

# How can LSPs maximize ROI from their OTM Application – A radical perspective

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# Introduction



## Objectives of a OTM program are many...



1. **Leverage OTM as growth driver** with new / integrated services & help create differentiators in the market
2. **Reduce logistics cost** while meeting the service levels
3. **Automate manual logistics processes** and define exception management processes
4. **Provide visibility** to all stakeholders and downstream processes
5. **Analytics** to measure, monitor and make improvements
6. **Rationalize the number of logistics applications** impacting the cost of maintenance
7. **Prevent spend leakages** – carrier selection & freight audit
8. **Manage inbound logistics** – Supplier collaboration, PO management
9. **Ability to support complex programs** like cross-dock, pools etc
10. **Manage own, dedicated fleet** as well as common carriers in one application and others...

## Some LSPs are able to use OTM only in a limited way..

**ORACLE**

Transportation Management

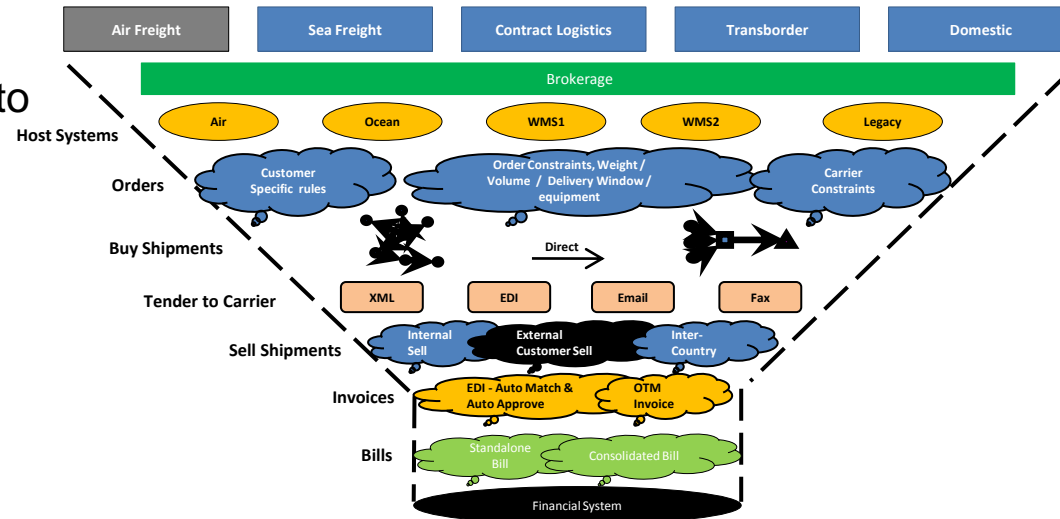
1. LSP whose configuration / use has not changed much since v4.0
2. LSP who uses 3 TMS systems for different lines of businesses. Same activities like tendering to same carrier, event management, carrier payment and different visibility applications

**While the limited functionality be meeting their original objective, OTM could provide more benefits!**

# Then there are few others who get the best OTM has to offer...

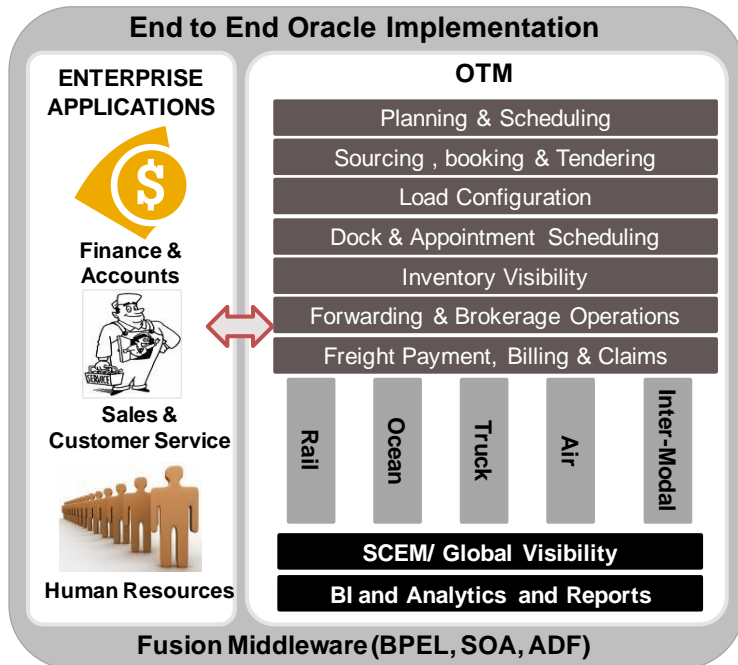
## A LSP who leverages OTM

- Soup to nuts from order management to printing customer bills from OTM
- For multiple LoBs
- In multiple countries
- In a single instance
- Without any customization / extension



