

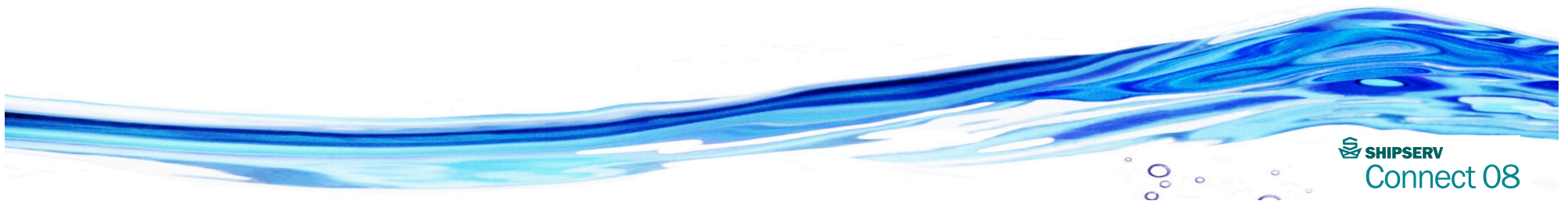
Ports of Call: Logistics Management



Peter Spicer, Director of Product Management

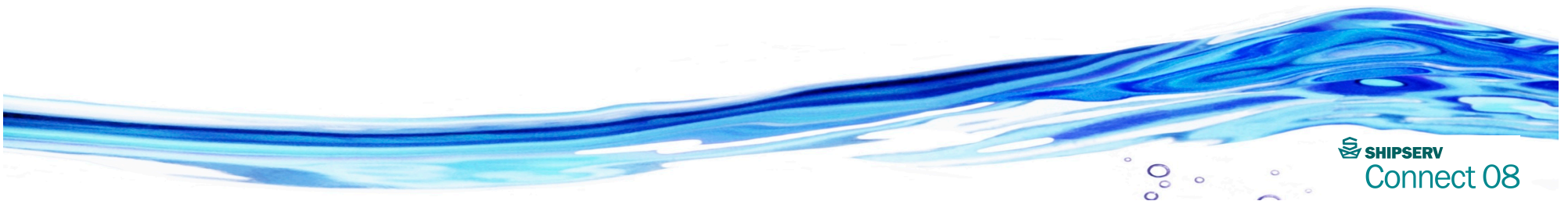
Agenda

- Why is ShipServ involved with logistics management ?
- What have we developed to date and how does it work ?
- What are we planning to work on going forward and how is the community element important ?



Agenda

- Why is ShipServ involved with logistics management ?



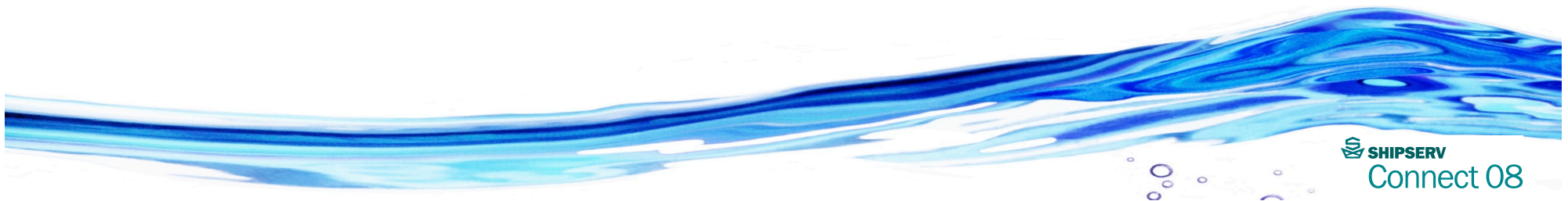
Automating the flow of logistics information

- An Aberdeen Group (February 2007) survey of 380 companies to determine the leading strategies for transportation management identified one of the main recommendations as the need to:
‘centralise freight operations and evolve beyond manual processes and spreadsheets¹’.
- The ShipServ TradeNet platform now enables the cost effective and efficient transfer of information between 115 buyers and over 7000 suppliers.
- The primary value of this automation is the transactional efficiency or the time and money saved from automating the flow of information between parties.
- ShipServ recognised the opportunity to enable transactional efficiencies in the management of the transportation of the orders placed over TradeNet. We are working to make this possible using the existing TradeNet network of customers and using our integration capability to incorporate logistics provider systems.

