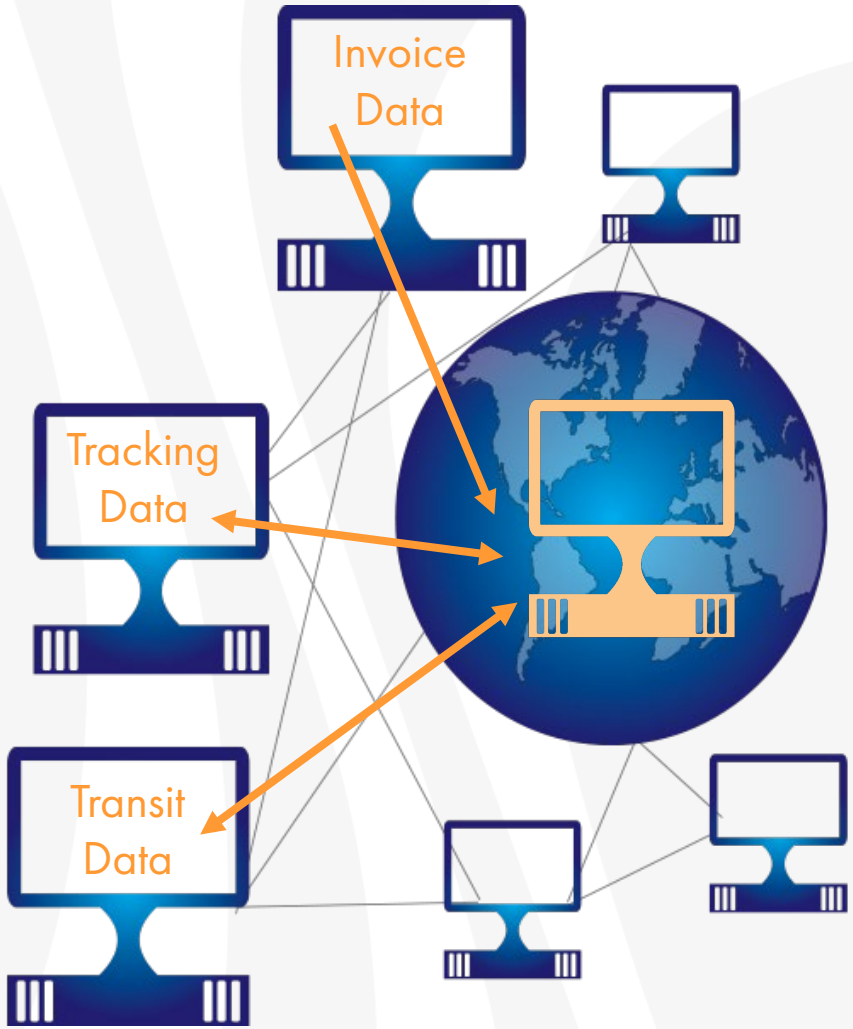
203";"SALES";"";"17400 MEDINA RD STE

Data Parcel Audit

- **Service Audit**
  Accuracy of services delivered and invoiced
- **Invoice Audit**
  Accuracy of transportation surcharges
- **3-minute set up**
  No IT support required



Our 3D Approach

Intelligence Platform

- Provides a diagnosis of issues and opportunities within data
- Cloud-based software, providing comparative metrics, KPI's, reports, and custom alerts
- Actionable data; drive down expense with relevant insights

Data Intelligence

Billions of data points, supplied through the Audit, are cleanly displayed, allowing for a comprehensive diagnosis of your shipping profile.

