Integrated Cargo Management

- Calgary Region Transportation Hub
- Schenker Canada
- November 18, 2011

The Game Changers for Logistics

- 1. Information
- 2. Communications. EDI interface Customs auto rating
- 3. Technology/History

1844 Telegraph and the first message sent in Morse code “What Hath God Wrought”
1858 Trans Atlantic Cable
1876 Telephone
1957 Telex/TWX network
1988 Fax machines
1993 On line email AOL etc
1999 Blackberry
2007 Apple I phone

Agenda

A **Definition and value of Integrated Cargo Management**

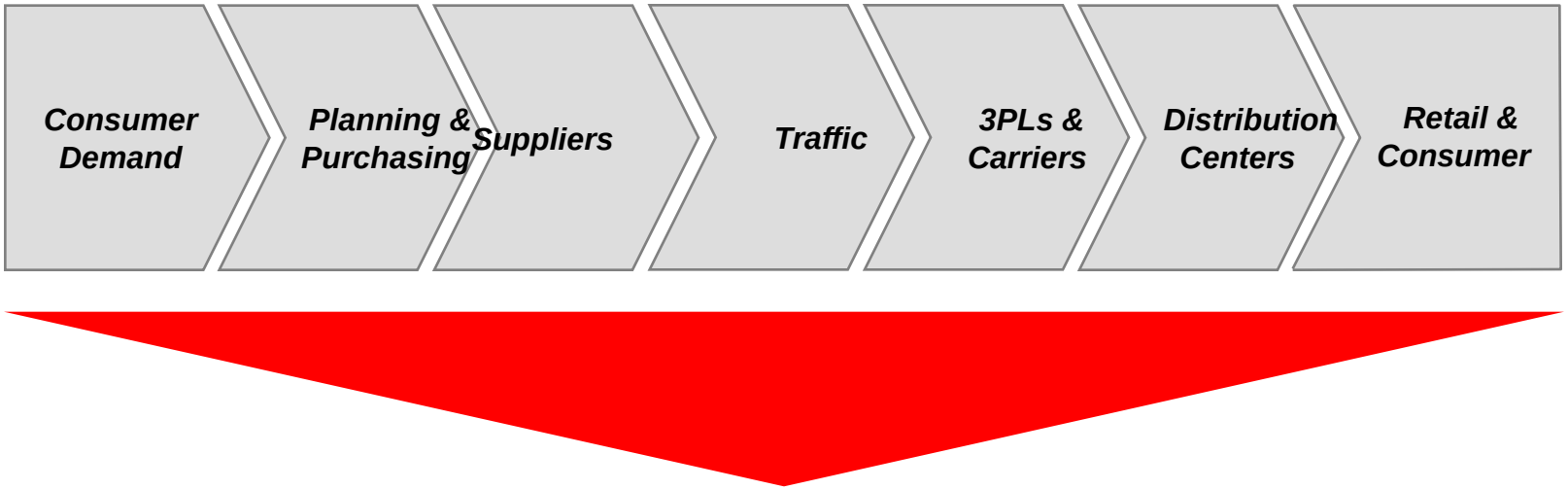
B ICM core competencies

C ICM service features

D An ICM program tailored to your requirements

E Questions and next steps

Why Integrated Cargo Management?



As supply chain complexity continues to increase, the disparity between RESULTS and EXPECTATIONS continues to widen

Importers need easy-to-use, cost-effective solutions to reverse this trend and predictably deliver RESULTS

Integrated Cargo Management delivers results

Influencing Factors	Stakeholders	ICM Impact
ECONOMIC PRESSURES ▪Focus on driving out non-essential cost, cutting capital expenditure, reducing inventory and carrying costs, and rightsizing transportation and distribution networks	Suppliers, Buyers, Carriers, 3PLs, Importers, Distributors, Retailers	▪On-demand visibility at order/item level ▪Lower safety stock ▪Continued high customer satisfaction
GLOBALIZATION ▪Complex network of data generated by multiple trading partners using multiple platforms	Suppliers, Buyers, Carriers, 3PLs, Importers, Distributors, Retailers	▪Improve quality and timeliness of data ▪Facilitate supply chain analysis
ACCOUNTABILITY ▪Roles and responsibilities of and expectations between multiple trading partners	Suppliers, Buyers, Carriers, 3PLs, Importers, Distributors, Retailers	▪Configurable alerts and reporting ▪Measure and manage by exception
REGULATORY COMPLIANCE ▪Transportation security measures impinge on sourcing, documentation and data flow	Suppliers, Buyers, Carriers, 3PLs, Importers, Distributors, Retailers	▪Leverage technology to effectively manage unprecedented regulatory intervention in commercial activity

ICM – Integrated Cargo Management

ICM
Definition of Integrated Cargo Management

In today's competitive global environment, importers are looking for fully integrated supply chain services that deliver on-demand visibility and control from purchase order to final delivery

Standard ICM Services

- Order Management
- Vendor Compliance
- Booking & Document Management
- Buyer's Consolidation
- ISF Agency (USA)
- Supply Chain Control

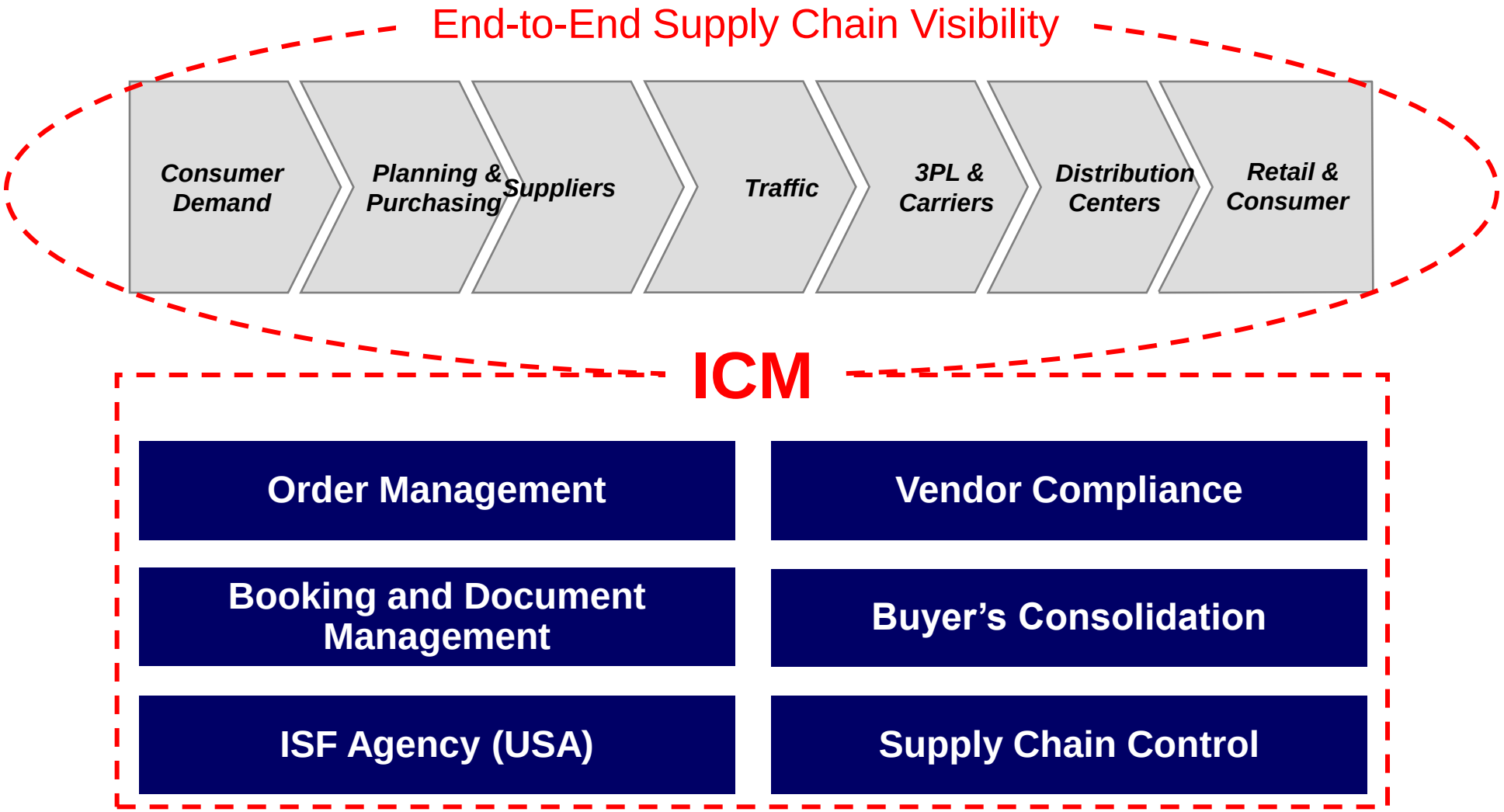
ICM
Definition of Integrated Cargo Management

