



## USE CASE

# Transport and Freight Cost Management

Complete transparency for costs and processes

### Challenge

Global players with production and storage sites around the world have to manage highly complex procurement and distribution networks with a dizzying array of suppliers, freight forwarders, logistics service providers, and customers. The operational challenges are daunting. Diverse IT systems and processes, varying shipment sizes, and multimodal and multi-leg transports ranging from general cargo and LCL/FCL to parcel services: All this places extreme demands on companies, sites, and logistics partners involved.

The lack of standardization means that channels of communication are fragmented

and data is shared through various interfaces, making it difficult to track shipments. What's missing here is visibility and transparency—this has severe consequences for on-time performance. Without proactive alerts, delays are noticed only after it's too late, and administrative overhead skyrockets because missing information has to be hunted down individually. Freight cost management also suffers under these information deficits, because companies have to waste huge amounts of time verifying data.

### Solution

At the heart of the solution is a cloud-based IT platform that serves as a centralized hub for the data and information of everyone

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involved. All parties automatically gain access to this data through a software interface, replacing error-prone manual processes. The system accepts transport orders from all the different data sources and transmits them to the various carriers. Shippers, carriers, suppliers, and customers all receive the appropriate shipping and tracking data as it is posted. Inbound and outbound processes are standardized, and the solution automatically handles transport assignment, shipment tracking, monitoring, freight cost management, and more:

- The right carrier is automatically selected and shipments are allocated to the various transport channels.
- Freight cost data is provided whenever a shipment is entered into the system
- Shipping data is processed and augmented (delivery notes and validations are consolidated, supplemental information added, etc.).
- Transport-related documents are generated
- Tracking data from all providers is collected so that shipments can be tracked (including tracking history).
- Defined milestones are monitored so that delays can be immediately identified and the appropriate downstream processes can be automatically initiated whenever milestones are reached or missed.

- The freight costs calculated for each shipment are compared with the manually input transport invoices, and any discrepancy triggers a claims handling workflow.
- The system generates verified invoice or credit data for transmission to the customer system.

#### **Result**

The company gains complete visibility of its transports and freight costs. All cross-enterprise, cross-location processes are standardized. Status updates from various sources are shared in a standardized format, and customers are integrated into the information flow. This leads to simpler, cleaner processes.

Automation and centralization slash the administrative costs required to process shipments. Since the data has been validated, invoices can be verified more quickly and reliably and with fewer errors. The software solution can also easily map future trends: Requests for proposals can draw upon validated shipping data, opening the door to substantially lower freight costs when it's time to change providers. The process for integrating new customers, service partners, and sites into the system is quick and painless.

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