KPIs

Visibility into leading and trailing indicators that impact your Shipping Expenses

Alerts

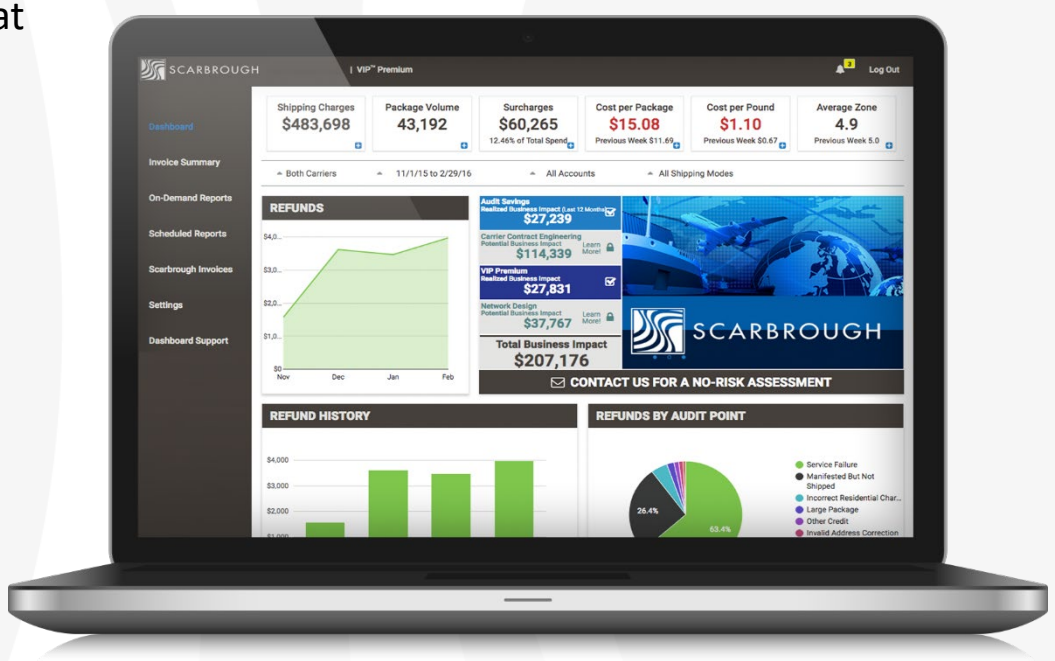
Notification on key performance metrics and irregular shipping activity

