

MAKING THE CASE



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LTL SHIPMENT LIFECYCLE OPTIMIZATION

By putting time and effort into less-than-truckload shipment lifecycle optimization, and by applying the right technology to the task, companies can effectively reduce their freight spend, improve end-to-end supply chain visibility, streamline their logistics functions, and save valuable time.

Taking the Calculation, Complexity, and Cost out of LTL Shipping

Facing capacity issues and rising freight rates, shippers and 3PLs now need to focus on optimizing their LTL operations and getting more strategic with their carrier and provider partners.

INCREASINGLY COMPLEX AND DYNAMIC IN NATURE, today's supply chains must be managed in the most streamlined and simplified manner possible—with virtually no room for error.

This puts shippers, third-party logistics providers (3PLs), and their carriers in an interesting position as they attempt to navigate the less-than-truckload (LTL) environment. Impacted by driver shortages, capacity crunches, the new electronic logging device (ELD) regulations, the ever-growing e-commerce channel, and other forces, LTL is a crucial and expensive supply chain component that companies can't afford to ignore.

When they don't have enough goods to fill an entire truck, shippers can take advantage of a complex-yet-integral tool that's used in the modern-day supply chain. A popular choice in today's single-item-shipment world, where customers are ordering everything from toothbrushes to paddleboards

online—and expecting them to arrive quickly and undamaged—LTL involves multiple shipments loaded onto a single truck; multiple trailers and terminals; myriad pricing structures; hundreds of different base rates; multiple individual carrier rates; and 18 different National Motor Freight Classification (NMFC) codes (a standardized method designed to give consumers a uniform pricing structure when transporting freight).

These and other variables converge to make LTL one of the most complicated and expensive—yet at the same time, very necessary—transportation options. The good news is that with the right balance of pricing data, rating technology, and industry knowledge, both shippers and 3PLs alike can start their LTL price negotiations from a level playing field; partner with the best possible carriers; comprehensively manage their carrier pricing agreements; and apply the correct freight classifications.

With high-horsepower, analytical APIs, these companies can also enable users to perform robust LTL rating and transit analysis geared toward optimizing their supply chains.

Technology companies that offer a holistic platform of industrial-strength, data-driven analytical solutions, coupled with transactional, shipment-visibility APIs, give users the keys to optimize the entire LTL shipment lifecycle. Implementation of these technology tools leads to significant financial savings, a reduction of manual tasks, and a higher return on transportation investment. This level of

data solutions designed to optimize the entire shipment lifecycle using price negotiations and bid management; rating and transit-time planning and optimization; shipment visibility from dispatch to delivery; and freight bill auditing.

“When a shipper is sending hundreds or thousands of shipments a day,” says Kevin Springer, SMC³’s vice president of sales, “and trying to provide accurate quotes to end users on what the cost of the shipment is, they have to be able to provide that information quickly and efficiently.”

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rapid intelligence is helping companies work smarter and faster in a world where customers have come to expect same-day and next-day deliveries.

Unable to leverage truckload rates for such shipments, a growing number of firms are utilizing the more expensive and complex LTL route. And while quick and efficient carrier rating and selection is mandatory (i.e., Who has the best rates? Who has the best service? What is the total shipping cost with a particular carrier?), it’s nearly impossible to do without the help of a robust technology platform.

To help shippers, 3PLs, and carriers fully optimize their entire shipment lifecycles, SMC³ provides the only integrated suite of intelligent technology and

Facing capacity issues and rising freight rates, shippers and 3PLs are more focused than ever on optimizing their LTL operations and getting more strategic about the carriers and providers that they’re partnering with.

“SMC³’s cutting-edge solutions allow shippers, 3PLs and carriers to create strong symbiotic relationships. That means our Analytical and Transactional API solutions can help shippers optimize their supply chains and find the right capacity in tight LTL markets, and they can also serve as self-auditing tools for carriers, showing them how to optimally construct their networks,” says Andrew Slusher, SMC³’s president and CEO.

Solving the Complexities of LTL Shipping

Workers on either side of the business—the front-line workers on the plant floor or managers in office environments—can instantly respond to time-sensitive situations.