## A LSP is leveraging OTM as part of Quote to Cash cycle

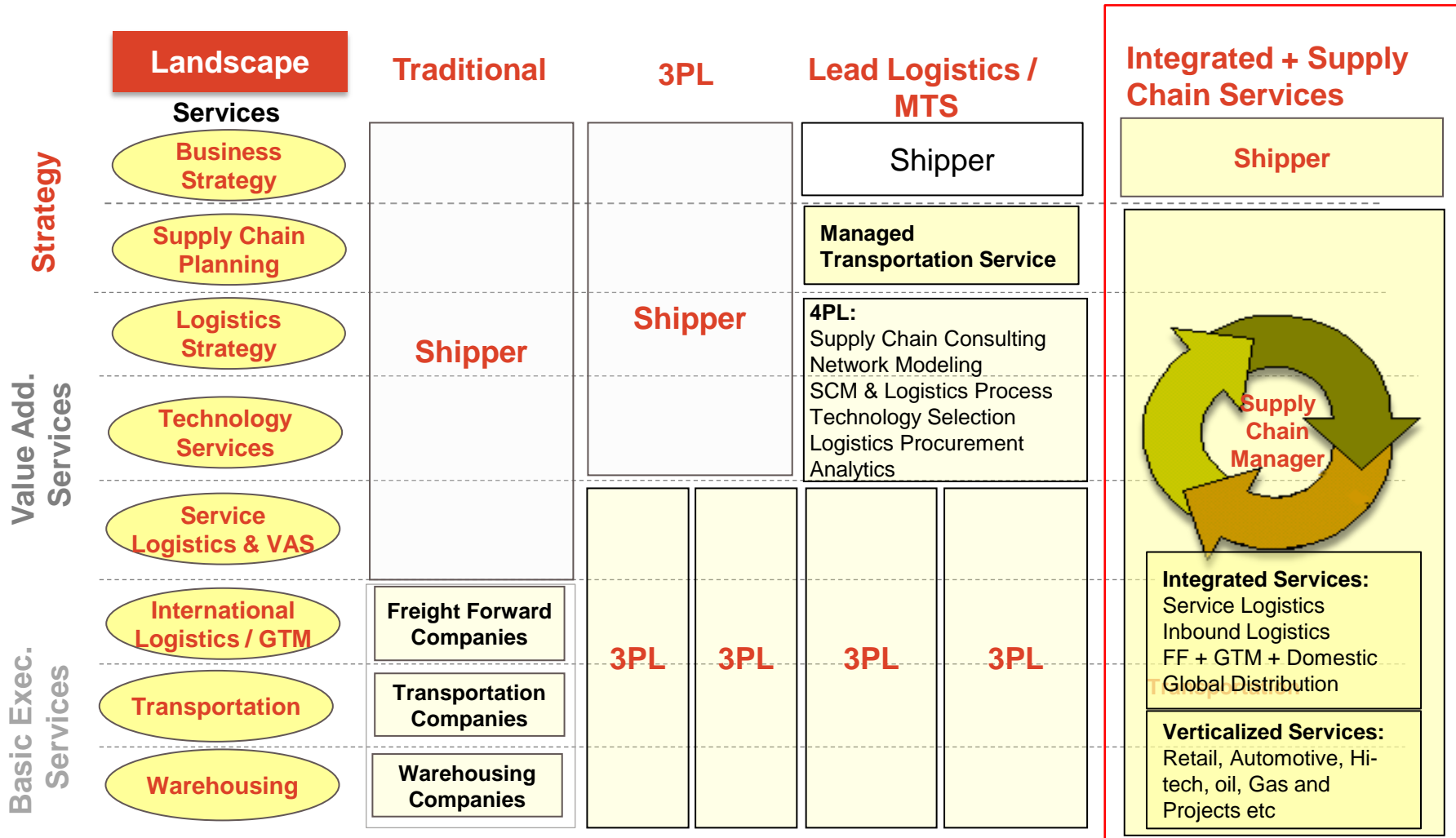
- For multiple LoBs – Asset and non-asset
  - Non-asset leverages planning
  - Asset leverages more in execution
  - Common services – order management, visibility & freight audit
- Integrated to CRM, ERP
- Working with mobile device in truck
- In multiple countries
- In a single instance



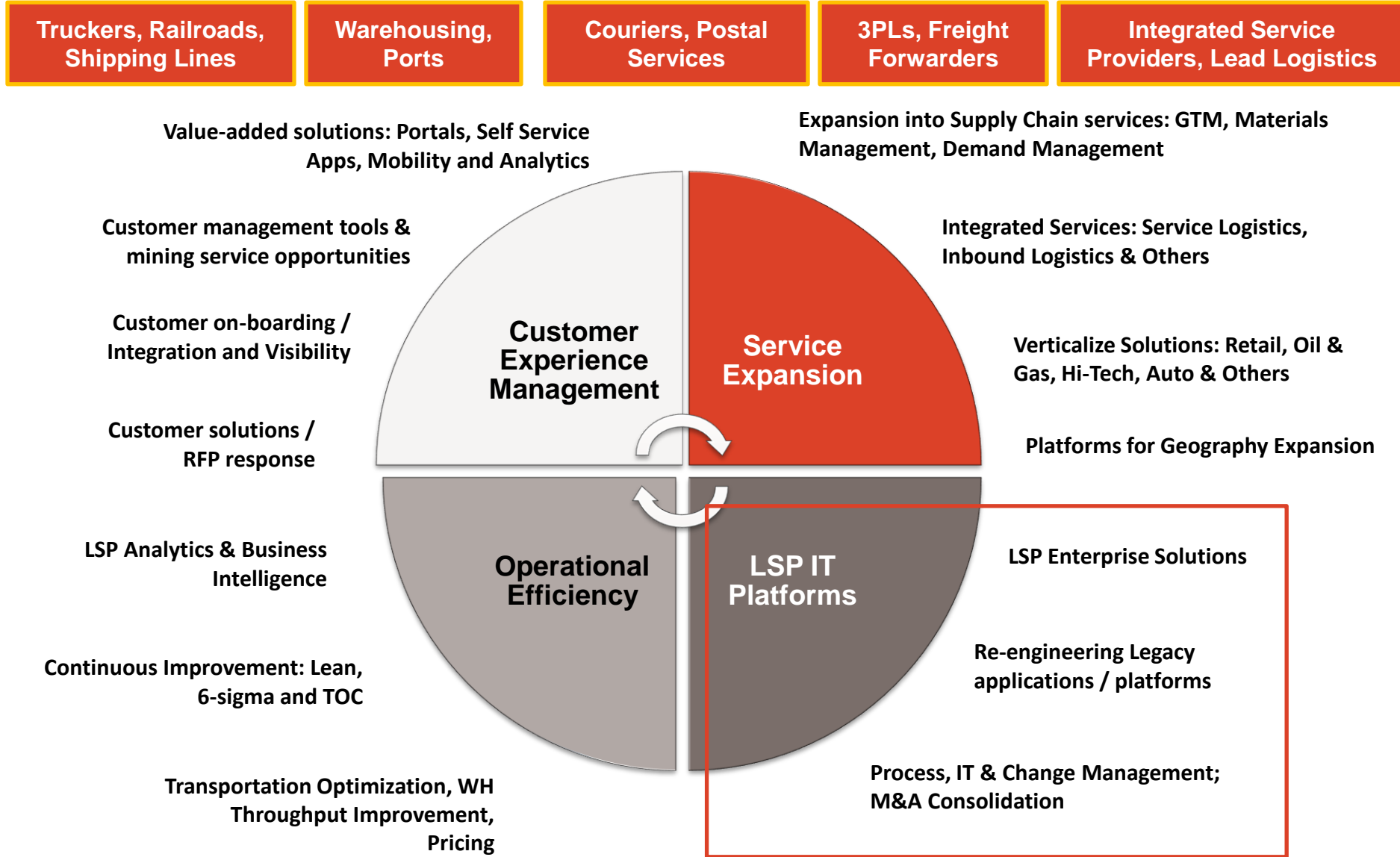
# Leveraging OTM for LSP business growth