In today's competitive global environment, importers are looking for fully integrated supply chain services that deliver on-demand visibility and control from purchase order to final delivery

Advanced ICM Services

- **Quality Assurance Control**
- **Inventory Management**
- **Barcode Labeling & Scanning**
- **Pick and Pack**
- **Landed Cost Management**
- **Carrier Contract Management**

ICM
Value of Integrated Cargo Management



Agenda

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C ICM service features

D An ICM program tailored to your requirements

E Questions and next steps

ICM
Integrated Cargo Management

Our Facilities
DB Schenker worldwide network

Americas

- Canada
- USA
- Antigua
- Argentina
- Bahamas
- Barbados
- Belize
- Bermuda
- Bolivia
- Brazil
- Cayman Islands
- Chile
- Colombia*
- Costa Rica*
- Cuba
- Dominica
- Dominican Republic
- Ecuador*
- El Salvador*
- French Guiana
- Guam
- Guatemala
- Guyana*
- Haiti
- Honduras*
- Martinique
- Mexico
- Netherlands Antilles*
- Nicaragua
- No. Mariana Is. (incl.Saipan)
- Panama*
- Paraguay*
- Peru*
- Puerto Rico*
- St. Kitts
- St. Lucia
- St. Vincent
- Trinidad & Tobago*
- U.S. Virgin Islands
- Uruguay*
- Venezuela
- Virgin Islands (St. Croix, St. Thomas)

Europe

- Austria
- Belarus
- Belgium
- Bosnia-Herzegovina
- Bulgaria
- Croatia
- Cyprus*
- Czech Republic
- Denmark
- Estonia
- Faroe Islands
- Finland
- France
- Germany
- Gibraltar
- Greece
- Hungary
- Ireland
- Iceland*
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta*
- Macedonia
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russia
- Serbia and Montenegro
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- United Kingdom

Africa

- Algeria
- Angola*
- Botswana
- Congo
- Egypt
- Ethiopia*
- Ghana*
- Kenya
- Libya*
- Mauritania
- Mauritius*
- Morocco
- Namibia
- Nigeria
- Réunion
- Senegal
- South Africa
- Sudan*
- Surinam
- Tanzania
- Tunisia*
- Zambia
- Zimbabwe*

Middle East

- Afghanistan
- Bahrain
- Iran*
- Iraq
- Israel
- Jordan*
- Kazakhstan*
- Kuwait*
- Kyrgyzstan*
- Lebanon*
- Oman*
- Pakistan*
- Qatar*
- Saudi Arabia
- Syria*
- Yemen*
- UAE

Asia/Pacific

- Bangladesh
- Cambodia*
- China
- Hong Kong
- India
- Indonesia
- Japan
- Korea
- Laos
- Madagascar
- Macao
- Malaysia
- Maldives Islands*
- Mongolia*
- Myanmar
- Nepal*
- Philippines
- Singapore
- Sri Lanka*
- Taiwan
- Thailand
- Vietnam
- Australia
- Fiji Islands
- New Caledonia
- New Zealand
- Papua New Guinea
- Tahiti

*** Partner**

Warehousing & Logistics Footprint
Asia Pacific Region

Vietnam
No. of sites: 1
Area: *10,000 sqm

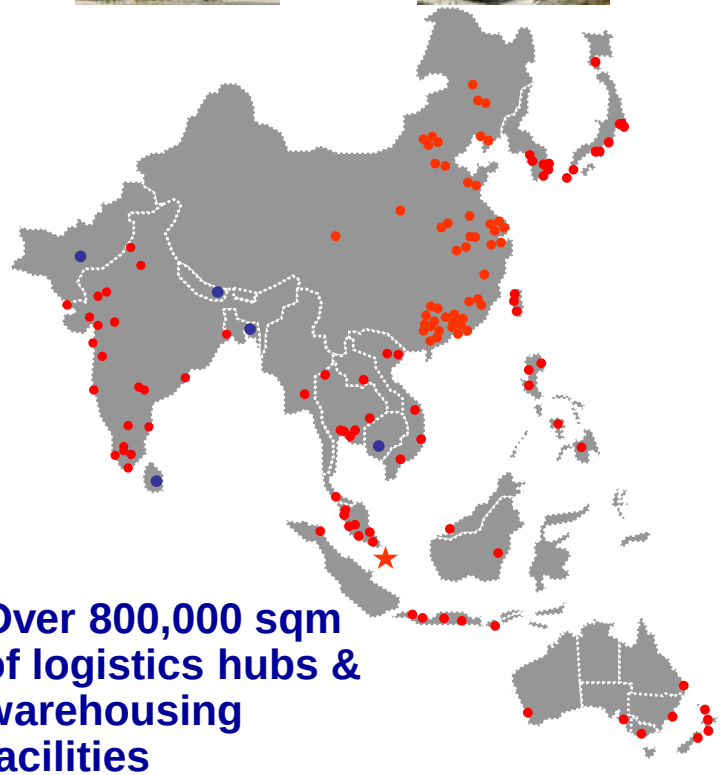
Thailand
No. of sites: 13
Area: 15,300 sqm

India
No. of sites: 31
Area: 81,916 sqm

Malaysia
No. of sites: 16
Area: 92,467 sqm

Singapore
No. of sites: 14
Area: 146,643 sqm

Indonesia
No. of sites: 10
Area: 3,260 sqm



Over 800,000 sqm of logistics hubs & warehousing facilities

Japan
No. of sites: 15
Area: 31,077 sqm

Korea
No. of sites: 10
Area: 21,644 sqm

China / Hong Kong
No. of sites: 60
Area: 264,722 sqm

Taiwan
No. of sites: 10
Area: 29,400 sqm

Philippines
No. of sites: 10
Area: 19,100 sqm

Australia
No. of sites: 35
Area: 143,500 sqm

New Zealand
No. of sites: 8
Area: 24,000 sqm

Warehousing & Logistics Facilities
China & Hong Kong

	South China	Central China	North China
Corporate Office	Hong Kong	Shanghai	Beijing
Employees	over 2,200	over 1,700	over 550
Offices	36	11	12
Warehouses	■Changsha ■Dongguan ■Foshan ■Fuzhou ■Guangzhou ■Hong Kong ■Kunming ■Quanzhou ■Macau	■Chengdu ■Chongqing ■Hangzhou ■Nanjing ■Ningbo ■Shanghai ■Suzhou ■Wuxi ■Wuhan ■Xian	■Beijing ■Changchun ■Dalian ■Harbin ■Langfang ■Qingdao ■Shenyang ■Shijiazhuang ■Tianjin
Warehouse space	172,000 sqm	77,500 sqm	34,500 sqm

Our People
The commitment and experience to deliver value-added services

- Consolidation
- Multi-country consolidation
- Door pick-up and delivery
- Customs clearance and documentation
- International and domestic distribution
- Inventory management
- Palletization
- Shrink wrap packing
- Production monitoring
- Order processing
- Pick and pack
- Sorting, labeling & re-packing
- Quality control & inspection