Reporting

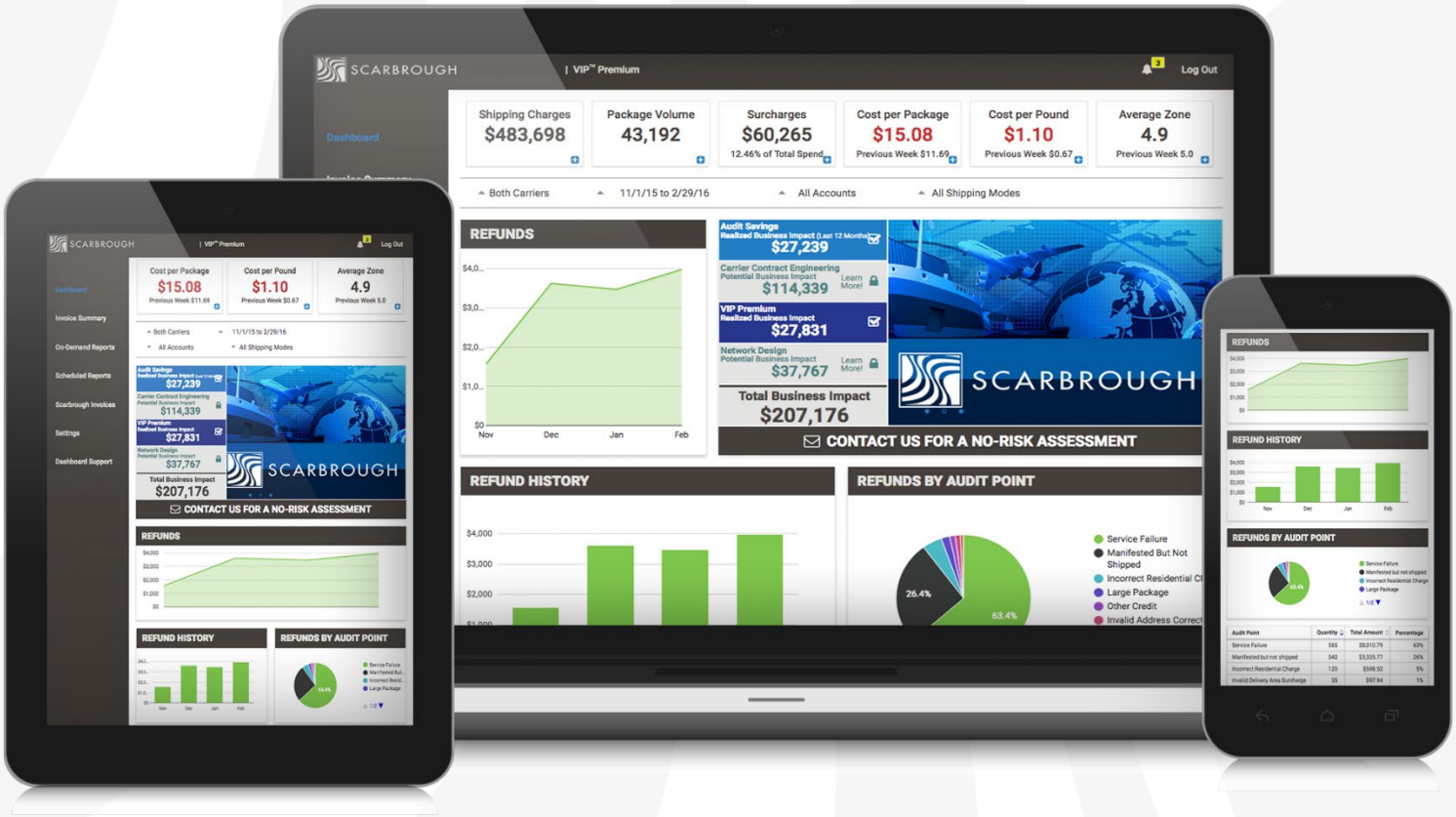
Summary and detail-level reporting

Charts

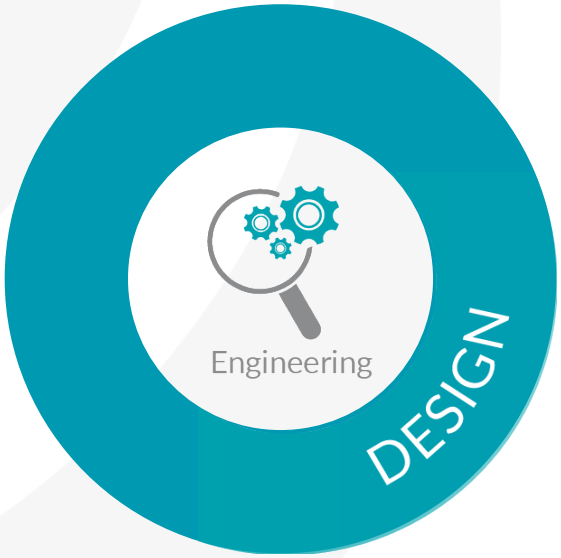
Service level, accessorial, geo-distribution and other key metric charting



How does it work?