Automating the flow of logistics information

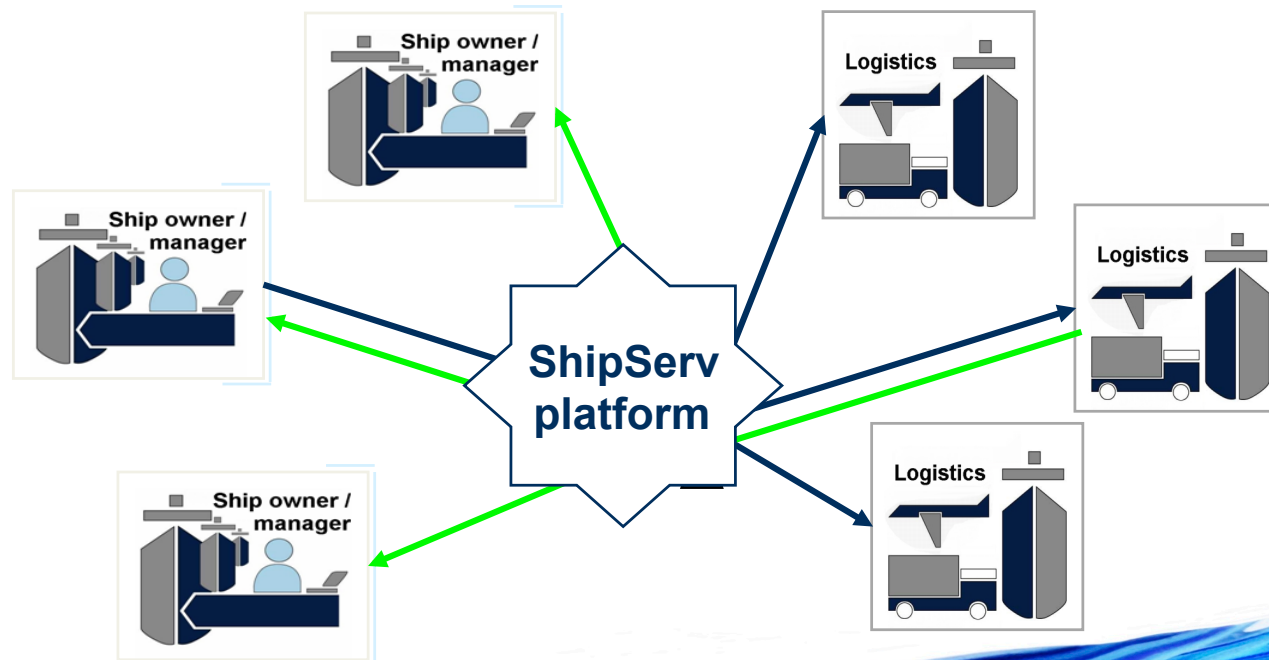
- The benefits:
 - Reduced costs: Increased use of electronically transmitted information reduces costs further by removing the need to manually check, correct and re-enter shipment data.
 - Improved customer service: Improved data quality and reduced reliance on paper documents will reduce transport and clearance times, will improve transit and delivery times and allow both parties to focus on the 'exception' shipments.
 - Greater opportunity to standardise processes: Multiple customers following the automated processes of the platform
 - Real-time status: By connecting via the platform the freight forwarder will be able to feedback to their customer the current information for a shipment.

- The challenges:
 - Change management: 'We are comfortable with the way we do it now ... why should we change'
 - Buyer and logistics provider systems integration: Not all buyer logistics processes are the same so it is not simple for system providers to develop a standard automated interface.



Standardising on a single hub

- The ShipServ TradeNet platform has developed to become a highly connected hub for information exchange for marine spares purchasing.
- The value of the hub is that it has connections with all the nodes (integrated customers) ... an integrated ShipServ buyer can pass to all the connected logistics providers and one connection for a logistics provider allows them to pass information to all relevant buyers.