ICM – Integrated Cargo Management

ICM value-added services for retail and apparel verticals

Bar Code Labeling

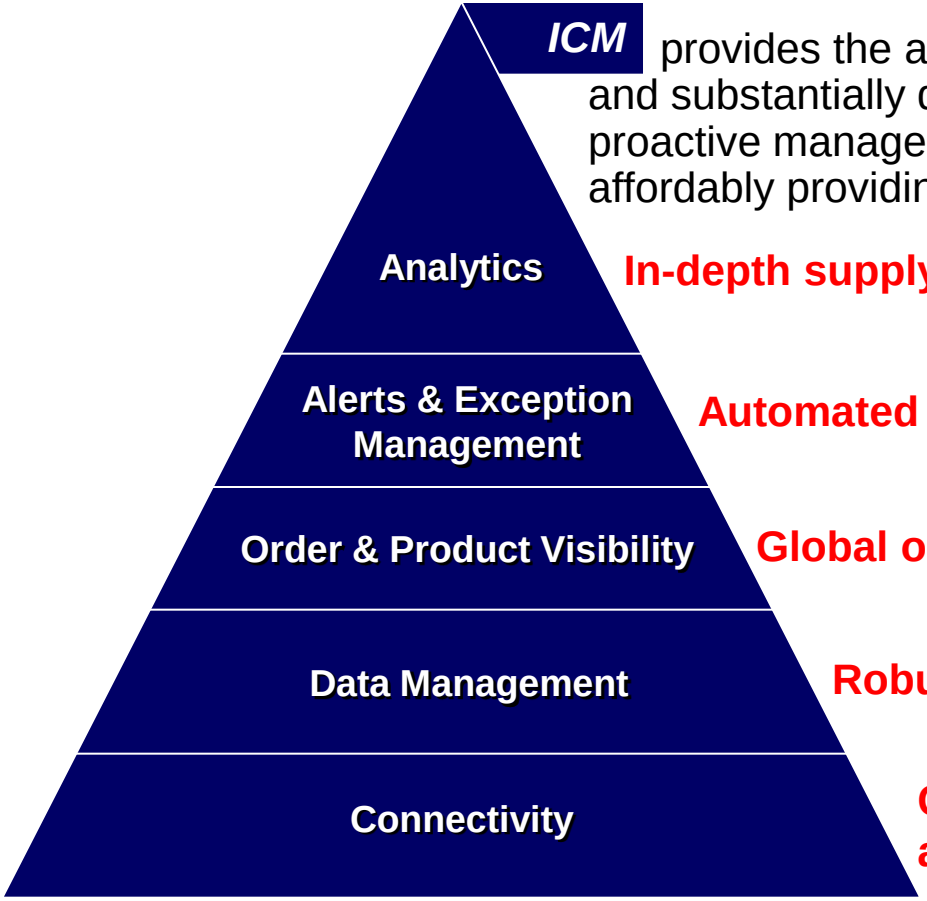
Price Tagging

Packing

Carton Labeling

Distribution-ready packing services

Our Technology



ICM provides the ability to reduce inventories, improve customer service and substantially decrease logistics operating costs through the proactive management of product deliveries across the supply chain by affordably providing:

In-depth supply chain reporting built upon quality data

Automated notifications based on detailed status information

Global on-demand access to all supply chain information

Robust end-to-end event and data quality management

Global web-based multimodal platform for system and trading partner connectivity

ICM – Integrated Cargo Management

ICM Technology

Summary

- Complete end-to-end visibility – down to SKU/item or sub-SKU level
- Customizable search and reporting capabilities
  - Over any combination of 40 searchable fields
  - Scheduled or on-demand
  - Ad hoc reporting engine
- Customizable supply chain modeling
  - Performance management
  - Dynamic ETA
- Detailed exception management
  - Customizable alerts and notifications
  - Exception reporting

Client & Trading Partner Interface

Supports standard and proprietary data exchange messaging for all international supply chain functions, including:

- Purchase or Sales Order (e.g. EDI850, 860)
- ASN (856)
- Shipment/Container Status Events (315, 214)
- Booking Requests & Confirmations (300, 301)
- Bill of Lading Instructions (304)
- Rated Bill of Lading & Invoice (310, 110)

using

- ANSI x12
- EDIFACT
- XML
- Proprietary flat file formats

Our Process

An engineered approach to service delivery

- Solutions Design
- Implementation Process
- Operational Execution

ICM Design, Implementation & Execution

Solutions Design

- Engage subject matter expert to review client requirements and corresponding service provider program(s)
- Ensure planned program(s) represent best solution set for client
- Leverage repeatable supply chain solutions where ever possible

Implementation Process

- Employ project management discipline to manage implementation
- Secure approval from all stakeholders in creation of Standard Operating Procedure
- Introduce implementation manager prior to business award of business by client

Operational Execution

- Execute against mutually agreed scope of work and milestones per SOP
  - Manage against deliverables
  - Self-measurement on KPIs
  - Quarterly business review
- Leverage identified best practices and business process

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ICM
Integrated Cargo Management

Order Management

Capabilities

- Receive your purchase or sales orders electronically to our SCOUT application
- We apply systematic, rule-driven management to when and how your orders are processed
- We provide on-demand visibility to your order status with associated events and exceptions over the web
- We can trigger EDI messages back to your systems as needed and in your data formats

Benefits

- Best possible data quality – Electronic order upload into our systems eliminates error-prone duplicate data entry
- Client-specific configuration of our system ensures tighter adherence to your procedures and requirements
- We rely on automated data checks to enforce your business rules and identify potential issues as they occur

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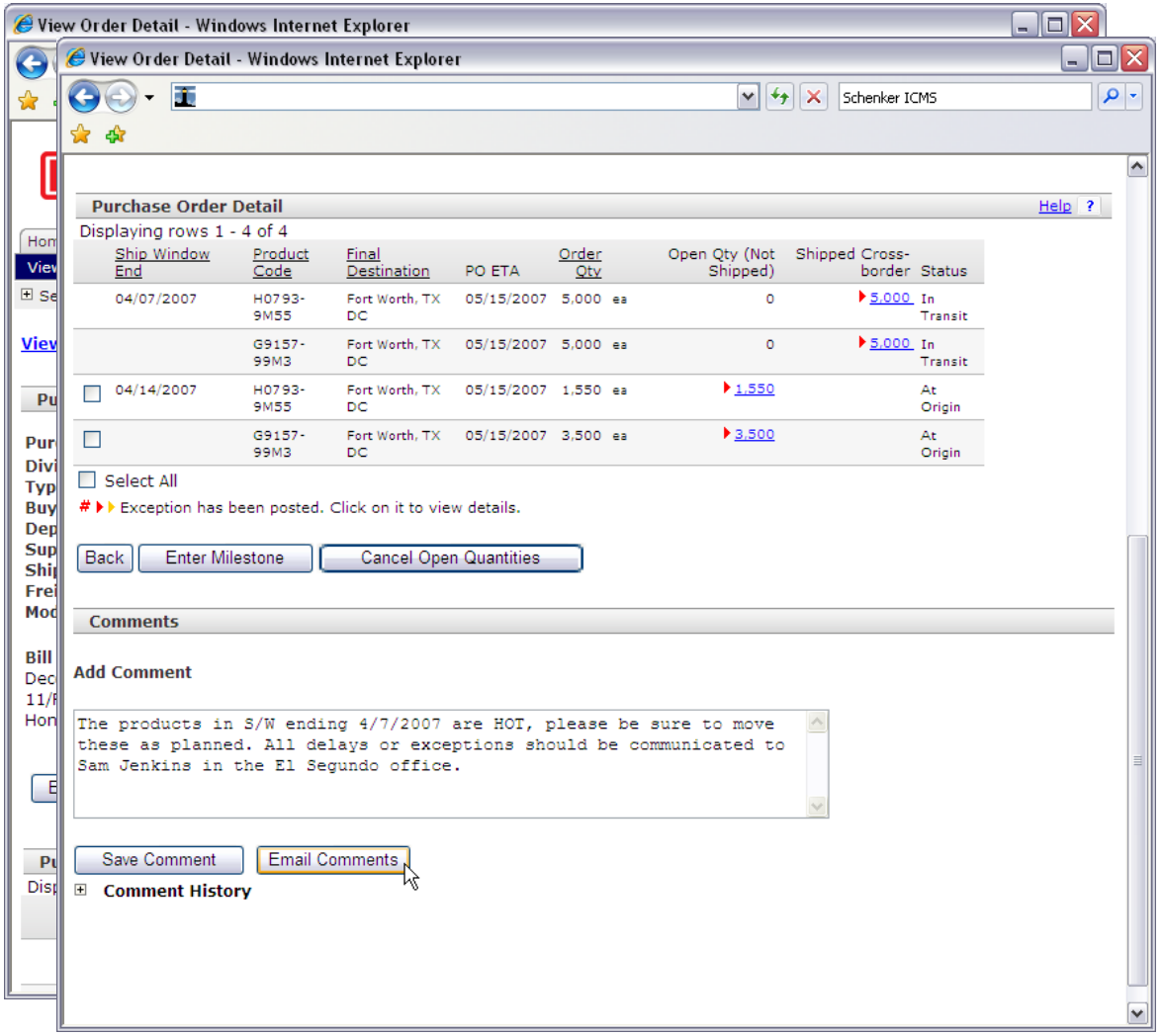
Order Management

SCOUT Technology

- Easily manages your electronic file formats
  - XML
  - EDI (ANSI x12, EDIFACT)
  - Flat file
  - Standard .csv templates

SCOUT screen layout is designed for easy of use. Order can be viewed online at the header as well as detail level, including current status, any logged exceptions and full change history.