Our 3D Approach

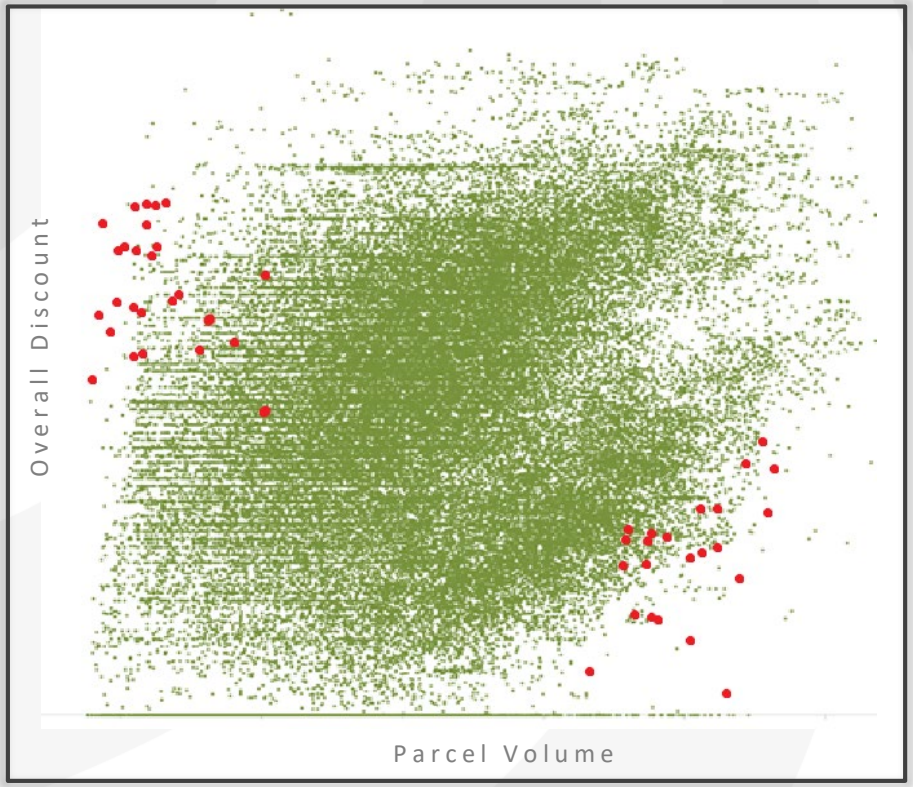


Engineered for Optimization

- Design prescriptive solutions for your parcel network that reduce costs
- Objective, comprehensive benchmarking against $7B in annual parcel spend
- Contract modeling tools and negotiation playbook to ensure best-in-class rates

ENGINEERING

From UPS and FedEx contract negotiation, to network design, to program forecasting that analyzes upcoming changes, your parcel shipping intelligence can be used to design custom optimizations for your parcel spend.



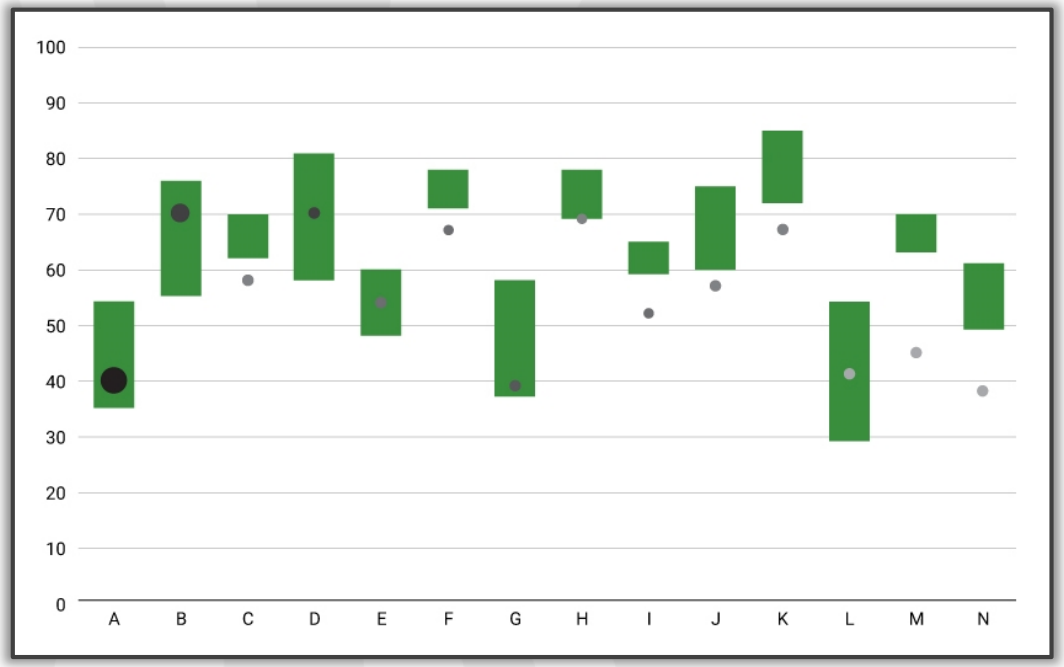
HOW DO WE IDENTIFY A SAVINGS OPPORTUNITY?