WHEN SHIPPING ANY TYPE OF FREIGHT, supply chain managers want to know how much it will cost and how long it will take to get there, plain and simple. This requirement can become challenging to achieve in the LTL space, where companies have less control over their shipments, and where the shipments themselves may be given lower priority. Capacity crunches, driver shortages, and rising rates are all placing new burdens on LTL shippers and their

That's because without tools like RateWare® XL and CarrierConnect® XL, companies must use manual methods of retrieving, analyzing, and acting on LTL pricing and transit-time data.

“There is no other way to pull 10,000 to 20,000 rates and/or transit times in quickly and then do optimization and scenario building on those rates,” Brian Thompson, SMC³'s CCO explains. “You basically have to use carrier APIs or visit every



logistics providers. Finding carriers, getting reasonable rates, and determining freight classes only exacerbate those hurdles and make the LTL space that much more difficult for shippers to navigate.

Without the right technology, it's nearly impossible to drive the complexities out of the LTL shipment lifecycle.

carrier's website (or call each one for a quote), if you need that information.”

Delivered through the proven SMC³ cloud—which handles millions of transactions every day—this complete LTL solution allows customers to choose the level of computing power to match their business needs.

SMC³'s solutions include CzarLite®, the basis for thousands of LTL contracts that account for billions of dollars in managed transportation; BidSense®, which puts users in control with an automated, easy-to-use process for LTL bid preparation, administration, evaluation, and award; and RateWare XL, an analytical shipment rating tool capable of batch rating 60,000 shipments per minute.

“We enable users to choose the level of optimization power they require based on their needs and environment; that helps to significantly reduce the complexities associated with LTL shipping,” says Kevin Springer. “That gives the power of procurement back to the shippers and allows them to utilize the base rates or benchmarks to gain access to discounts, better service levels, and more efficient LTL management overall.”

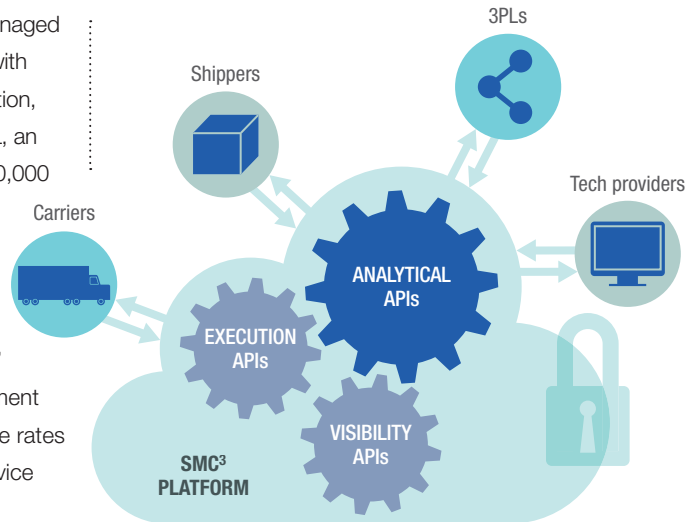
By providing the LTL fuel that powers TMS systems, shippers and 3PLs utilizing TMS platforms like Oracle Transportation Management, MercuryGate and others may not even know SMC³ is providing the data and technology to optimize the LTL portions of their supply chains. SMC³ effectively manages the information “behind the scenes” in ways that no manual or partially-automated solution can touch.

“The power that our technology provides to pull carrier rates back in milliseconds—instead of having to do it manually and individually, one at a time—is a powerful tool for companies that need real-time decision management systems,” says Thompson. “And as a company’s TMS and optimization systems are enhanced, the value of the SMC³ Platform increases exponentially.”

For example, a large shipper that sends out several thousand LTL shipments per week during the holiday season can’t just pop some numbers into the UPS or FedEx website to find out how much each of those packages is going to cost (and, in turn, relay that information to their own customers). Instead, it must be able to automate that process in order to achieve the lowest possible shipping costs.

“That shipper needs to have the robust technology solutions in place to optimize the process and make it run continuously without any interruption,” says Danny Slaton, SMC³'s chief data officer.