# Opportunity for LSP growth from expanding Services portfolio..

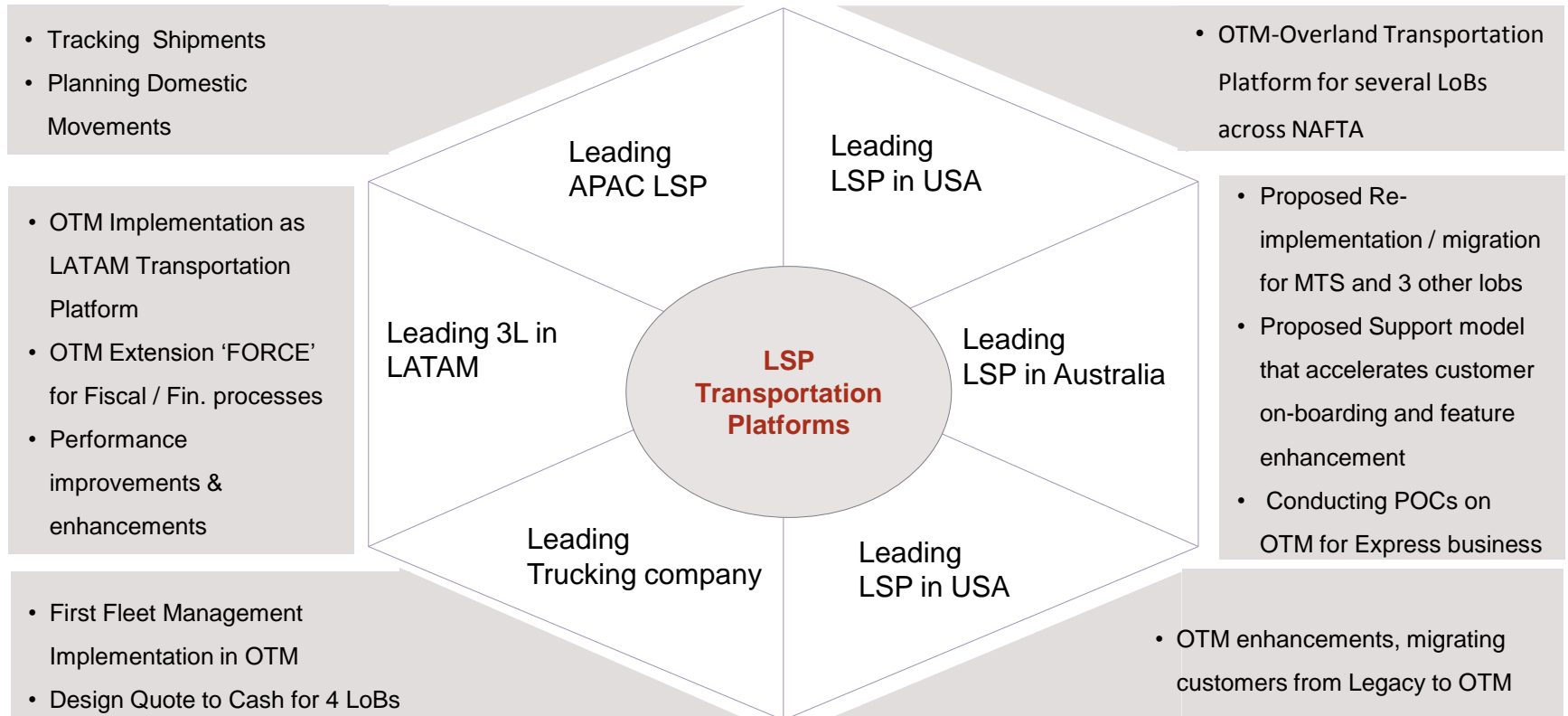


# Transportation Platform as enabler for growth





# Leveraging OTM for LSP – Customer Examples



## Leverage OTM as a LSP Growth Enabler

- Growth from new / Integrated services
- Growth from expansion to new geographies
- Global Process with personalization for customer / Geo.

