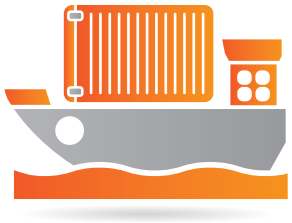
Amber Road
POWERING GLOBAL TRADE

eBook

NVOCC Profit Optimization

Automate contracts and rate sheets with International Transportation Management from Amber Road

NVOCC Profit Optimization



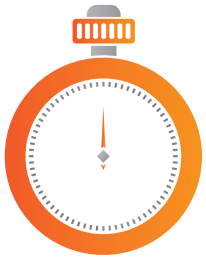
The Challenge

Non-vessel operating common carriers (NVOCCs) must carefully manage each transaction to be competitive and deliver sufficient margin to grow the business. Several challenges are common across this industry.

- **Contract Management** — most NVOCCs maintain a large portfolio of contracts and rate agreements across multiple transportation modes for customers with diverse commodities across a range of industries
- **Complex Variables** — each contract and rate agreement may contain hundreds of commodities, bullet rates, inlands, motor add-ons, and arbitraries that are subject to the carrier's governing rules tariff for accessorial charges
- **Frequent Amendments** — each variable may be amended weekly, and each must be considered with precision to accurately calculate a total freight cost. The impact of a single accessorial can represent a significant variance in cost – sometimes up to 10% of the total bottom-line cost
- **Distributed Sharing** — the contracts and rate agreements must be securely shared with dozens – sometimes hundreds – of sales executives, agents, managers and customer service representatives throughout the world to inform their decisions

The key is to effectively manage the portfolio of service contracts, service agreements, rate sheets and variable carrier accessorials. Traditionally, NVOCCs have used documents and spreadsheets, but now can't support the constant amendments to multiple rate sheets.

NVOCCs must also build sell rates for individual quotes and requests for proposals (RFPs), which can require thousands of rates to be quoted in a timely manner. A non-automated rating process makes it extremely difficult and time consuming to compute an accurate bottom-line cost for a given shipment. Yet, accurate cost information and rapid response are critical to making sound decisions when quoting, booking and paying freight bills.



The Solution

International Transportation Management (ITM) from Amber Road automates the management and updating of contracts and rate sheets to optimize NVOCC profits. It also provides a simple, inexpensive means of ensuring ocean rate tariff publishing compliance.

ITM's precise rating engine identifies all routes and calculates full bottom-line prices inclusive of the base rate, accessorial charges and inland add-on amounts. ITM links to carrier rules tariffs and provides a simple tariff filing system allowing an NVOCC to instantly file or amend its ocean rate tariff, thereby avoiding the cost, time and hassle of a third-party publisher.