The same shipper also needs to have multiple carrier



agreements, each of which must be loaded into a TMS and used to execute on the overall LTL transportation plan. As part of that plan, the company must be able to shop its LTL shipment pricing against its truckload (TL) or small package options. “That’s where our technology comes in,” says Slaton, “and serves as a centralized location for making those important decisions.”

And unlike routing and rating platforms that “go out to websites” to fetch LTL data, the SMC³ solution handles it all within its own “black box,” according to Slaton, and manages thousands of those executions daily. This allows shippers and 3PLs to optimize the process and always select the best source of transportation based on their individual plans and pricing.

While SMC³ has an array of transportation technology tools that 3PLs, shippers and carriers rely upon every day, the company is continually expanding its solutions as the demands of users change. Most recently, that expansion has led to an increase in the development of its transactional API offerings.

“Shippers, 3PLs, and carriers are accessing the SMC³ Platform and executing shipments and shipping management activities,” says Slaton, “across the entire lifecycle of the LTL shipment—from the bill of lading to the shipment booking to the truck dispatch and beyond. Once the carrier picks up the shipment, users maintain visibility throughout the entire process.”

The “Science” Behind the LTL Management Platform

When it comes to optimizing less-than-truckload freight transportation, thousands of companies across North America depend on SMC³ LTL solutions to make the best business decisions, achieve higher returns on their transportation investment, and meet the dynamic demands of the market.

BY OFFERING BEST-IN-CLASS LTL SOLUTIONS **FOUNDED ON API TECHNOLOGY** that encompass price benchmarking, bid management, rating, transit-time, and audit, the SMC³ Platform enables shippers and 3PLs of any size to successfully navigate the LTL shipment arena. Here, SMC³'s Brian Thompson and David Knight, CIO, share the “science” behind the company’s multifaceted platform and show how shippers can effectively leverage that science to optimize their purchasing power in the complex LTL market.



Shipment lifecycle optimization technology

CARRIER PROCUREMENT

Start price negotiations with CzarLite XL, a uniform base rate, and facilitate carrier selection through smart bidding with BidSense.

RATE OPTIMIZATION

Efficiently manage rating complexity and logic with RateWare XL.

TRANSIT-TIME PLANNING

With CarrierConnect XL, stay on top of the most accurate carrier transit time data.

SHIPMENT VISIBILITY

SMC³'s LTL APIs give users visibility throughout the complete shipment lifecycle.

FREIGHT BILL AUDIT

Use BatchMark XL to ensure the accuracy of freight billing and to expedite rate and re-rate analysis.

Q: *What does SMC³'s technology provide that other platforms don't?*

A: It delivers transit time information and rate data via a high-speed technology network. Those are the kinds of things that transportation management systems (TMS) really need in order to show shippers their carrier options. This, in turn, allows companies to evaluate their LTL options based on service and price to choose the optional carrier for every transaction.

Q: *Why is this so important to today's supply chains?*

A: This level of intelligence becomes particularly crucial when shippers and 3PLs become more advanced and start looking ahead and getting involved with advanced supply chain optimization, planning, and decision making (Where do we want to place another warehouse? What is the optimal place for a manufacturing plant or a retail store?). So, where LTL is just one part of the overall decision, it can be a significant one, especially if they use LTL or really any other mode of transportation to a great degree.

Q: *How does the platform work?*

A: Through a comprehensive suite of tools, it provides a total solution for any company that wants to engage in LTL transportation, starting with

the evaluation of all carriers on a level playing field using base rates that reflect the science of how distant points are (and the cost of traveling between those two points) and that takes into account tolls, capacity, and other variables.

SMC³ CzarLite[®], for example, starts with a uniform base rate that serves as a pricing benchmark from which all carriers can base their overall pricing offers. This helps shippers make informed LTL purchases by negotiating their transportation spend using the same base rate system, regardless of the carrier.

Then, BidSense provides an automated, easy-to-use LTL bidding process and prepares, administers, evaluates, and awards the bid. Using high-speed application programming interfaces (APIs), which are codes that allows two software programs to communicate with each other, the platform feeds all of the data via high-speed networks and makes it retrievable in a very quick and efficient manner.