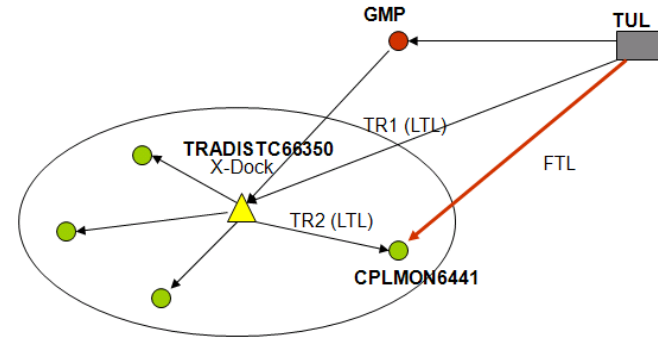
- Faster customer on-boarding
- Incremental process Automation: zero click freight audit
- Operational Efficiency: Optimization, Analytics

# Case Study: LSP Overland Transportation Platform for Leading LSP

# Case Study: Overland Transportation Platform

## Contract Logistics Solution across warehouses & customers

- Customer Orders – WMS, Manual
- Order Assignments & Validations
- Create Customer specific -Traffic File number
- Carrier Buy Shipment Planning
  - Multi-stop
  - Special Services
  - Customer negotiated carrier rates
- Shipment Execution
- Customer Sell Shipment Rating
  - Tariffs based on weight, mileage, SMC
  - Cost Plus shipment rating



## Contract Logistics in non-US Geography despite challenges

- Collect and Standardize; Base data not accurate / available (zips, lat-longs, regions, non-standard equipment, carriers codes)
- No defined tariff's for carriers
- Wide variety of rating logic (based on weight / dim wt / distance / pallets / combination)
- Mexican VAT (IVA) / Retention

# Case Study: Overland Transportation Platform Contd..

## Intermodal business – consolidation across modes



- Order details**
- Steam ship line
  - Import / Export
  - Cut-off date
  - Pick-up / drop off location
  - Last Free Date

Shipment Planning

Buy Shipment

**Rate Manager** 1 of 1 new finished

Rate Header	Attributes	Accessorials	Special Services	Involved Parties	Comments
Offering ID ANZD_PER_DIEM	Service Provider ID ANZD	Rate Service ID ANZD_LAST_FREE_DA			
*Offering ID ANZD_PER_DIEM	*Offering Type VESSEL	Service Provider ID ANZD			
*Rate Service ID ANZD_LAST_FREE_DA	Rate Group ID	*Transport Mode VESSEL-CO			
*Version 2003_2010	Equipment Group Profile ID	Corporation Profile ID			

SHIPMENT.EQUIPMENT.EQUIPMENT_GROUP_GID =	20FT GENERAL CONTAINER	<a href="#">edit</a> <a href="#">delete</a>
AND SHIPMENT.DEST.WAIT_TIME >=	950400 S	
CHARGE 50.0000 USD PER Buy Shipment		
SHIPMENT.EQUIPMENT.EQUIPMENT_GROUP_GID =	20FT GENERAL CONTAINER	<a href="#">edit</a> <a href="#">delete</a>
AND SHIPMENT.DEST.WAIT_TIME >=	518400 S	
AND SHIPMENT.DEST.WAIT_TIME <=	864000 S	
CHARGE 25.0000 USD PER Buy Shipment		

[add a cost](#)

Time of Last Refresh: 2006-01-12 08:24 EST	Time of Next Refresh: 2006-01-12 08:04 EST			
<a href="#">refresh</a>	<a href="#">Replace Current Window</a>			
Saved Query Name	Query Type	Number of Matching	Number of Previous Matching	Create List
LAST FREE DATE CHECK - IMPORT	SHIPMENT	2		<a href="#">create</a>
LAST FREE DATE CHECK - EXPORT	SHIPMENT	1		<a href="#">create</a>
CUTOFF DATE CHECK - EXPORT	SHIPMENT	4		<a href="#">create</a>
DEMURRAGE ENDANGERED	SHIPMENT	6		<a href="#">create</a>

CROP 2005 200 PACKS/1,916 KGS TURKISH DRIED TOMATOES- DICED IN 4/5 LBS VACUUM PACKS EACH B	GOODSDISC	GOODS DESCRIPTION	<a href="#">edit</a> <a href="#">delete</a>
05-JAN-06	LAST FREE DATE	LAST FREE DATE	<a href="#">edit</a> <a href="#">delete</a>
-6 LFD	NO OF FREE DAYS LEFT	NO OF FREE DAYS LEFT	<a href="#">edit</a> <a href="#">delete</a>
N	OD-OW-HAZ	OD-OW-HAZ	<a href="#">edit</a> <a href="#">delete</a>
1 TO 5 DAYS:125 6 DAYS AND ONWARDS:50 TOTAL CHARGE:175	PER DIEM CHARGES	PER DIEM CHARGES	<a href="#">edit</a> <a href="#">delete</a>