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Order Management

SCOUT Technology

- Milestone rules established to manage specific to your SOP
- Customizable exceptions trigger alerts to us and anyone you determine

Rules are established in the system to track and manage your SOP.

System-generated alerts notify DB Schenker to take action when vendor performance is outside agreed SOP tolerances and order specification.

Milestone Settings

Milestone	Estimated Time Days	Hours	Relationship	Reference Milestone	Informational Exception If Days	Hours	Critical Exception If Days	Hours	Recurring Milestone	Variation Name
Order Accepted	12	0	Before	S/W End Dt	N/A	N/A	N/A	N/A	No	
Production Scheduled	2	0	After	Order Accepted	2	0	3	0	No	
Production Start	2	0	After	Production Scheduled	2	0	3	0	No	
Production End	5	0	After	Production Start	2	0	3	0	No	
QA Check Complete	1	0	After	Production End	1	0	2	0	No	
Booked w/Srvc Prvdr	1	0	After	QA Check Complete	1	0	2	0	No	
Supplier Ship	1	0	After	Booked w/Srvc Prvdr	1	0	2	0	No	
				Vessel						
Vessel Arrive	12	0	After	Departed	1	0	2	0	No	Standard
	14	0			1	0	2	0		K-Line
Customs Clrd-Broker	0	12	After	Vessel Arrive	0	12	0	18	No	Standard
On Rail	1	0	After	Customs Clrd-Broker	1	0	2	0	No	Standard
Off Rail	5	0	After	On Rail	1	0	2	0	No	Standard
Delivered	2	0	After	Off Rail	1	0	2	0	No	Standard

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Vendor Compliance

Capabilities

- We proactively monitor vendor bookings against order ship window dates
- We communicate with vendors to ensure commitments made to you are met or logged for follow up and corrective action
- SCOUT electronically validates bookings against Orders to manage exceptions
- State-of-the-art automated vendor compliance features allow you to require vendors' booking and document creation directly in SCOUT

Benefits

- Minimizes communication gaps between you and your vendors
- Manages early indicators of delay such as late or missing vendor bookings by exception code
- Controls early/late deliveries or shipments of improper quantities
- Provides insight into vendor performance over time

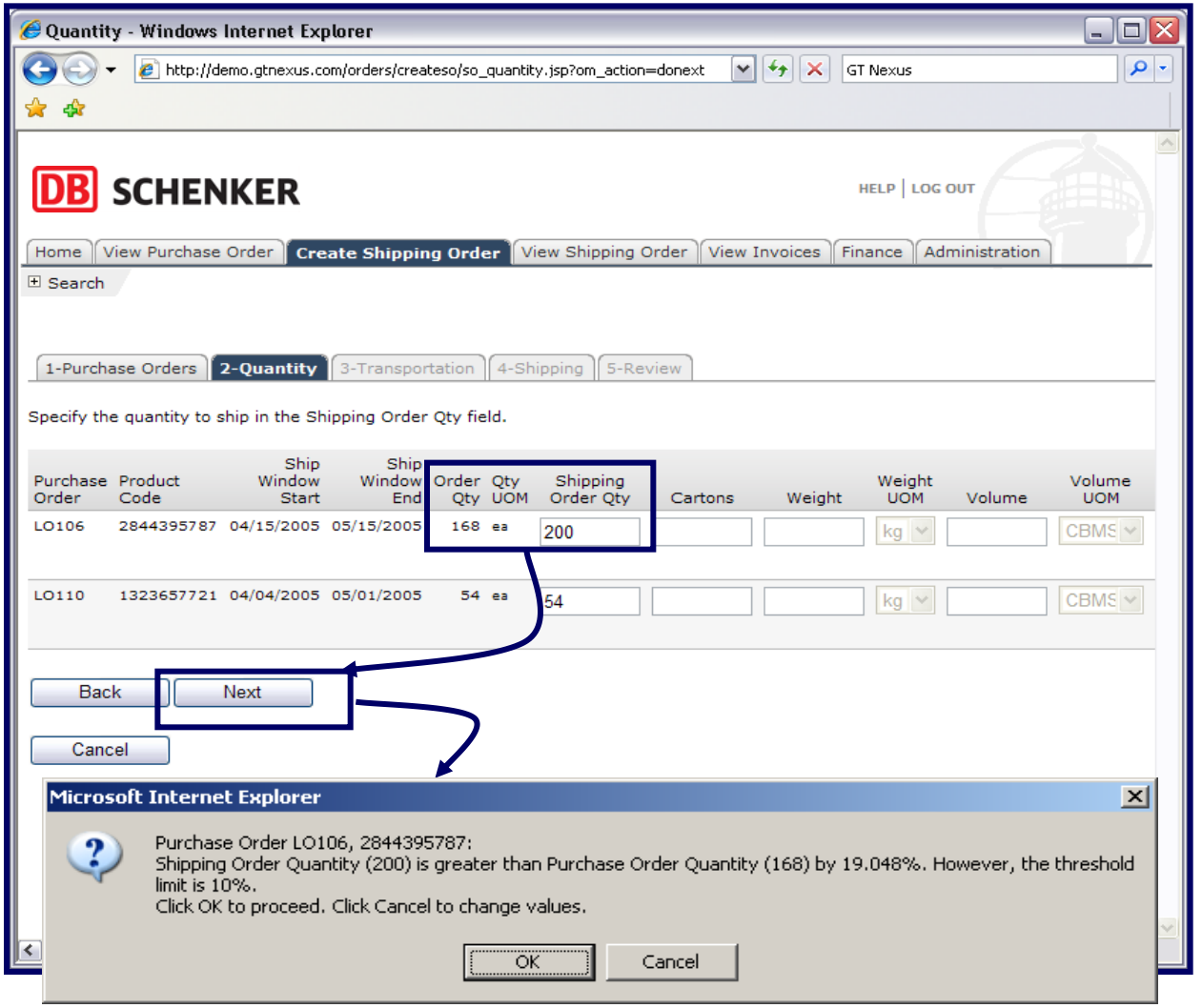
Vendor Compliance

SCOUT Technology

- Real-time updates on order activity prior to shipment
- Systematic monitoring of vendor activities
- Pre-alerts to highlight and resolve discrepancies in ship windows, quantities and other order requirements

As shipping orders are validated, "hard stop" and "soft warning" messages inform DB Schenker's origin operators of allowable tolerances.