Q: *Once the process is in motion, how do carriers get involved?*

A: When a shipper or 3PL begins to engage with carriers, the platform has the API connectivity to schedule dispatch, retrieve documents (i.e., bills of lading), and allow users to

track LTL shipments as they move through the carrier's network. This helps companies stay in touch with and maintain good visibility across the supply chain without having to pick up the phone and call the carrier directly. This automated shipment lifecycle obviously saves time, energy, and money for all parties.

Q: *How does the SMC³ Platform leverage data analytics to optimize the LTL shipment cycle?*

A: With its APIs, the platform actively monitors the carrier systems and delivers back the key data points to the shipper or 3PL—so that they can see in real-time when something has changed or a problem arises. By serving as knowledge hub for LTL transportation pricing data, technology, and expertise, the platform simplifies complexity and helps companies make more intelligent LTL decisions.

Equipped with this data and the ability to quickly interrogate and utilize that data, the platform has truly become the tool of choice for the marketplace. It supports the entire supply chain for everyone from the small 3PL that's handling 100 shipments a month to the large corporation that's shipping out 10 million individual e-commerce orders per month.

Making the Case for LTL Shipment Lifecycle Optimization

The benefits for shippers, 3PLs, and carriers are saved time, money, and effort.



IT'S CLEAR THAT WHEN SHIPPERS,
3PLS, AND CARRIERS USE
TECHNOLOGY TO OPTIMIZE THE
LTL SHIPMENT LIFECYCLE, ALL
STAKEHOLDERS BENEFIT.

BENEFITS FOR SHIPPERS: Shippers use the complete array of SMC³'s technology solutions to optimize their transportation decisions throughout the entire LTL lifecycle—all the way from carrier procurement, rating and transit analytics to LTL shipment visibility from dispatch to final delivery.

At the beginning of the shipment process, BidSense automates and streamlines the RFP process, enabling shippers to strategically partner with the optimal LTL carriers to meet their specific transportation requirements. Negotiating with SMC³'s CzarLite—a consistent, neutral base rate—across carriers ensures total pricing visibility.

“Our solutions help shippers find the right carrier based on price and service,” Kevin Springer says of these initial, but foundational, steps of the shipment process. “That leads to a much more efficient procurement process and a successful partnership among shippers and their carriers.”

Industrial strength analytical APIs RateWare XL and CarrierConnect XL integrate with ease into shippers' transportation management systems, allowing them to analyze and optimize LTL rating and routing decisions. As the LTL fuel for these TMS applications, the SMC³ solutions deliver carrier-specific rates, along with points of service and transit times, to provide a holistic view of carrier services.

When shipments are in transit, shippers rely on SMC³'s execution and visibility transactional APIs, which integrate directly to freight transportation carriers and provide shippers with real-time, LTL shipment visibility from dispatch to delivery. “We start sending back tracking information based upon where the shipment is in its lifecycle,” Springer says of the SMC³ Platform's transactional APIs. “So from pickup to the point of delivery, we provide the documentation, the bill of lading, and the proof of delivery.”

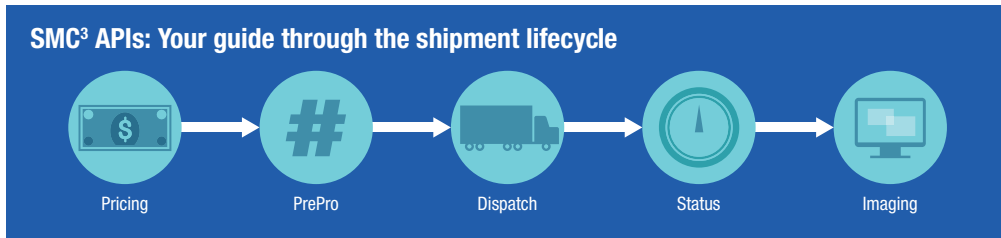
Optimizing the LTL shipment lifecycle by implementing any combination of these technology tools leads to significant financial savings, a reduction of manual tasks, and a higher return on transportation investment in one of the most complex modes of freight transportation.