The Benefits

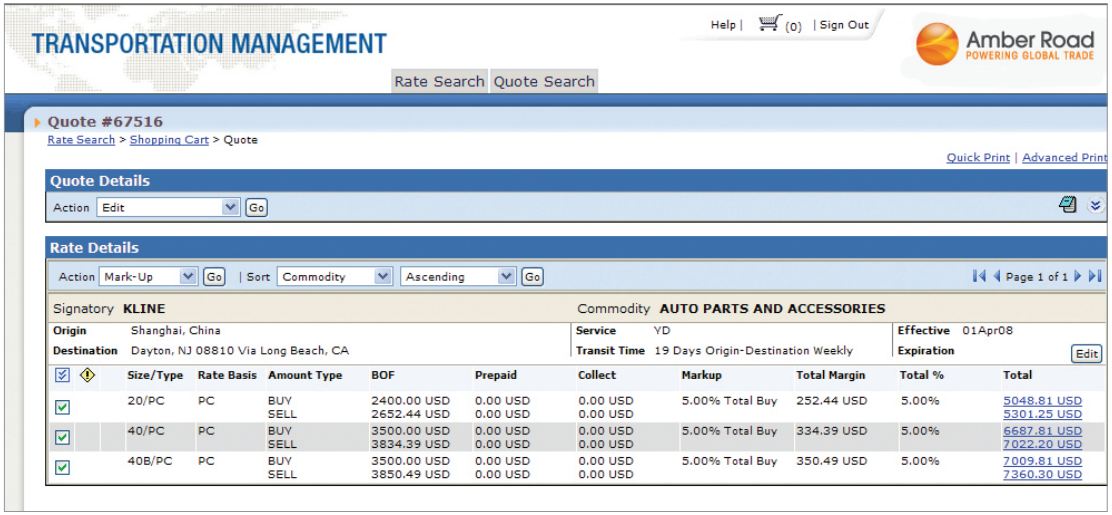
Respond Faster to Quotations and RFPs

ITM can be used to respond quickly to customer inquiries with quotations that offer more options at more competitive prices. Based on a quotation request, ITM interrogates tens of thousands of rates across dozens of contracts and rate agreements in seconds to find all possible rate/route combinations for a customer. With these results, an NVOCC can quickly calculate a complete bottom line for each option and compare them to select the best one for a quote.

To build a quote, an NVOCC simply selects the rate options and then adds to a new or existing quote. The user can add comments to each line item, mark up the base freight or the total bottom line, and export the calculations to a Microsoft® Word or Excel® file with an appropriate level of detail. Each quote is stored securely in the ITM database. Since all the current information is accessible online, the quotation process can be effectively distributed to all remote offices and agents.

NVOCC Profit Optimization

Build a quote quickly by comparing rates



"With International Transportation Manager, an NVOCC can generate more quotes, make better booking decisions and audit more freight bills with fewer staff."

"ITM eliminates 80% or more of the effort involved in preparing a customer quotation, especially the more complex quotes with two or three alternative routings, different equipment options, and various value-added services. Now, we can respond to rate quotes within a couple of hours – or sooner – which gives our sales team a real edge in a super-competitive market."

NNR Global Logistics USA Inc.

NVOCC Profit Optimization



ITM provides a proposal generation tool designed to streamline the process of preparing complex rate quotes. The proposal builder within ITM makes it easier for customer-facing teams to analyze customer requirements, build multiple routing and service scenarios, prepare pricing for each alternative, generate and deliver a customized proposal, and analyze win/loss trends over time. It also allows users to better manage and control critical freight rate information, improve quoting accuracy, reduce overhead costs and respond faster to new customer opportunities. Key features include:

- Management tools for monitoring and tracking all aspects of the proposal process, including response times, margin analysis and win/loss trends
- A single, secure database that centralizes information for easy access and management of all RFP/RFQ activities
- An efficient batch calculation process that eliminates the manual calculation of routes and rates and identifies the best combination of cost and service available
- Real-time editing of buy-side and sell-side rate information to ensure quotes are accurate and timely
- Flexible reporting capabilities so users can instantly identify RFQ trends and profitability

"We were looking for a solution that would allow us to more efficiently respond to our growing volume of RFQs and new business opportunities. The proposal builder's ability to construct multiple routing and service options and automatically calculate the pricing for each alternative saves us a tremendous amount of time. We can now offer our customers the best combination of cost and service available."

NNR Global Logistics USA Inc.



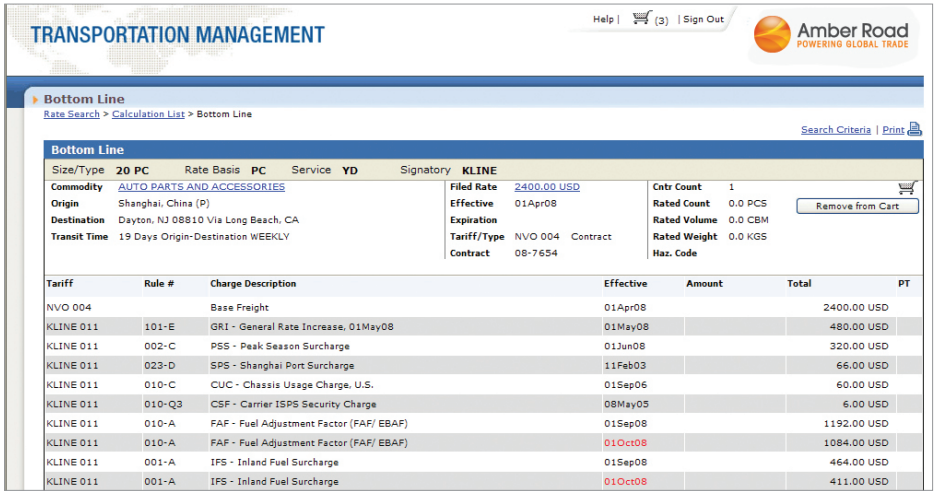
Audit and Correctly Pay Freight Bills of Lading

In recent studies, errors were found in 22% of freight bills with an average error of $178. For many NVOCCs, this can represent the entire margin on a transaction.