Example of a soft warning:



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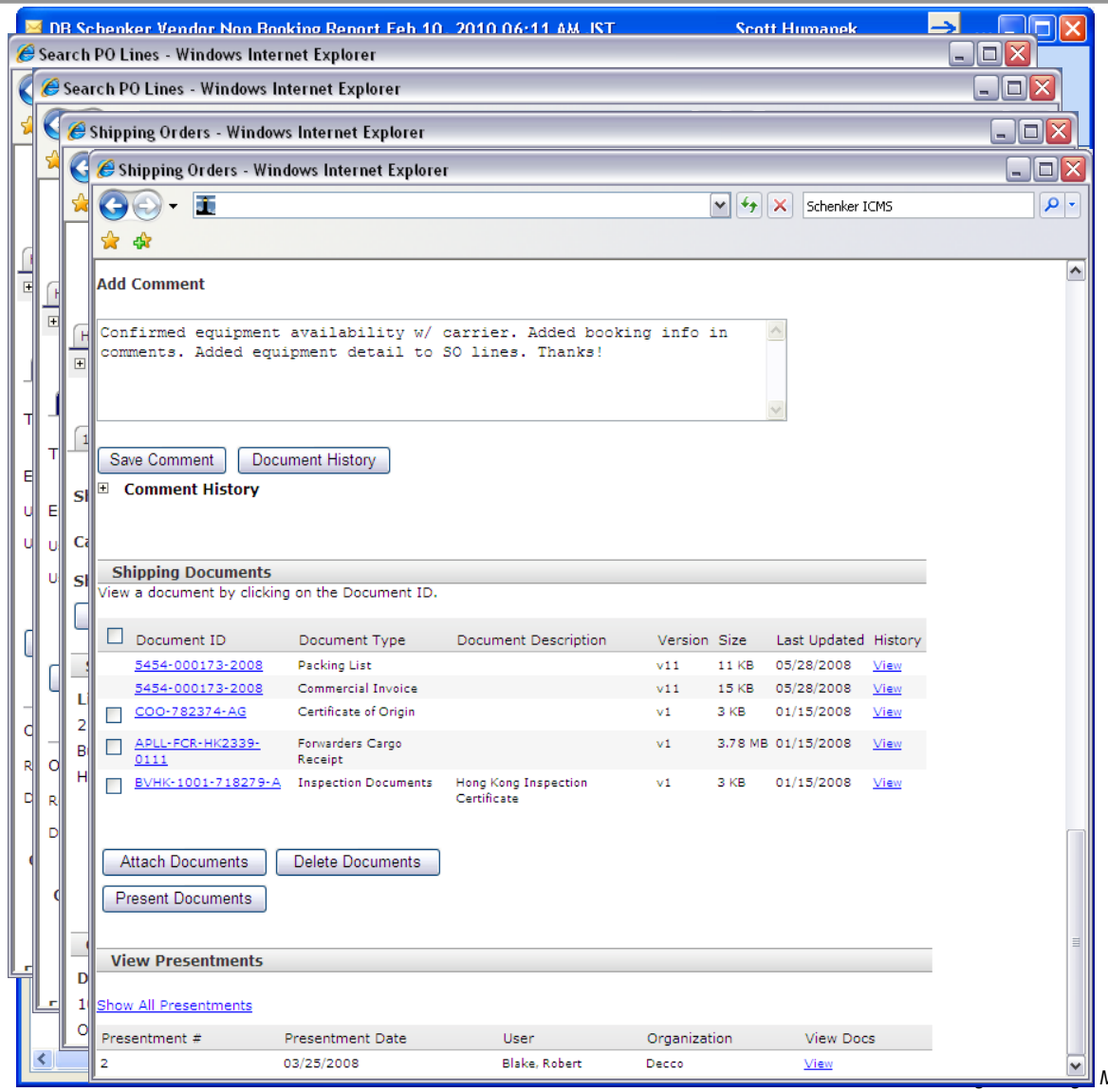
Integrated Cargo Management

Vendor Compliance

SCOUT Technology

- **Automated** Vendor Compliance & Operations provides system-generated notification to vendors when expected order status update and booking activities are not performed within established time parameters
- Vendors prompted to execute next operational step in process (Status → Booking → Shipping Order)
- Eliminates delays or errors in monitoring vendor activity



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Booking & Document Management

Capabilities

- Booking data is validated against order ensure match
- Manage client bookings with carriers to ensure equipment and space availability
- Control vendor documentation, including FCR, per letter of credit or other financial terms
- Documents audited for completeness, accuracy and timeliness
- Verification of commercial invoice compliance to order for unit price consistency

Benefits

- Ensures standard predictable processes across multiple vendors, locations and carriers
- Reduced risk of delays to missing, incomplete or late documents
- Affords reporting on vendor performance – both for documentation and cargo delivery

ICM
Integrated Cargo Management

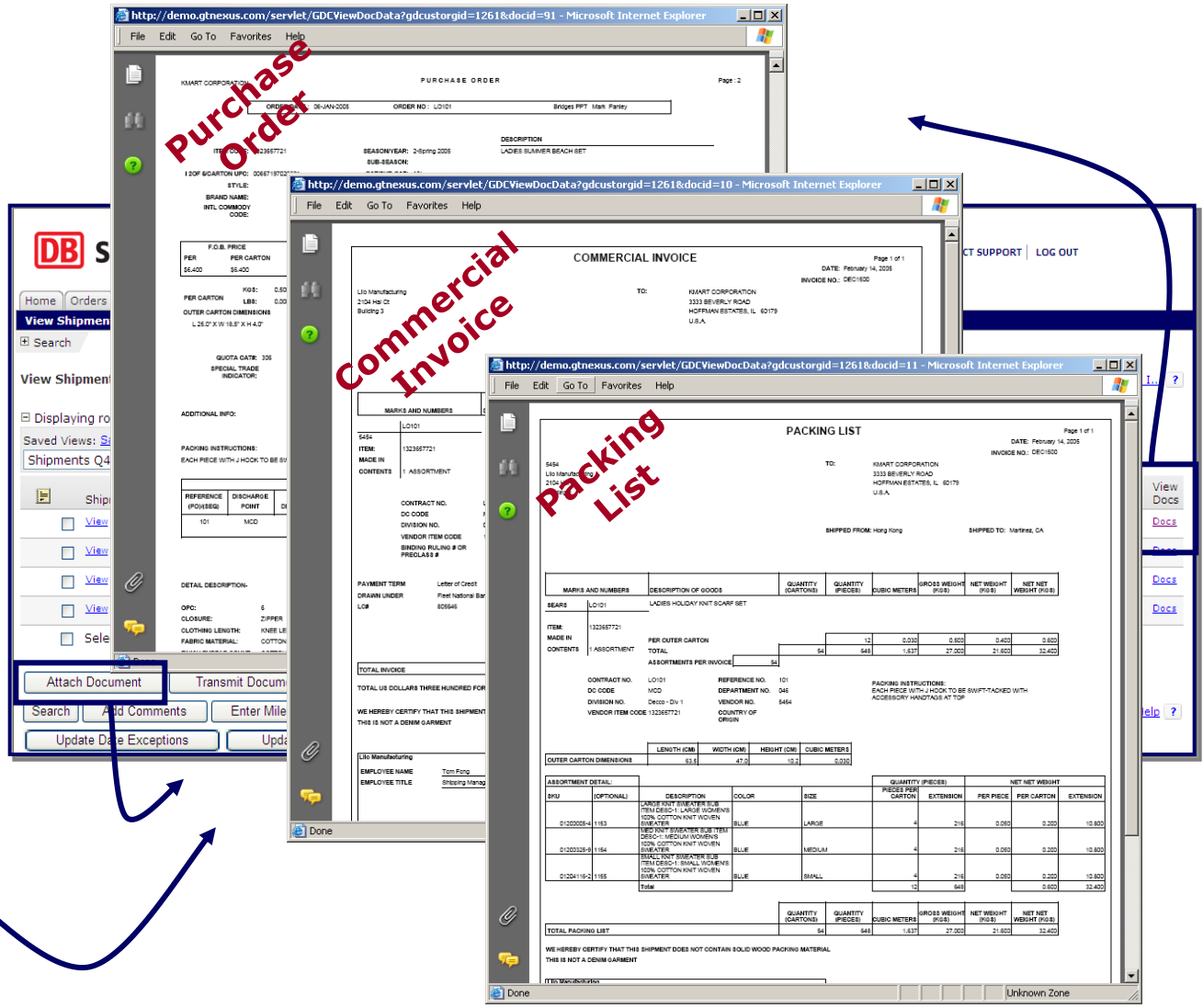
Booking & Document Management

SCOUT Technology

- Documentation can be digitized
- Vendor bookings systemically generated create standard commercial invoices and packing lists based on order data
- Available as pdf for you to view online and print at any time

SCOUT-generated commercial documents can be created, viewed printed or shared instantly.

Data for documents starts with order detail supplied by you supplemented by shipping order detail from your vendors.