THE SMC³ PLATFORM: BUILT ON A SECURE, PRIVATE CLOUD

The Platform is a secure, hosted technology solution with multiple layers of data and network redundancy.

- Handles millions of transactions every day
- Outstanding physical and operational resiliency & uptime
- Leverages the highest standards of network security
- Dynamically scalable application and database infrastructure



BENEFITS FOR 3PLS: In the business of managing transportation for multiple shippers, 3PLs need robust freight management tools that help them work smarter in today’s competitive business world. Much like the shippers that they serve, 3PLs need reliable reporting systems, strong collaboration tools, and a platform that ensures that they meet their customers’ specific requirements across the entire LTL shipment lifecycle.

By optimizing this lifecycle, 3PLs can confidently procure transportation on their customers’ behalves, leverage shippers’ rates in transit, and optimize based on those companies’ needs—all within the parameters of their own cost structures. This, in turn, allows 3PLs to eke as much cost savings as possible out of the LTL process.

“Because 3PLs manage LTL for a whole host of clients, they need a platform that simplifies the process and multiplies it efficiently across all of those shippers,” says Brian Thompson.

For example, instead of tracking every single shipment individually, 3PLs want to see exception reports that help them identify any potentially late shipments or those that have been misrouted from the expected routes. “Our APIs help with that,” says Thompson. And because 3PLs typically utilize more advanced decision-making systems, optimizing the LTL shipment lifecycle process helps them better understand the differences between, say, moving a large shipment via TL versus LTL.

BENEFITS FOR CARRIERS: Focused on cost containment and managing in a business environment with tight margins and growing customer demands, carriers are looking to remove costs from their networks by utilizing a combination of automated systems, high-level analysis, and good collaboration with their 3PL and shipper customers.

“When carriers can reduce the number of phone calls coming into their customer service centers and terminals using our APIs,” says Thompson, “they benefit from lower costs and less pressure.”

Thompson, who used SMC³’s RateWare XL and BidSense in his past life as a transportation manager for a major LTL carrier, says the real ROI came into play when he could pull his firm’s rates and conduct comparisons on a single platform.

Then, using SMC³’s Cost Intelligence System, he conducted cost analysis.

“The rate side helped with the profit equation, while the costing side gave us clear visibility over our competitive footing in the marketplace,” says Thompson. “Carriers always want to know—at the shipment level—what their true costs are for moving a shipment, to balance margin and volume, and maximize their profitability.”

Education: The Building Blocks of Growth



With more than 80 years of history supporting the transportation niche, SMC³ is revered for its rich expertise, operational excellence, and neutrality across the supply chain.

BY EVOLVING RIGHT ALONG WITH CHANGES IN TECHNOLOGY, the company is able to meet the increasingly sophisticated demands of its customers while giving them seamless integration and interoperability. This, in turn, helps SMC³ support the entire supply chain with industry-leading speed, reliability, and performance to help optimize LTL freight transportation.

“Complacency is our enemy,” says Andrew Slusher, president and CEO. “We work tirelessly to make sure we’re on the cutting edge of transportation technology, presenting our customers with innovative solutions that adapt as their individual needs shift.”

Instead, SMC³ takes a decidedly different view and is constantly evolving

to help shippers, 3PLs, and carriers meet the complex demands of the LTL space. And if that means tweaking its solution to meet a new need, developing an entirely new product that addresses new market realities, or hiring talent that can bring a fresh approach to the software development process, SMC³ will jump in feet first and meet the challenge.

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“Educating supply chain stakeholders and keeping them up-to-date with the knowledge they need to compete in today’s fast-evolving supply chain is an important part of SMC³’s mission. Panelists at our events present complete, thoughtful pictures of real-world supply chain issues and discuss innovative solutions,”

— Andrew Slusher, SMC³

Through it all, SMC³ prides itself in remaining a neutral, third party in the supply chain software space, where it works for the industry as a whole versus any specific vertical or segment. As part of that commitment, the company provides educational support and offers numerous annual conferences and seminars to help professionals keep current on industry trends. With its events, for example, the firm strives to educate industry players about the strategies for facing challenges and issues that impact how they do business.