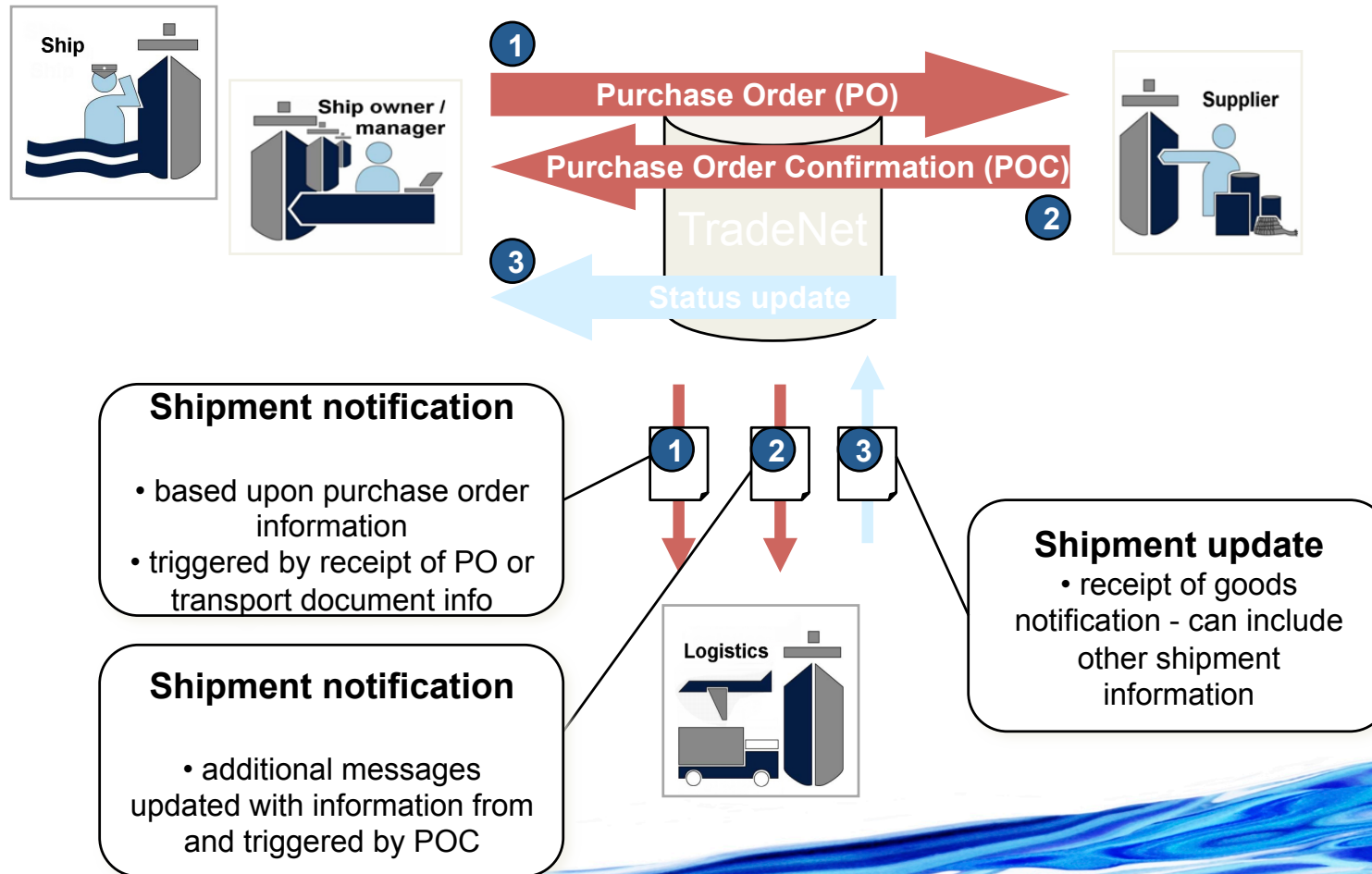
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- What have we developed to date and how does it work ?