# Case Study: Overland Transportation Platform Contd..

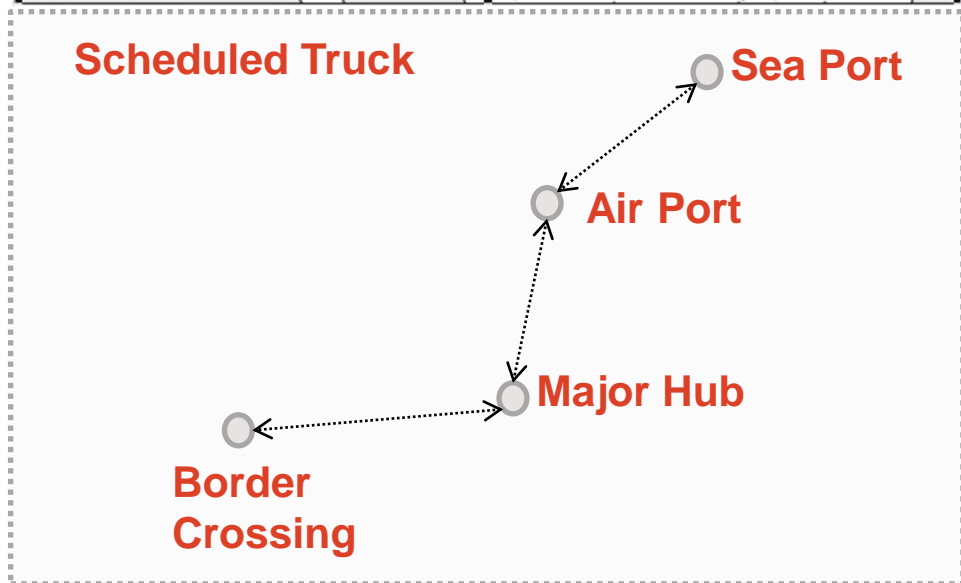
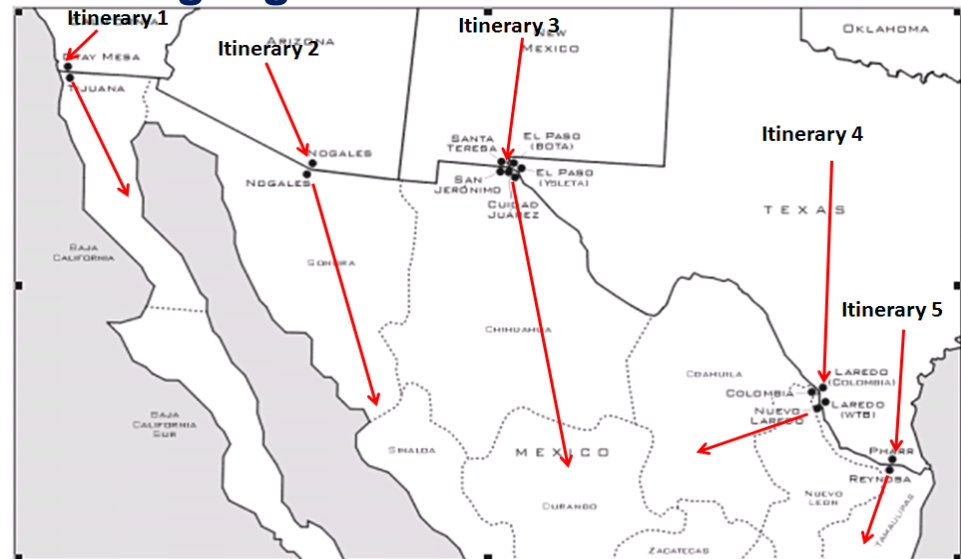
## Trans-Border processes that include multi-language & currencies

### Inter-country Processes

- Which country owns the customer
- Managing Carriers
  - Choice of currency
  - Country paying the Carrier
- Through Shipment / Multi-leg Shipment
- Handover between planners
- Customs
- Settlement
  - Billing currency for the customer
  - Credit Notes
  - Print from TMS to pre-printed govt. issued stationery (MX)

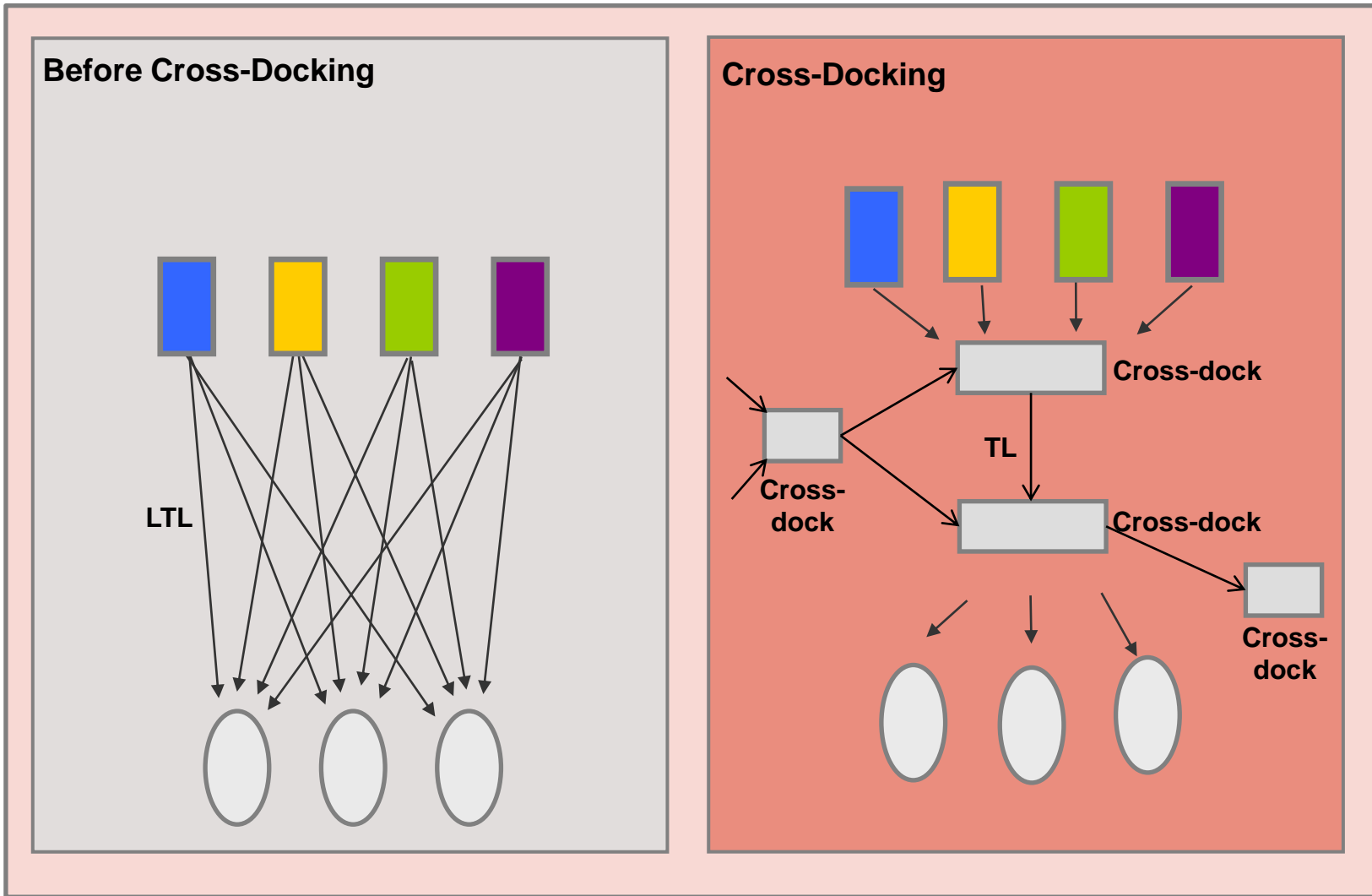
#### Key Business Enabler:

- Plan and Execute Trans-border shipments
- Leveraging joint purchase power
- Visibility across the system



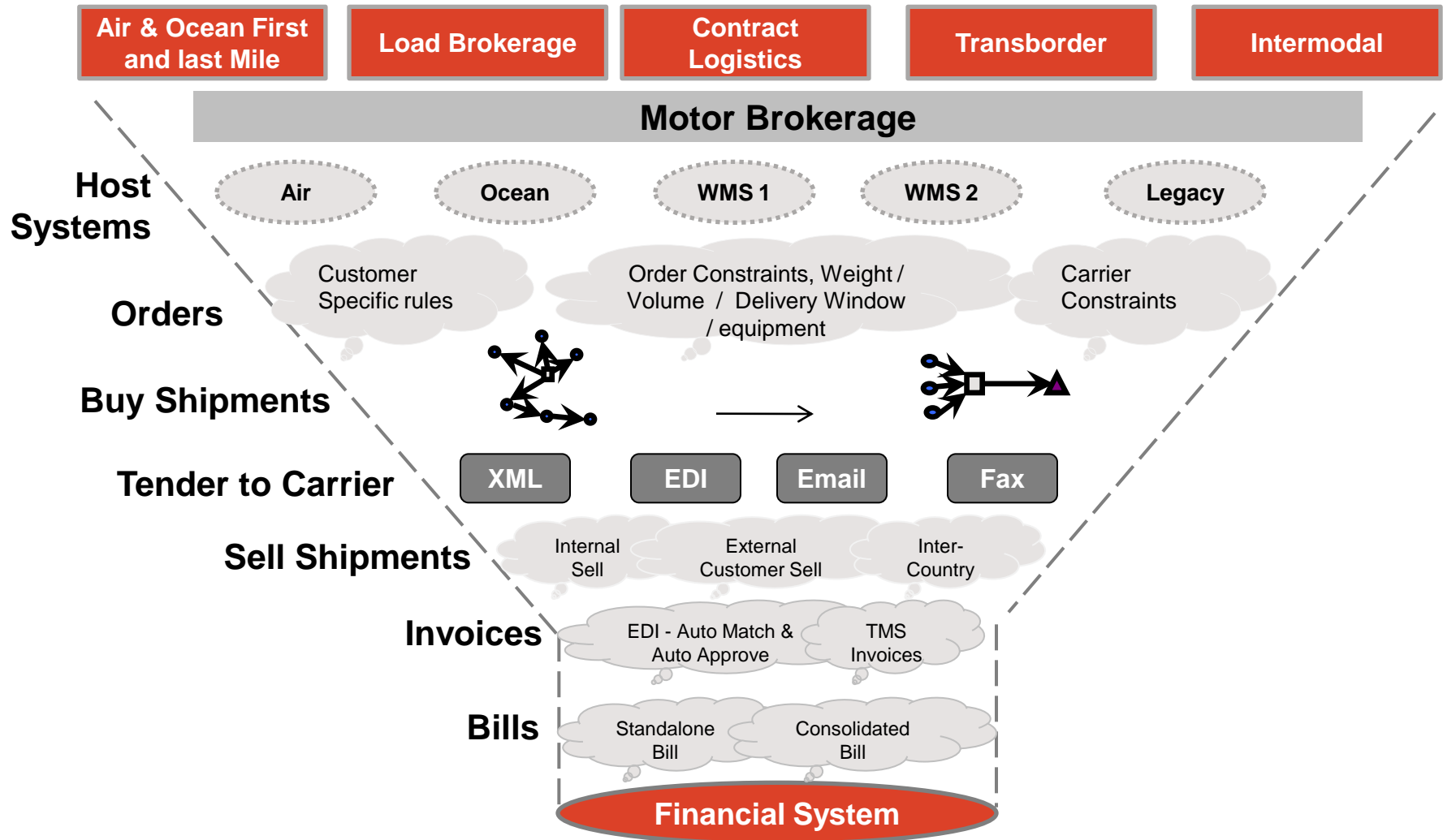
# Case Study: Overland Transportation Platform Contd..