SMC³’s two annual conferences, Jump Start and Connections, offer a 360°-view of the multimodal supply chain, exploring and dissecting the ideas and practices that are propelling the industry forward. Representatives from shippers, carriers, 3PLs, and other transportation companies attend these educational gatherings to learn from the top thinkers and leaders in the supply chain arena. Panelists and

speakers share best practices with attendees, arming them with actionable information to help optimize their transportation spend. In addition to the high-quality content, SMC³ cultivates an atmosphere conducive to meaningful networking.

“Educating supply chain stakeholders and keeping them up-to-date with the knowledge they need to compete in today’s fast-evolving supply chain is an important part of SMC³’s mission. Panelists at our events present complete, thoughtful pictures of real-world supply chain issues and discuss innovative solutions,” Slusher says.

“It’s refreshing to hear longtime attendees tell me how they learned about a new business process or met a handful of new customers at Jump Start or Connections,” he continues. “Many people return year in and year out because they’ve built a lot of their business through contacts established at SMC³ events.”

Prevailing in Today's LTL Shipping Environment

As the world's supply chains become increasingly complex, the professionals who manage them are expected to streamline and optimize the movement of goods, with virtually no room for error.

THIS OPTIMIZATION REQUIRES ULTIMATE FLEXIBILITY IN TECHNOLOGY ARCHITECTURES, IT systems, and integration capabilities. SMC³ products mentioned in this Making the Case provide this flexibility through a service-oriented architecture delivery model that companies need to prevail in today's business environment.

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Predicting a slow-but-steady movement towards more dimensional or density-based pricing within the LTL sector, Kevin Springer says shippers can expect to see more spot quote or volume quoting centered on shipments that don't necessarily meet the typical LTL criteria. Capacity crunches, driver shortages, and the ELD mandate will drive even more changes in the market and push companies to use technology to collaborate with each other in order to find the perfect LTL formula for every shipment.



As a neutral knowledge hub for LTL transportation pricing and transit time data, technology and expertise that simplifies these complexities, SMC³ helps to facilitate the procurement and management of LTL transportation for all parties. By factoring in all rates—including carrier tariffs, multiple tariffs, and density tariffs—the platform helps shippers, 3PLs, and carriers make the best possible LTL decisions.

“We deliver the technology in a standardized manner that makes it more efficient and easier for the marketplace to use,” says Springer, “and the algorithms to calculate and optimize rates.”

It’s never too early to start driving down the high costs of manual LTL shipment lifecycle management and optimizing bids in a way that reduce the total cost of shipping. With LTL capacity expected to tighten further this year, companies that want to do this need the technology platforms, analytics, and science on their side. “That’s what we provide,”



SMC³: A NAME YOU CAN TRUST

- Largest number of partnerships with supply chain technology partners
- Long-standing carrier relationships
- Proven business stability
- Trusted guardian of data security

Brian Thompson says. “We really enable the data science and help our customers optimize their shipments, making it possible to get the most competitive rates and best possible service.”

“We deliver the technology in a standardized manner that makes it more efficient and easier for the marketplace to use and the algorithms to calculate and optimize rates.”

— *Kevin Springer*

And even though the domestic economy is in good shape right now, the challenges and pressures are lurking around every corner. “When capacity tightens up, both shippers and 3PLs could see double-digit price increases; it’s not uncommon at all for that to happen,” Thompson points out. “The time to act is now. If you wait, you still have the same challenges but you’ll be in an even tighter spot. By using BidSense to engage as many LTL carriers as possible, leveraging a TMS that provides access to critical routing decision data, and optimizing your supply chain to best serve your customers, you’ll stand the best chance of competing effectively in any market condition.”

By optimizing the entire lifecycle of each LTL shipment, from procurement to delivery; providing the transactional APIs needed for real-time shipment visibility; and giving shippers and their stakeholders detailed rate and transit-time data, SMC³’s comprehensive suite of cloud-based solutions enables all trading partners to optimize their distribution networks and fully leverage LTL freight opportunities in the most cost-effective, efficient manner possible.

To learn more about SMC³, call **1-800-845-8090** • www.smc3.com