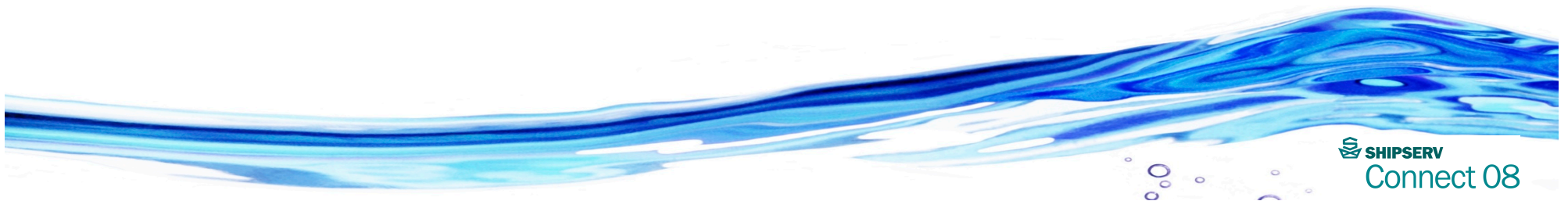
Shipment information process flow

High Level process flow



Developing a solution that enhances user productivity

- Main points of how we are developing this capability:
- Understanding Buyer and Logistics provider business process, capturing and incorporating their requirements
- An iterative approach to development
- Common elements – defining a data standard
- Seamless or standardised integration, leveraging existing integrations to maximise usability.
- Collaboration – working together to agree where existing operational processes & data capture can be amended to deliver an enhanced overall solution

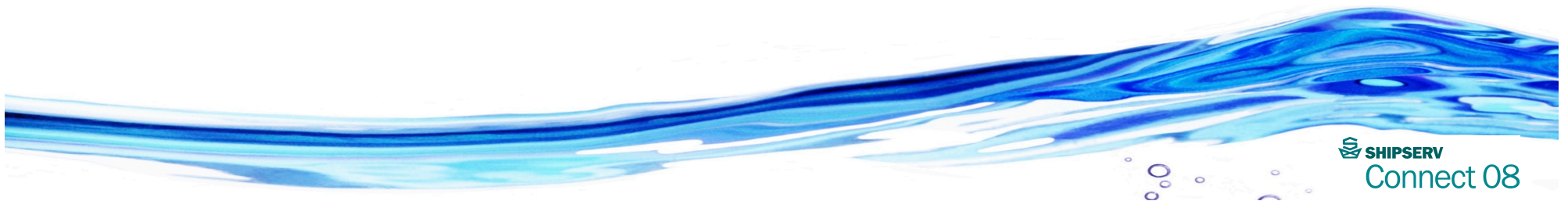


Schenker

- First customer, SCHENKERmarineparts live since the end of February with an integration to their My MPS system.
- Undergoing some changes to their My MPS to enhance it further.
- Now considering additional requirements such as how to automatically handle updates to orders and the return flow of information to buyers.
- SCHENKER are committed to using this automation with supportive buyer customers and we will be continuing to work with them to determine the next opportunities here.

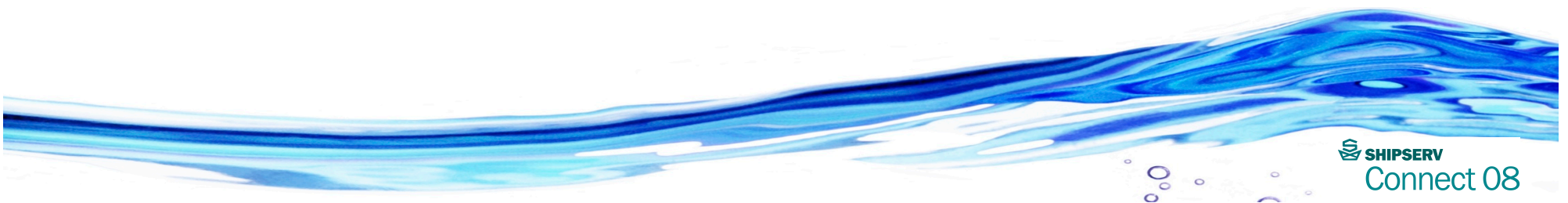
Additional logistics project progress ...

- Projects with 3 other logistics companies are currently in progress.
- DSV are progressing towards a phase of customer verification testing ... checking that the data requirements are met and business processes aligned.
- Two other logistics providers are currently developing the first phase of the solution and in parallel we are co-ordinating the involvement of their buyer customers.
- The first phase for all current projects due for completion this Summer.



Agenda

- What is next for logistics integration and re-iterating the importance of a collaborative community approach