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Integrated Cargo Management

Buyer's Consolidation

Capabilities

- Consolidate multiple orders into full container loads
- System checks to ensure process matches SOP parameters for load factor
- Support many-to-many relationship between order, line, booking, inbound vendor delivery, bill of lading and outbound container manifest
- Maintain visibility which order-line quantities are loaded in which containers throughout the supply chain

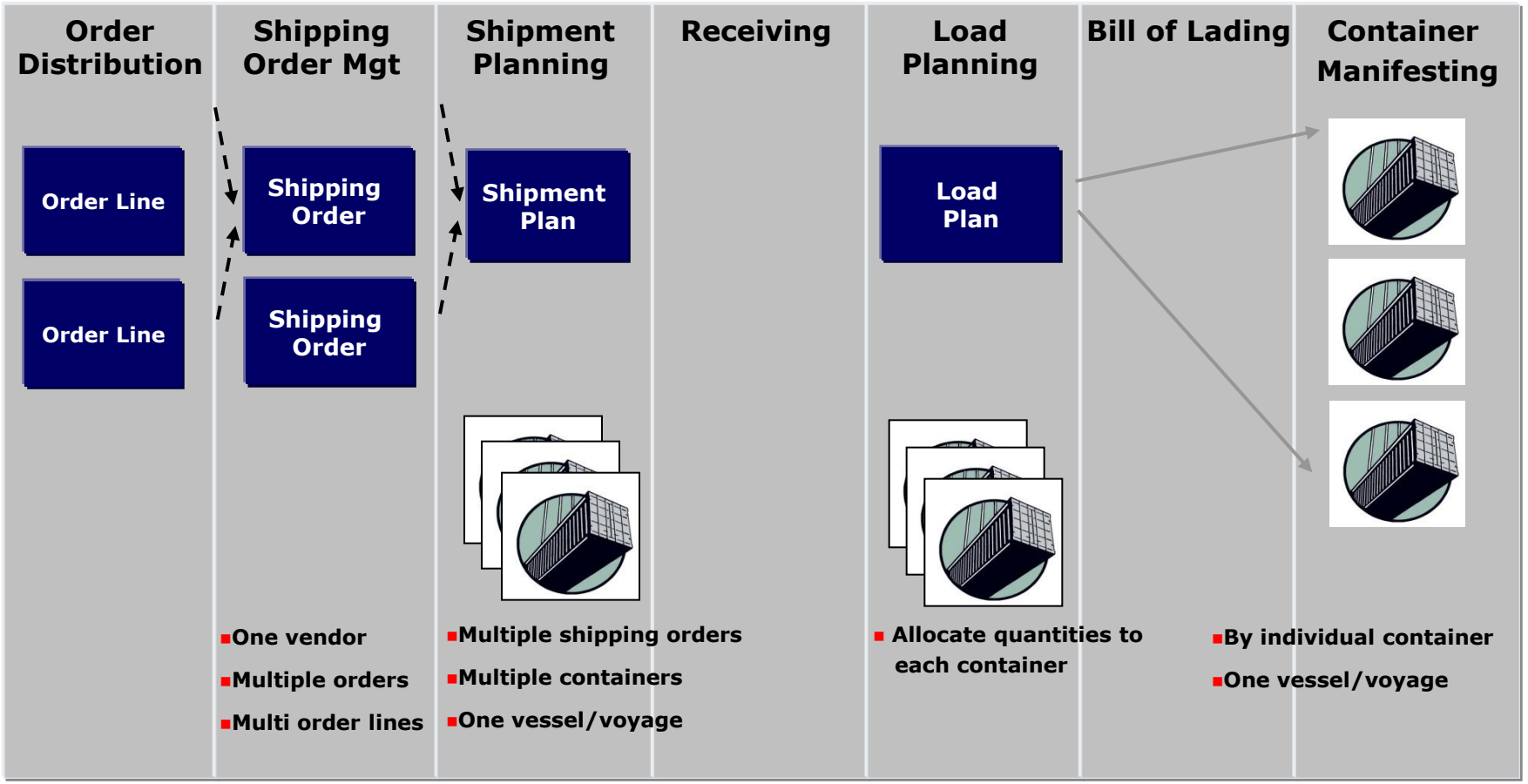
Benefits

- Maximize equipment utilization
- Reduce transportation and documentation costs
- Meet security compliance standards by packing your goods at certified facility
- Improve quality controls on shipment, master pack & labeling accuracy with carton sampling programs
- Control over/short/damaged product at origin not destination

ICM
Integrated Cargo Management

Buyer's Consolidation

Systemic rules ensure "like" orders are bundled. LCL quantities from multiple vendors are received, and with full visibility to order/line within each container.



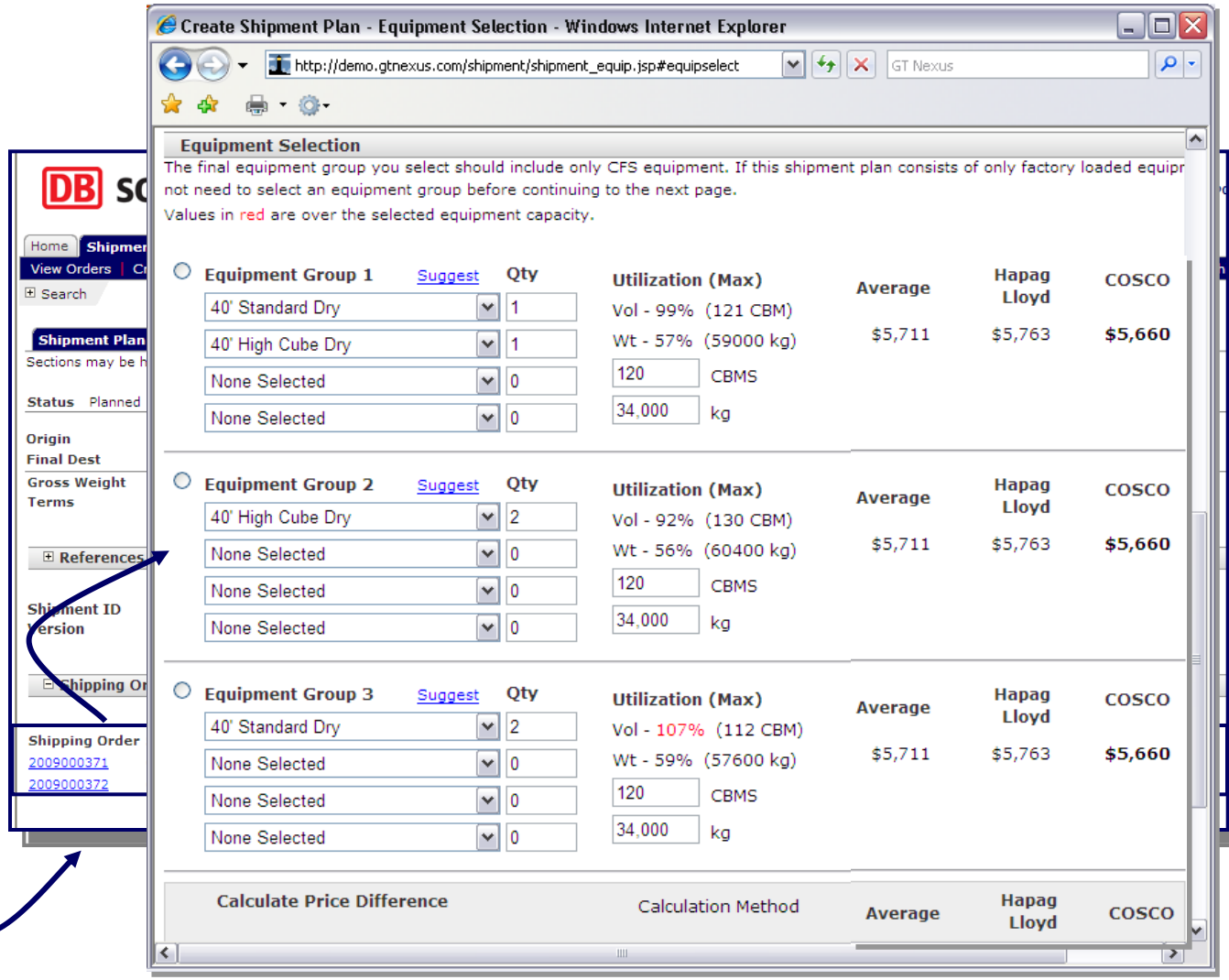
ICM
Integrated Cargo Management

Buyer's Consolidation

SCOUT Technology

- Supports order quantities to consolidate, volume/weight calculations and equipment selection
- SOP and other requirements are systematically considered in load planning process

Shipment plans are built by considering approved Shipping Orders, consolidation business rules, and "what if" equipment selection based on utilization and price.