The power of ITM as a freight audit tool starts with rating accuracy. As bills of lading and invoices are received, ITM conducts a rate search using the shipment date to determine the contract version and as a baseline to identify the accessorials in effect at that time. Overcharges and discrepancies are quickly identified and details can be sent to the carrier for a fast resolution. The user can transfer the calculation results to an integrated system, such as an internal ERP or freight payment service, via a web service.

ITM not only supports the audit of freight bills individually, as they are received, but can process in batch based on an electronic feeds from the carriers. For larger NVOCCs, the efficiency of auditing hundreds of bills in minutes can easily justify bringing the freight audit process in-house if it is presently outsourced.

Quickly audit and identify bill-of-lading and air waybill errors



Precisely Understand Your Costs

The key to delivering competitive quotes and optimizing profit is to precisely understand total and base freight costs prior to booking. Unfortunately, given the number and volatility of the cost elements, estimates are frequently wrong. NVOCCs need a fast and accurate way to calculate costs to make informed booking decisions.

ITM manages contracts in a "calculable format" and links directly to the carriers' rules tariffs to accurately calculate complete freight charges (including the base freight, all applicable accessorial charges, and any inland or outport arbitrary charges) in seconds.

Search across all service contracts and rate agreements by commodity keywords, routings from inland points or ports, and by various equipment types. With multi-factor rate search, ITM returns a "thru rate", and also search services contracts for port rates that can be combined with inland and arbitrary rates to complete the routing.

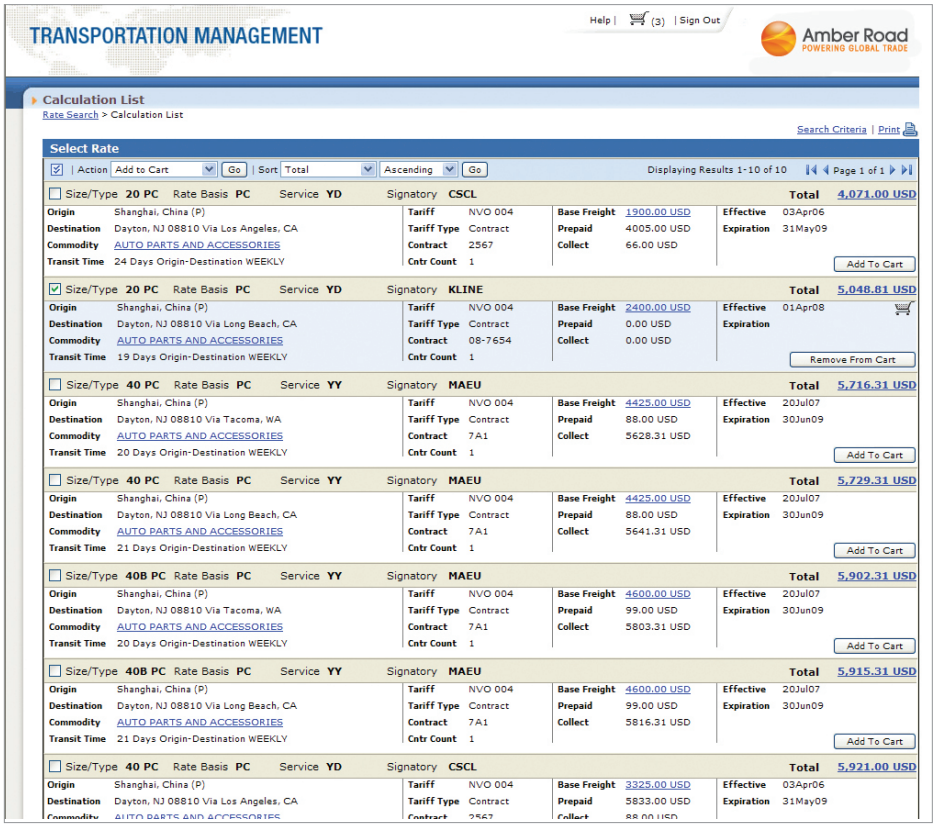
Powerful rate search



NVOCC Profit Optimization



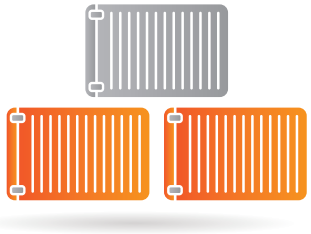
Transportation Management returns thru rates and rates for multi-factor routing



"With Transportation Management, an NVOCC can efficiently evaluate subtle, yet important distinctions across the hundreds of rates that must be quoted each day."