Current product management activities supporting logistics integration

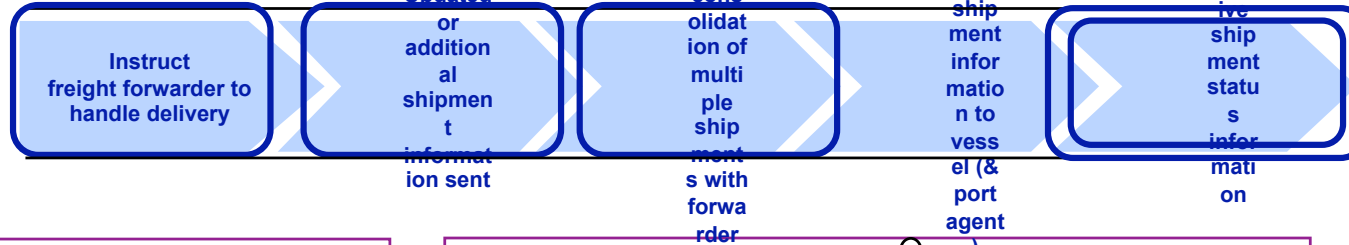
- Develop the standard for status information to be sent to buyers
- Working with our buyer system software partners to progress the integration of data back into the buyer systems.
- Evaluating the automation of other steps in the process.



Evaluating the automation of other steps in the process

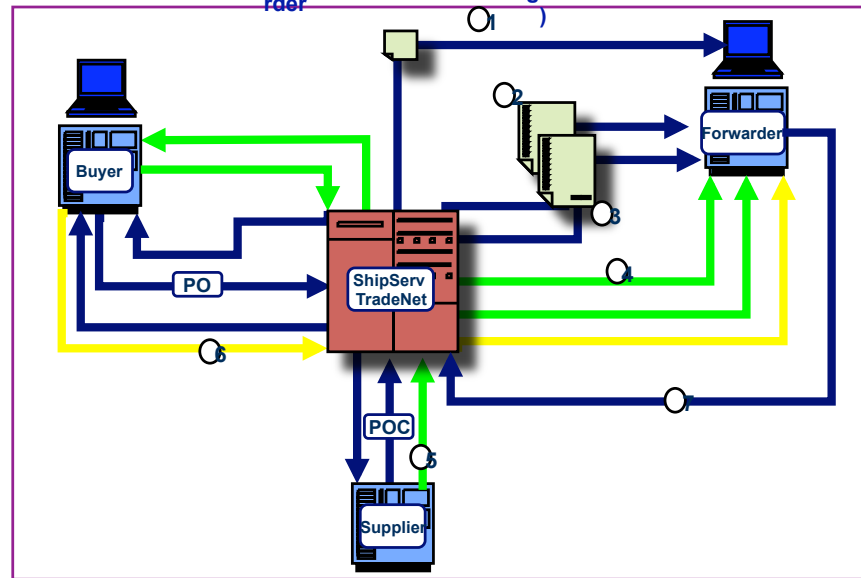
Buyer Process

Manage Delivery



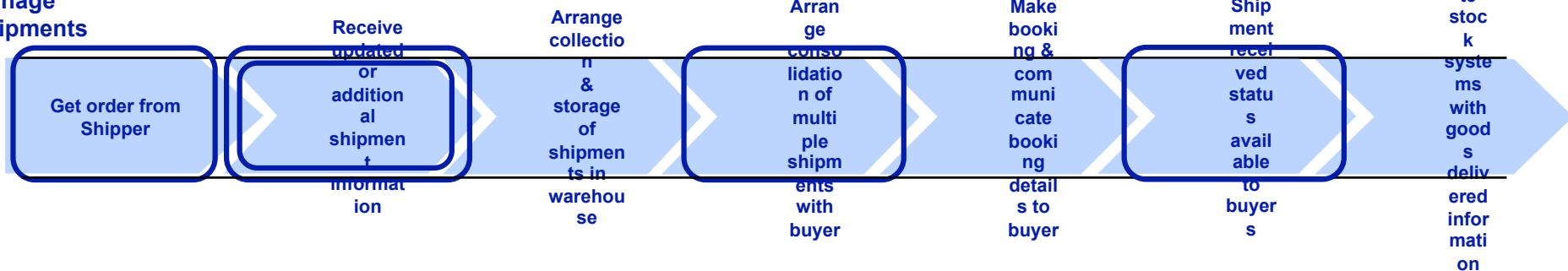
Key:

- delivered or in development
- under consideration
- requirement logged



Forwarder Process

Manage Shipments



The community driven solution

- Why is community important ?
 - 1) Product development decisions by software partners influenced by the shared demands of a group of customers
 - 3) Logistics providers benefit from adapting their shipment management processes to incorporate automated data exchange. It enables a standardisation of the shipment management process and the opportunity to pass on savings to the group of customers that allow this to happen.
 - 5) Adhering to a common set of data input by buyers (and suppliers) allows the implementation of shared data standard and results in an overall higher quality data flow between the participating customers.