ICM
Integrated Cargo Management

ISF Agency *for US Importers*

Capabilities

- Generate the Importer Security Filing as an extension of the data collected by DB Schenker under ICM
- Automate electronic collection and build-up of data elements required for ISF
- Achieve full visibility to your ISF generate reports to monitor draft or completed filings
- Model supply chain exceptions to proactively identify and manage shipments at risk

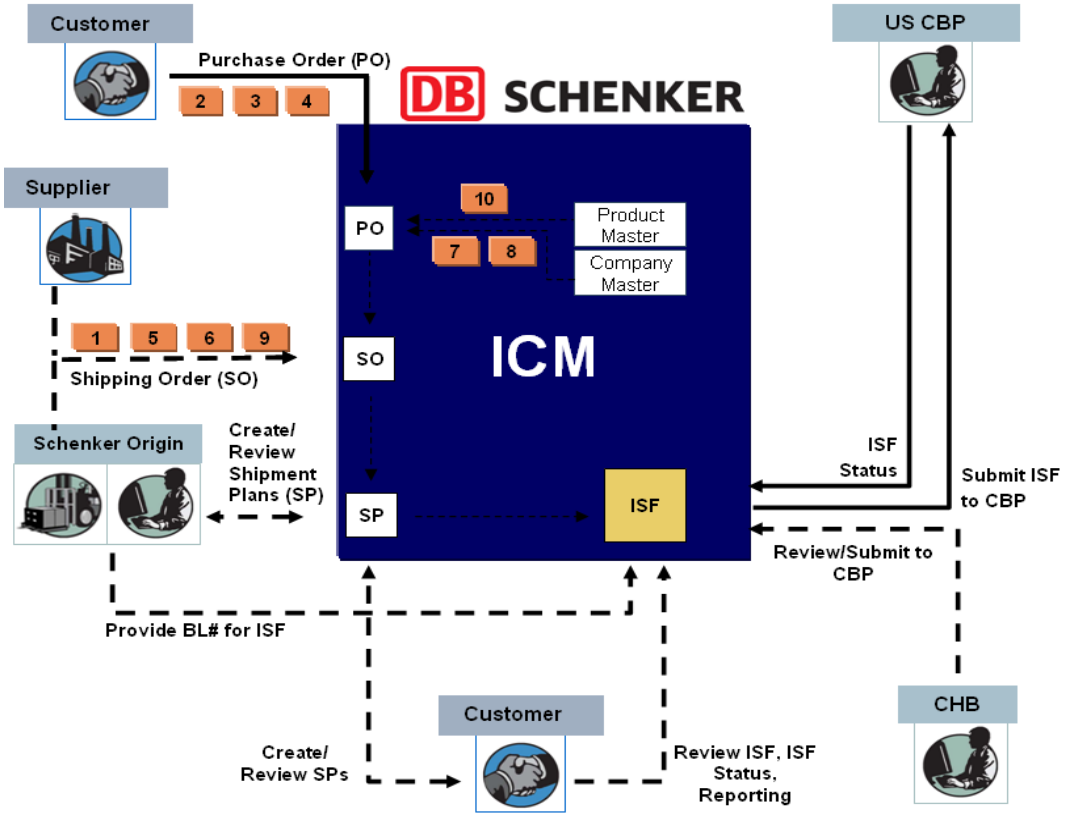
Benefits

- Ensure compliance with the new ISF security filing rule from US Customs and Border Protection (CBP) – also known as “10+2”
- Minimize vendor-caused ISF delays and penalties to you
- Leverage complementary capabilities to improve vendor management and streamline downstream customs entry process

ICM
Integrated Cargo Management

ISF Agency

SCOUT is designed for collaboration between multiple supply chain partners and to manage timely and accurate capture of required ISF data elements



10 Data Elements

1	Manufacturer name and address
2	Seller name and address
3	Buyer name and address
4	Ship to name and address
5	Container stuffing location
6	Consolidator name and address
7	Importer of record number
8	Consignee number
9	Country of origin of goods
10	Commodity HTS number (6 digits)

Integrated data feed

Data object connection/leverage

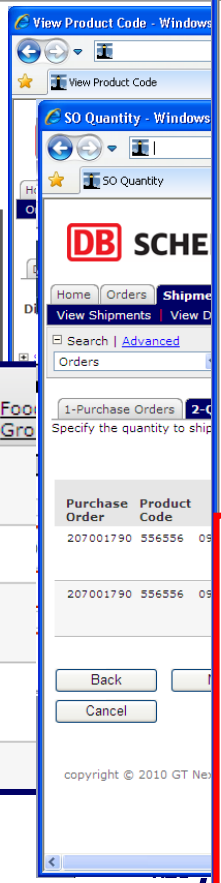
Manual (UI) data entry

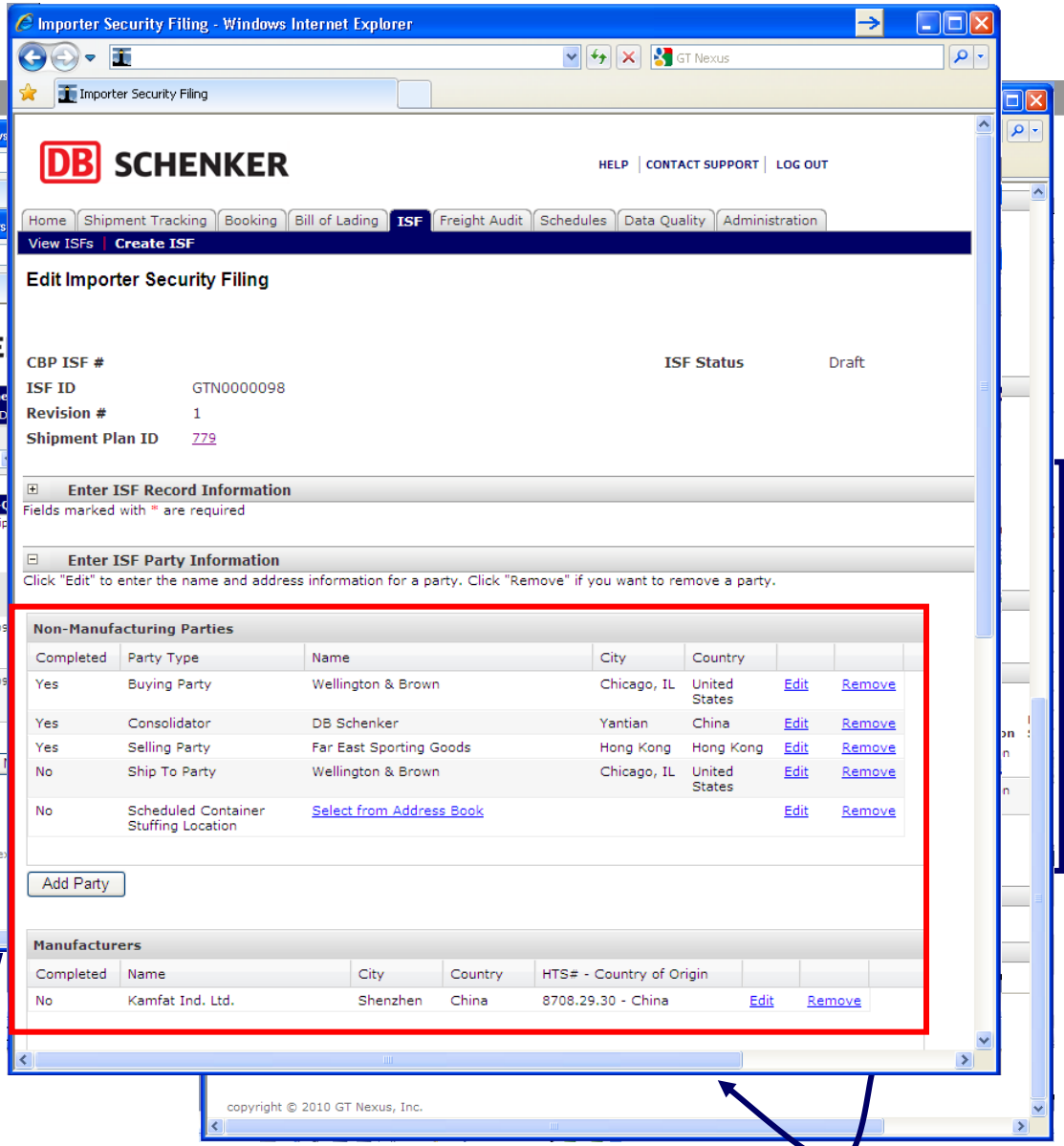
ICM
Integrated Cargo Management

ISF Agency

SCOUT Technology

- "10+2" data aggregated from
  - C
  - V
  - C
  - L
  - C
  - C
- Transr





SCOUT mandates required ISF data elements are provided or confirmed by vendors and supply chain partners. HTS number can be sourced from order or HTS parts table loaded in SCOUT.