Benchmarking and real-time data.

ENGINEERING

ACTIONABLE INTELLIGENCE. WE MEASURE CONTRACT COMPETITIVENESS.

- Discover negotiable aspects of a carrier contract
- Pinpoint and maximize savings opportunity based on specific shipping characteristics
- Quantify impact with carrier contract modeling
- Close the gap between current discounts and best-in-class and start saving today

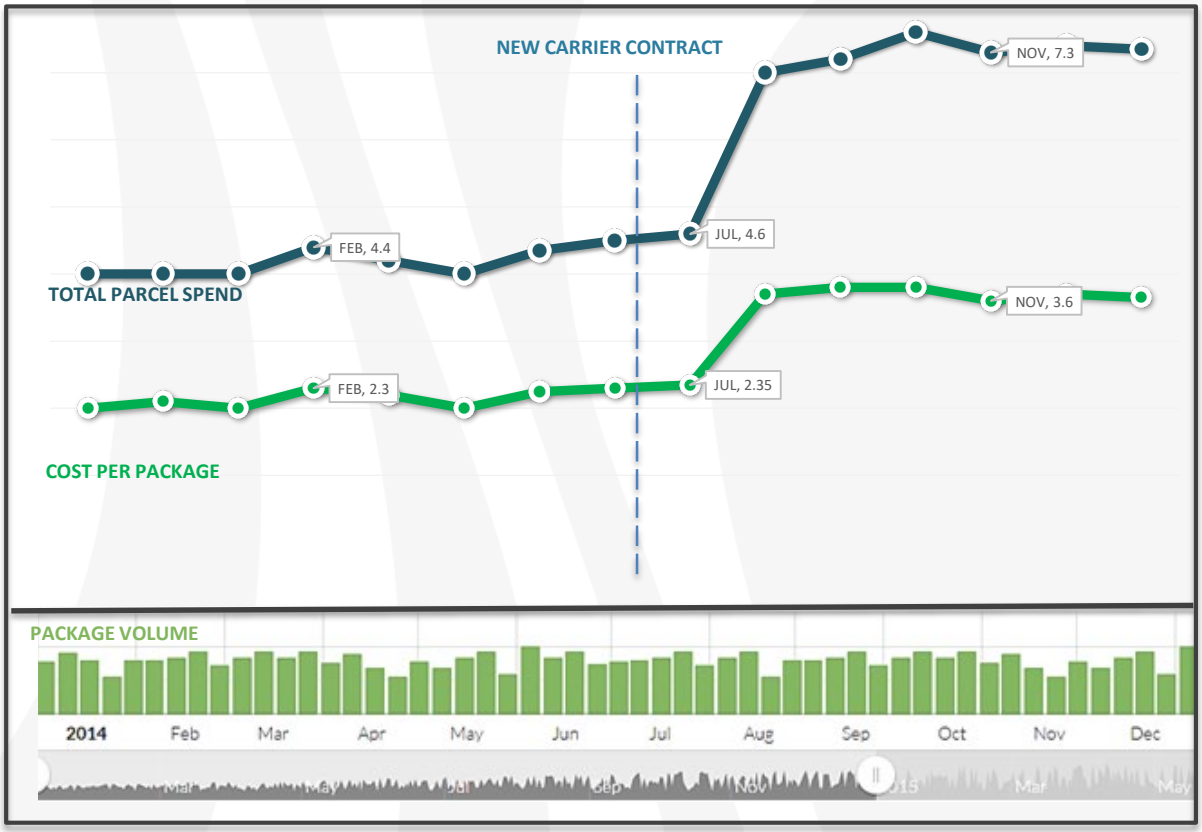


ENGINEERING

CONVENTIONAL APPROACH FAILURE 1:
NEGATIVE IMPACT WITH VISIBLE CHANGE FROM CONTRACT NEGOTIATION

RESULT

- Total spend and cost per package increased, with similar volume
- Thresholds weren't met
- Minimum charges weren't accounted for



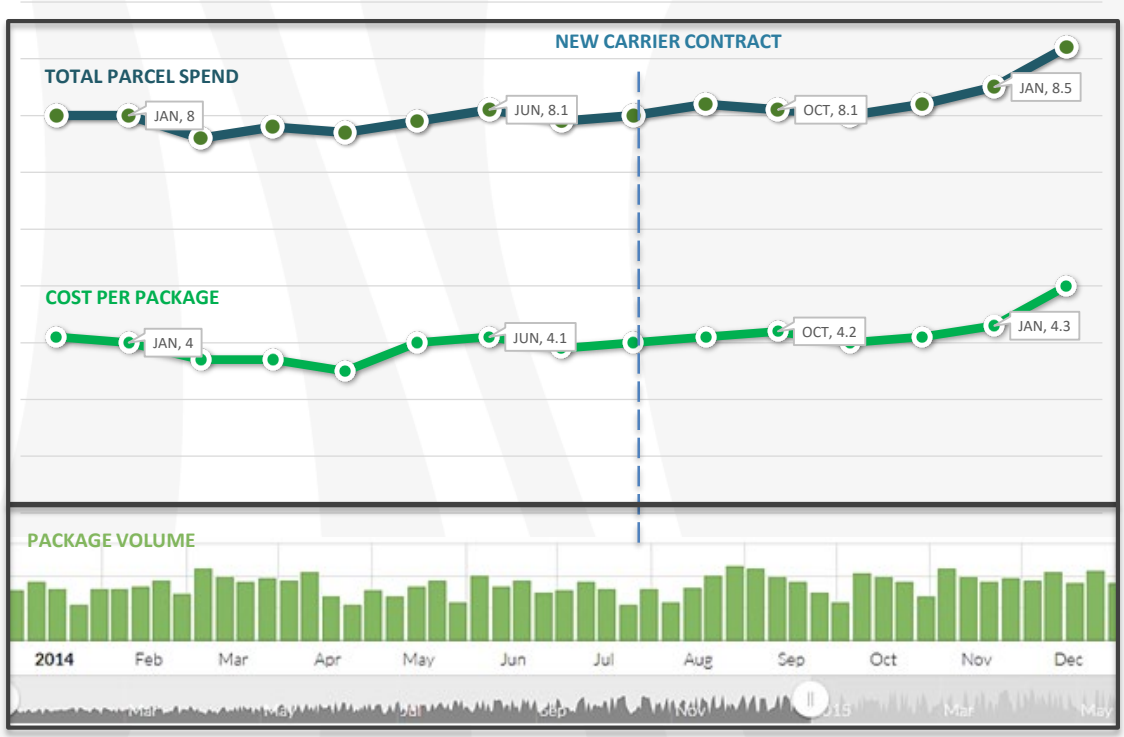
ENGINEERING

CONVENTIONAL APPROACH FAILURE 2:

NEGATIVE IMPACT AFTER NO VISIBLE CHANGE FROM CONTRACT NEGOTIATION

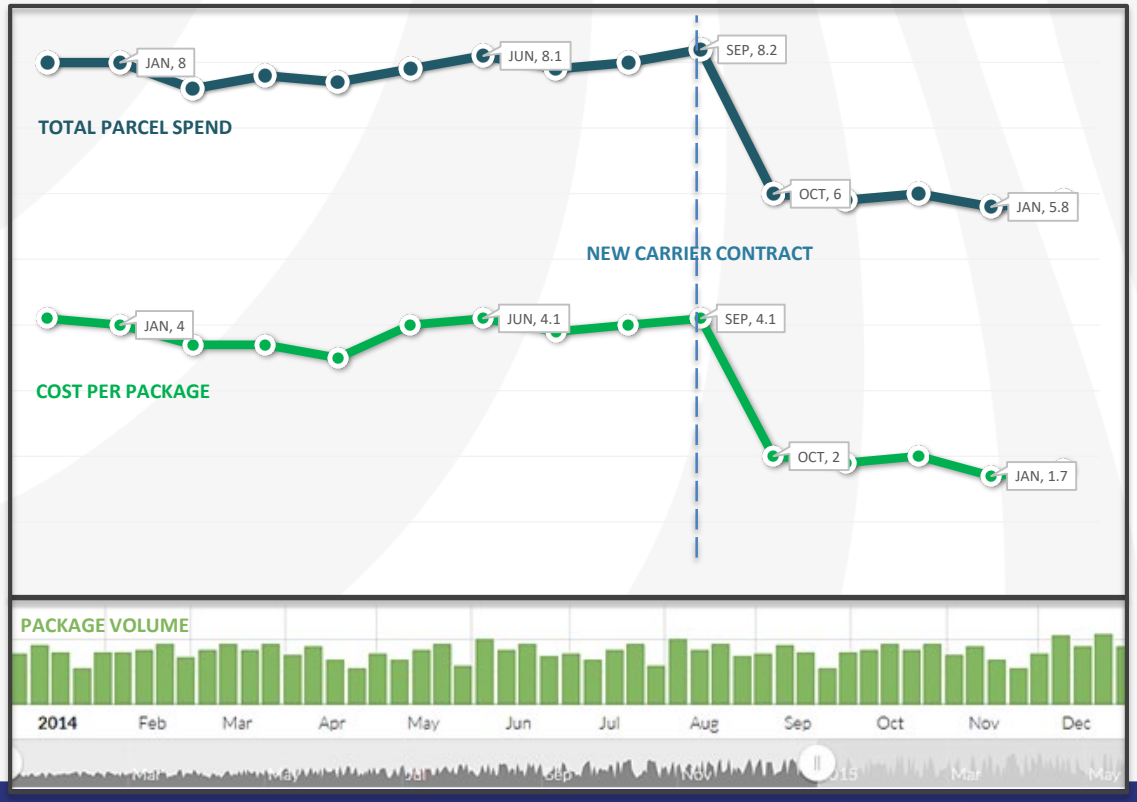
RESULT

- Total spend and cost per package initially remained the same, with similar volume
- Negotiation initially produced no visible impact
- Changes in parcel shipments may drive up overall spend, typically without being undetected
- Effort involved produces NEGATIVE ROI for negotiation



ENGINEERING

1. REAL-TIME DATA (COMPREHENSIVE BENCHMARKING)
2. THE MOST OBJECTIVE VIEW OF YOUR SHIPPING PROFILE
3. EMPOWER CLIENTS LIKE YOU WITH ACTIONABLE INTELLIGENCE



RESULT

- Total spend and cost per package decreased, with similar volume
- Contract effectively negotiated to produce Year Over Year savings
- Negotiated areas of contract focused on overall impact
- **Visible impact to bottom line**

Manage What You Measure

- ✓ Objective, data-driven approach
- ✓ Intelligence platform
- ✓ Proven contract negotiation technology

IT'S EASY

① **Setup** in just 3 minutes

No IT support required

② **Save** through objective data

See results as soon as today

③ **Select** other offerings

Empower yourself to control more costs

QUESTIONS

PARCEL SAVINGS

SAVE 10-30% OF ANNUAL PARCEL SPEND

Speakers

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