## Run consolidation programs like Cross docks and Pools



# Case Study: Overland Transportation Platform Contd..

## Multiple Businesses in NAFTA on One TMS Instance



# Case Study: Overland Transportation Platform Contd..

## Benefits



- **Time to market on New Services. Ex: Transborder product**
- **Flexibility and Scalability.**
  - Contract logistics line of business to process multiple customers through the standard model while catering to individual customer needs
  - Accommodate Growth in volumes
- **Operational Excellence, Standard Process & Automation**
  - Standardize common processes across different lines of business in one funnel
  - Automate the standardized processes. Ex: 'No click freight audit and payment'
- **Cost Optimization by**
  - Leveraging planning capabilities
  - Rate to most appropriate carrier reducing transportation cost
- **Localization on a global instance**
  - Spanish Implementation – language and taxes
  - Canadian Implementation



# What can LSPs do more with OTM?



# Many opportunities to leverage more from OTM...

- **Business Growth**
  - Scope: Inbound, Outbound, Return, Spares, Cross-docks & others
  - Other business units / LoBs
  - New geographies
  - New / integrated services (LSP)
- **Process Automation:** No-touch processes + exception management
- **Integrate process & application to**
  - WMS / Cross –dock
  - Order management, ERPs, SCM Planning
  - Mobile devices / Telematics
  - Partners: carriers, suppliers, customers
- **Cost Reduction:** Planning scenarios, infrastructure, maintenance
- **Additional modules**
  - FTI
  - Fleet / Driver / Asset Inventory
  - Global Trade Management
  - Inventory visibility
  - Cooperative routing
  - Transportation sourcing

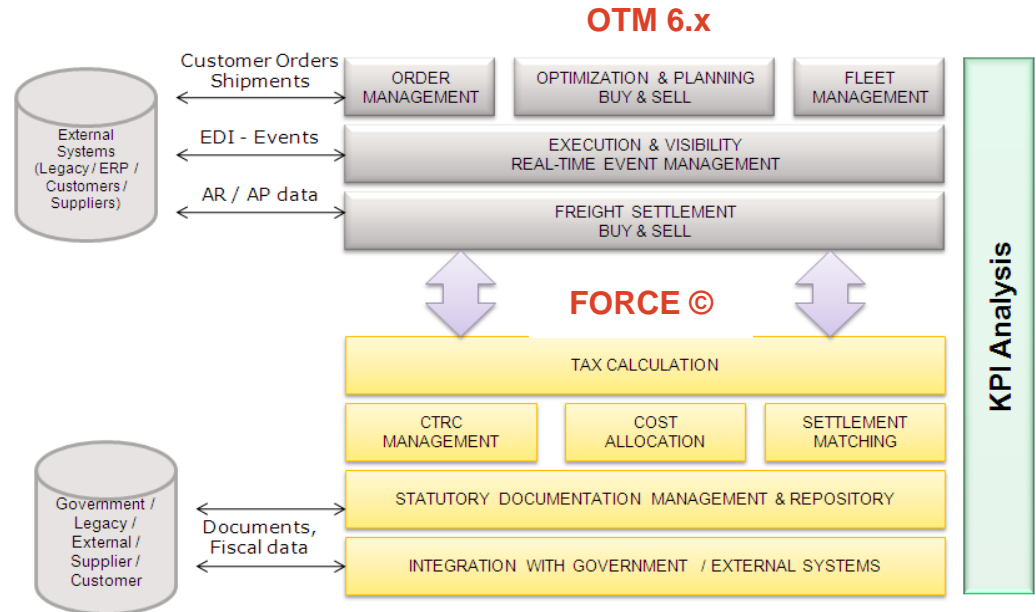
## Benefits

- **Drive Growth**
- **Cost Optimization**
- **Time to market**
- **Flexibility and Scalability**
- **Standard Process & Automation**
- **Operational Excellence**

# OTM Extensions that bridge the gap... if any

## Extensions

- Addresses IP / Unique process that adds to overall competitive advantage
- Allows benefit from OTM's out-of-the-box functionality while leveraging own IP/unique process capabilities
- OTM extensions are created with '*OTM Philosophy*' so that extension can scale with the core OTM application

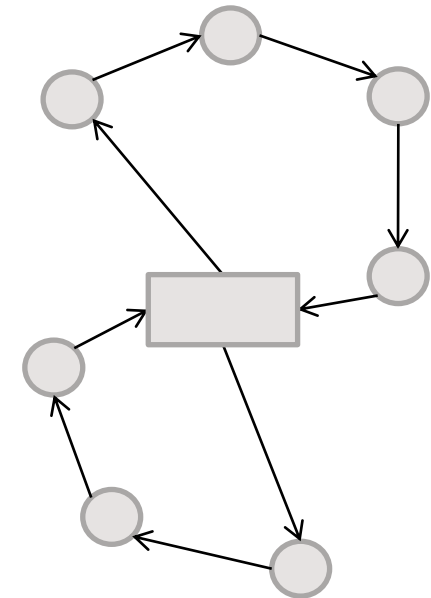
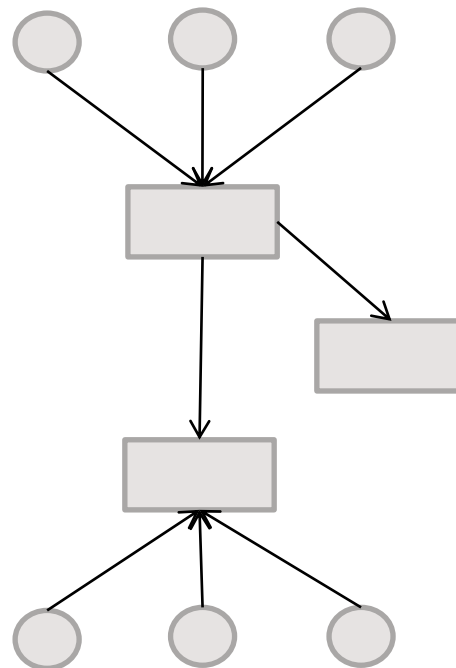
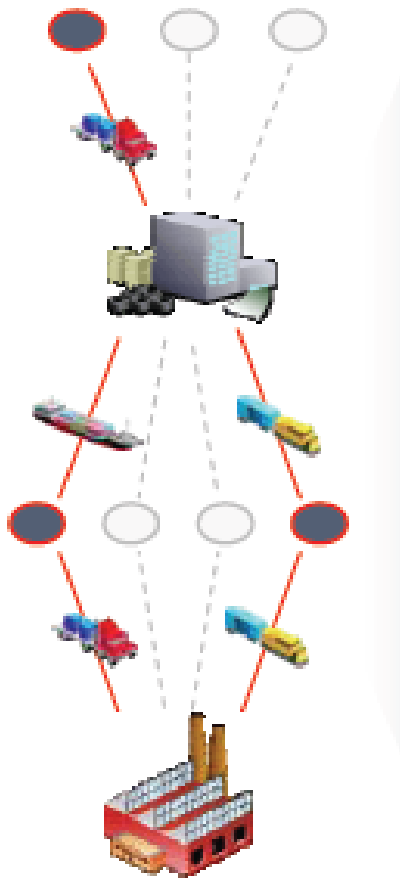