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Integrated Cargo Management

Supply Chain Control

Capabilities

- End-to-end supply chain visibility to shipments, containers, orders, items – your entire inbound inventory down to the SKU level
- Exception management through “smart” alert notifications
- Purchase order reconciliation and quantity exceptions tracking
- Ad hoc on-demand operational reporting

Benefits

- Reduce in-transit inventory and buffer stock
- Reduce delays, avoid demurrage
- Dynamic allocations improve cross-dock
- Facilitate DC-bypass straight to consumer
- Reduce expedited shipments
- Access standardized data to analyze performance across the supply chain

ICM
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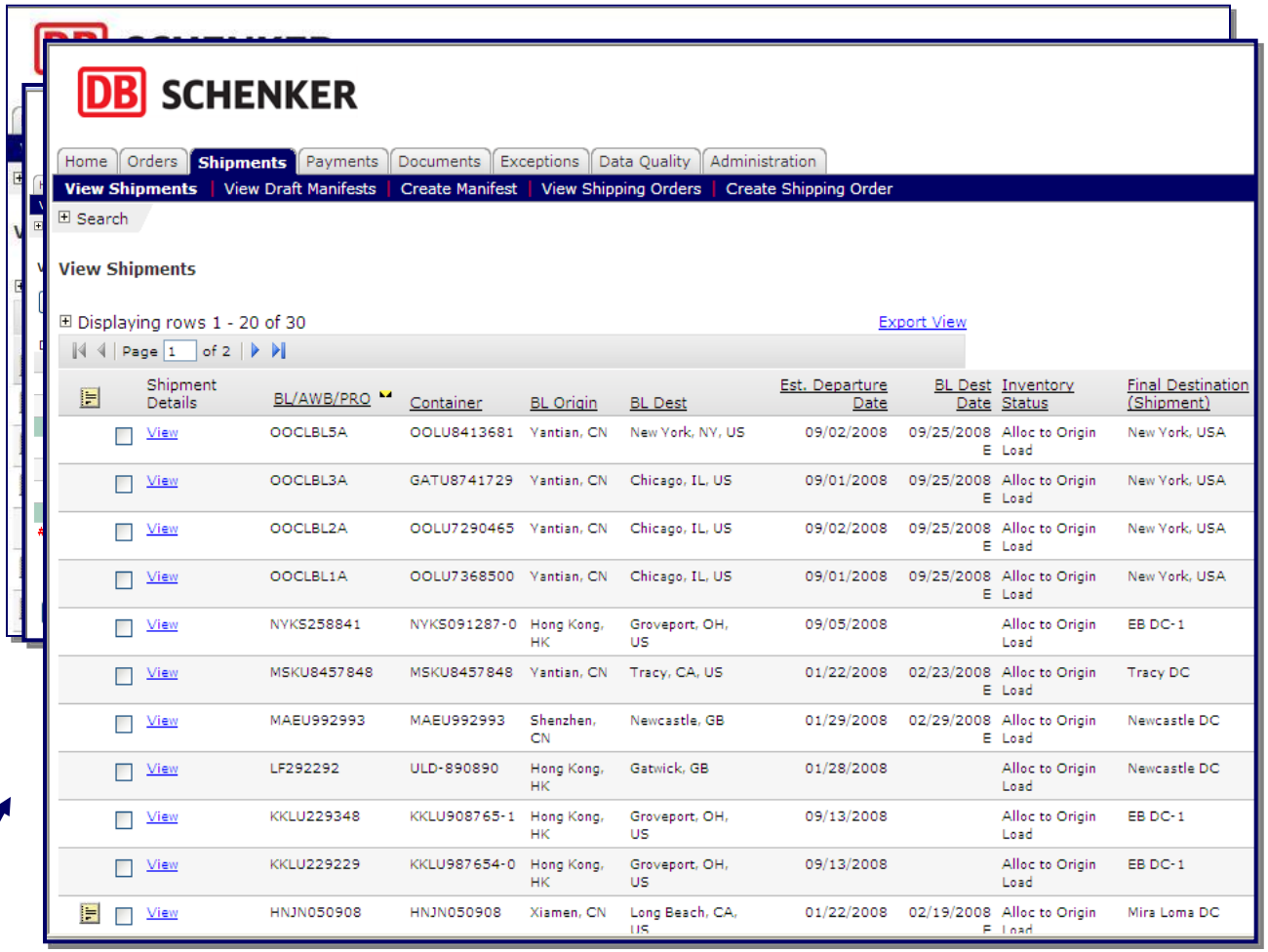
Supply Chain Control

SCOUT Technology

- Virtual warehouse inventory beyond your “four walls”
- Captures and combines order and shipment information
- Data links to drill for more detail
- Data is easy to search / save search for operational use

DB Schenker’s state-of-the-art visibility platform delivers real time, end-to-end information on your orders and shipments. Saved views based on user needs and automated reports are powerful management tools.



Shipment Details	BL/AWB/PRO	Container	BL Origin	BL Dest	Est. Departure Date	BL Dest Date	Inventory Status	Final Destination (Shipment)
View	OOCLBL5A	OOLU8413681	Yantian, CN	New York, NY, US	09/02/2008	09/25/2008 E	Alloc to Origin Load	New York, USA
View	OOCLBL3A	GATU8741729	Yantian, CN	Chicago, IL, US	09/01/2008	09/25/2008 E	Alloc to Origin Load	New York, USA
View	OOCLBL2A	OOLU7290465	Yantian, CN	Chicago, IL, US	09/02/2008	09/25/2008 E	Alloc to Origin Load	New York, USA
View	OOCLBL1A	OOLU7368500	Yantian, CN	Chicago, IL, US	09/01/2008	09/25/2008 E	Alloc to Origin Load	New York, USA
View	NYKS258841	NYKS091287-0	Hong Kong, HK	Groveport, OH, US	09/05/2008		Alloc to Origin Load	EB DC-1
View	MSKU8457848	MSKU8457848	Yantian, CN	Tracy, CA, US	01/22/2008	02/23/2008 E	Alloc to Origin Load	Tracy DC
View	MAEU992993	MAEU992993	Shenzhen, CN	Newcastle, GB	01/29/2008	02/29/2008 E	Alloc to Origin Load	Newcastle DC
View	LF292292	ULD-890890	Hong Kong, HK	Gatwick, GB	01/28/2008		Alloc to Origin Load	Newcastle DC
View	KKLU229348	KKLU908765-1	Hong Kong, HK	Groveport, OH, US	09/13/2008		Alloc to Origin Load	EB DC-1
View	KKLU229229	KKLU987654-0	Hong Kong, HK	Groveport, OH, US	09/13/2008		Alloc to Origin Load	EB DC-1
View	HNJN050908	HNJN050908	Xiamen, CN	Long Beach, CA, US	01/22/2008	02/19/2008 E	Alloc to Origin Load	Mira Loma DC

ICM is tailored to your requirements

- DB Schenker customizes the ICM program to meet each client's service requirements
- Client-specific scope of work is documented in Standard Operating Procedure as approved by all stakeholders
- Key features of the repeatable ICM solution set are outlined in ICM Service Value Summary
- ICM fee schedule is customized to reflect client's shipping profile and value-added services requested

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E **Questions and next steps**

Questions?

Next steps

Thank you

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