

Solution Overview

TRANSPORTATION DIAGNOSTIC

Quickly assess how you perform against your peers in the areas of:

- Logistics
- Warehousing
- Global Trade
- Event Management

Companies with large or increasing investments in transportation should periodically assess their performance against best practices. The Transportation Diagnostic service evaluates processes in Logistics, Warehousing, Global Trade and Event Management. We work with your team to define the gap between existing and “best practice” processes and develop a roadmap for improvement. This roadmap may include process improvement, investment in enabling technology, organizational change and/or the use of Key Performance Indicators (KPIs) and scorecards to drive results.

Once those improvements are made, companies can expect substantial improvements in transportation performance. Typical gains include:

- Reduction in transportation costs by 5-15 percent
- Higher shipment load factors
- Better equipment utilization through continuous moves and backhaul opportunities
- Improved carrier and rate management



Top Simple Rules for Transportation Best Practices	Roseburg Team Score (for this tool and a peer client)	Level 1	Level 2	Level 3	Level 4
1. Make the Standard for On-Time Performance = 100%	2				
2. Require Carriers to Complete Activity for the Business by Lane	2				
3. Use a Transportation Contract, Use Volume Commitments Across Multiple Lanes	2				
4. Plan the Date and Time for Each Pickup & Delivery in Advance and Inform Carriers, Shippers, Recipients, etc. electronically	3				
5. Keep Transportation Assets Moving	3				
6. Know the Cost of Each Shipment Before It Leaves Your Yard, Accessories & Fuel Surcharge - Manage Buy-Side and Sell-Side Rates	3				
7. Monitor All Rates and Shipment Activity - from Tender to Pull - in a Single Repository	3				
8. Use Alerts from a Visibility Tool to Manage Every Shipment Pro-actively from Tender to Pull	1				
9. Pay Carriers Based on the Printer's Record of Events and Charges - Monitor Freight Bill Audit & Match Pay - Monitor Auto-Pay	1				
10. Use Key Performance Indicators to Track Performance Trends	1				

The Diagnostic Tool

Hitachi Consulting uses a proprietary diagnostic tool to evaluate the current state of a company’s transportation management performance. The tool helps to rapidly analyze the organization, people, process and technology that support:

- Carrier Selection
- Carrier Contracting
- Carrier Rate Management
- Private Fleet Operations
- Shipping Planning and Tendering
- Order Management
- Event Management
- Global Trade Management
- Freight Allocations and Payment
- Transportation Security
- Transportation Organization
- Transportation Technology
- Supply Network Optimization

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Diagnostic Results

As a result of the Transportation Diagnostic, improvements are identified in business processes, enabling technology and the use of KPIs to drive performance. Where it makes sense, further analysis can be done to analyze the length of time to implement, resource availability and conservative and potential return on investment (ROI.) Finally, a roadmap can be developed that prioritizes each possible project and details next steps.



Case Studies

You are not alone in a desire to improve your Transportation Management. Here are the results of a few of our clients after implementing recommendations from their transportation diagnostic.

Valassis Communications - Three months after a project to implement a TMS system, Valassis was realizing savings at a run rate close to double the conservative business case. At the five month point, they exceeded the annual business case by 67 percent.

Athletic Apparel and Equipment Manufacturer – Reduced its private fleet expense by 12 percent in the first year by restructuring trucking leases and switching to an activity-based driver pay model. Driver productivity also increased 25 percent.

Third Party Logistics Provider - Shipments planned per planner day have increased 250 percent. Doubled loads planned per day. Service levels have remained steady despite an unplanned staff reduction.

Want to learn more about our Transportation Diagnostic – or diagnostics for other business functions? Just give us a call and we'll give you more details.

Call us at 877-664-0010

Email us at info@hitachiconsulting.com or

Visit our website at <http://www.hitachiconsulting.com/logisticsTransportation.cfm>

We look forward to talking with you further about your challenges and opportunities.

Hitachi Consulting's Responsive Asset Management services work to ensure that policies, systems, structures and operating techniques make a company's assets more responsive to changing market conditions.

About Hitachi Consulting Corporation

As Hitachi, Ltd.'s (NYSE: HIT) global consulting company, Hitachi Consulting is a recognized leader in delivering proven business and IT solutions to Global 2000 companies. With a balanced view of strategy, people, process and technology, we work with companies to understand their unique business needs, and to develop and implement practical business strategies and technology solutions.

Hitachi Consulting's client base includes nearly 25 percent of the Global 100 and many leading mid-market companies. From business strategy development through application deployment, we help clients quickly realize measurable business value and achieve sustainable ROI.

Hitachi Consulting – Inspiring your next success!®

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