## Minor Customizations for productivity improvement.

- Custom screens with small changes / tweaks to OTM screens
- Custom process

## Continued Journey with OTM Optimization

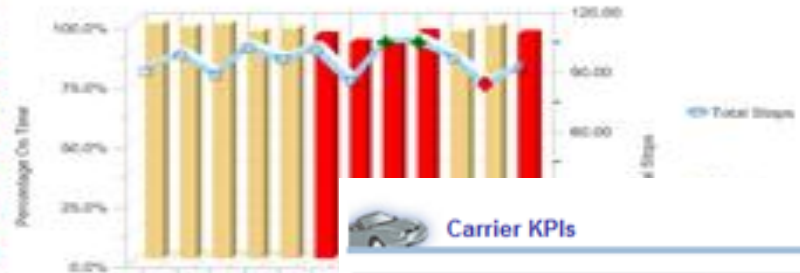
**Enhance/Implement OTM planning scenarios:** Example. Look for continuous move opportunities, Leverage Cross Dock or Pools etc.



# Analytics to Drive Improvements

## On Time Pick Up

Month	Total Stops	Total On Time Count	Percentage On Time
01. JANUARY	97.00	95.00	97.9%
02. FEBRUARY	105.00	102.00	97.1%
03. MARCH	95.00	93.00	97.9%
04. APRIL	109.00	104.00	95.4%
05. MAY	103.00	99.00	96.1%
06. JUNE	106.00	101.00	95.5%
07. JULY	92.00	83.00	90.2%
08. AUGUST	112.00	104.00	92.9%
09. SEPTEMBER	112.00	106.00	94.6%

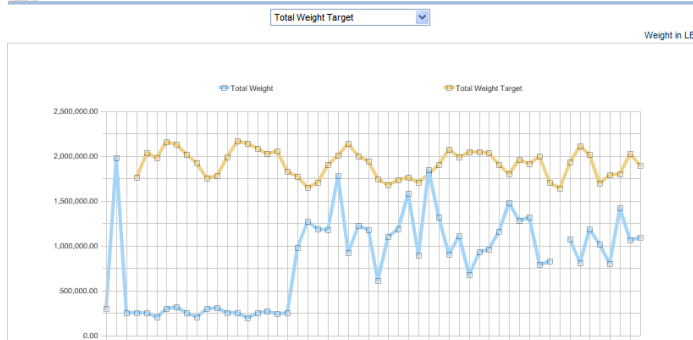


## Carrier KPIs

	Current Week
% OnTime Pickup	●
% Ontime Delivery	●
% Tender Acceptance	●
Average Pickup Hours	●
Average Delivery Hours	●
Percent Claims	●

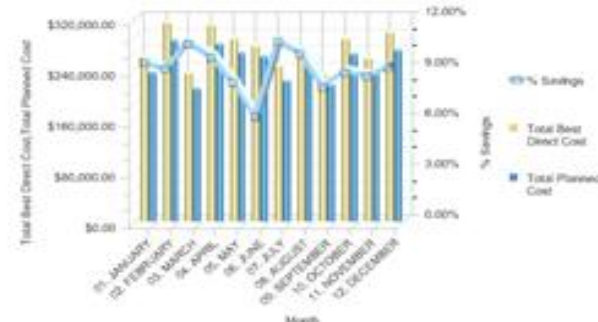
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## Total Weight



## Direct vs. Multi-stop cost savings

Month	Total Best Direct Cost	Total Planned Cost	Cost Savings	% Savings
01. JANUARY	\$256,785.22	\$231,908.70	\$24,886.52	9.68%
02. FEBRUARY	\$311,464.61	\$282,575.43	\$28,889.18	9.20%
03. MARCH	\$231,857.08	\$206,768.60	\$24,888.48	10.74%
04. APRIL	\$308,607.73	\$277,939.60	\$30,668.13	9.94%
05. MAY	\$287,419.84	\$262,937.10	\$24,482.74	8.52%
06. JUNE	\$274,439.42	\$256,670.45	\$17,768.96	6.47%
07. JULY	\$244,454.50	\$217,785.37	\$26,669.13	10.92%
08. AUGUST	\$266,392.76	\$239,374.82	\$27,017.94	10.14%
09. SEPTEMBER	\$200,721.14	\$211,746.05	\$10,974.49	5.22%
10. OCTOBER	\$287,633.86	\$261,451.25	\$26,182.61	9.10%
11. NOVEMBER	\$254,705.11	\$232,185.15	\$22,519.96	8.64%
12. DECEMBER	\$295,875.11	\$267,994.10	\$27,881.01	9.36%
<b>Grand Total</b>	<b>\$3,249,956.38</b>	<b>\$2,949,335.22</b>	<b>\$300,621.16</b>	<b>9.25%</b>



# Thank You!

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