"Our customers' demand for the fast turnaround of rate requests that detail alternative cost-service scenarios simply could not be supported with the use of spreadsheets and paper contracts."

SDV International Logistics, USA



Streamline the Contract Management Process

Many NVOCCs struggle to manage contracts and rate agreements to provide the business with pricing and perform accurate audits of freight bills and invoices. The complexity of NVOCC contracts and rate agreements cannot be adequately managed with text-based documents and spreadsheets.

By managing a large portfolio of contracts, an NVOCC can realize higher margins or differentiate its service by giving customers more shipment options or passing on any cost savings realized at time of booking. By automating contracts, an NVOCC can efficiently manage more contracts and optimize carrier selection at the time of booking based on bottom-line freight totals.

Contract automation with ITM can eliminate the time and cost associated with maintaining and distributing text contracts and rate agreements to all the parties that need access to them. With secure online access and role-based permissions, contracts can be used to make better decisions when quoting, booking and auditing.

"Transportation Management automates our processes to address the 24x7 demands of our global customers and provide the business insight we need to improve market results."

Mallory International



Bring Tariff Filing In-house

Mandated by the Federal Maritime Commission (FMC), tariff management for NVOCCs is an expensive and cumbersome process. Moreover, failure to comply with these regulations can result in substantial fines — up to hundreds of thousands of dollars. The NVOCC Tariff Publisher module is delivered over the Internet as a service and easily integrates with current NVOCC pricing activities.

By bringing tariff filing in-house, NVOCCs can realize several key advantages over using third-party tariff publishing services:

- **Speed** — update and post a rate tariff change in minutes without involving a third-party publisher. ITM also permits filing rates directly from rate quotations into the tariff
- **Simplicity** — manage tariffs with the same level of effort and skill required to email a rate or commodity change to a third-party publisher
- **Compliance** — file your new rates instantly prior to booking and avoid potential FMC fines
- **Savings** — avoid the cost and hassle of engaging a third party publisher

The ITM NVOCC Tariff Publisher module is an FMC approved system that is used today by hundreds of NVOCCs.

"The NVOCC Tariff Publisher module has allowed us to fully manage our FMC rate tariffs with far less effort than using a third-party publisher. We now have the ability to quickly check our rate tariff prior to booking and, if needed, amend or add a new rate in seconds."

TSC Container Freight

"The Tariff Publisher module offers an immediate payback by substantially reducing third-party publishing costs and giving my organization more control over the management of our rate tariff."

Ocean World Lines

Save with International Transportation Management from Amber Road – a Proven Solution

Trying to manage the complexity and fast-paced demands of an NVOCC business with text-based service contracts is a costly and error-prone proposition. Enterprising NVOCCs looking for a competitive advantage have discovered that Amber Road's International Transportation Management solution meets their specialized needs and offers a return on investment in a few short months with benefits including:

- Understand full bottom-line costs and margin implications of a transaction prior to quoting
- Quickly compare alternative services under contract — especially hard-to-find bullet rates — prior to booking
- Effectively manage the volume of amendments and share contract terms with agents and employees around the world
- Eliminate invoice over-payments by automating the freight audit process
- Avoid costly third-party publishing fees and ensure regulatory compliance by managing tariff filing in-house

ITM is the market-leading solution for ocean contract management. ITM can manage thousands of calculable contracts, each with more than 20,000 unique rates and hundreds of amendments per year. Offered using a software as a service delivery model, ITM can be deployed quickly, with no involvement from IT or disruption.

About Amber Road

Amber Road provides a single, on-demand platform that automates and streamlines global trade. By helping organizations to comply with country-specific trade regulations, as well as plan, execute and track global shipments, Amber Road enables goods to flow unimpeded across international borders in the most efficient, compliant and profitable way.

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POWERING GLOBAL TRADE

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