

ACHIEVING TRANSPORTATION EXCELLENCE

Driving Out Costs and Increasing Customer Service Through Advanced Transportation Management

TABLE OF CONTENTS

Executive Summary	3
The Transportation Opportunity	4
Driving Out Transportation Costs	5
Process Improvement	5
Shipment Optimization	5
Continuous Moves	5
Carrier Management	5
Synchronized Supply Chains	6
RedPrairie's Transportation Solution	7
Web-Based Connectivity	8
Reporting and Performance	9
Measurement	
Execution Focus	10
Achieving Measurable Results	10
The RedPrairie Logistics	10
Operations Analysis	
Integrating RedPrairie TMS with Enterprise Applications	11
Summary	12

EXECUTIVE SUMMARY

Improvements in transportation process and technology-enablement provide the lowest hanging fruit available to most companies today to drive out supply chain costs and improve quality, consistency and customer satisfaction.

Even mid-sized companies can often drive millions of dollars to the bottom line through improved shipment optimization and execution effectiveness, while simultaneously improving customer service. The opportunity for larger companies, with annual freight budgets that may exceed \$100 million dollars per year, is substantial.

RedPrairie® provides a powerful transportation management solution that has proven itself in the world's supply chain and logistics leaders, including Pella, Nestle, Eveready, Georgia-Pacific, United Sugars, General Cable, Field Container, American Standard, SCA Tissue, Olin-Winchester, and many more.

Key elements of RedPrairie's transportation solution include:

- Transportation Management is a powerful software suite with advanced capabilities for shipment planning and execution, carrier management, web-based connectivity to suppliers, customers and carriers, and robust transportation reporting and decision-support. It includes several key capabilities available only from RedPrairie, such as the ability to dynamically respond to change through Continuous Planning and Execution.
- A proven track record of effective system implementation. RedPrairie's transportation solution goes in easily, and it works. And it includes the industry's most flexible application integration framework.
- Deployment models tailored to the customer's specific needs and resources, including a rapid implementation methodology that enables the full solution to be integrated and implemented in 55 days.
- A laser-focus on measurable customer results achievement, with an end-to-end process (the RedPrairie Approach) designed to ensure the value and operational improvements you expect from RedPrairie solutions.
- Pre-built integration with RedPrairie's advanced warehouse management system, for companies seeking an integrated approach to order fulfillment and seamless information flow between their TMS and WMS systems.

As a result, RedPrairie customers receive a powerful, easily deployable transportation solution that enables them to achieve the significant benefits of advanced transportation management with the confidence they are selecting a solution that will work well in their enterprise application environment.

THE TRANSPORTATION OPPORTUNITY

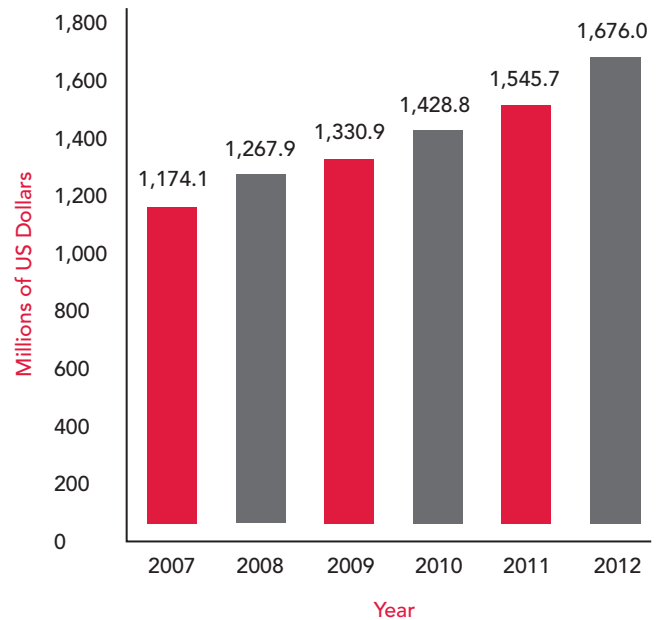
Companies across virtually every industry segment are striving to become supply chain management (SCM) leaders. SCM leaders achieve this status in their markets by significantly reducing cycle times and operating costs, increasing supply chain velocity, and enhancing top line revenue growth through improved customer satisfaction.

Across many companies, there is a growing recognition of the role that transportation and logistics excellence plays in achieving a world-class supply chain. The result is a growing focus and investment in transportation related process and technology improvements that can deliver high ROI and rapid payback on their own, and also provide an indispensable foundation for other integrated supply chain management initiatives.

The opportunities are great. For many companies, transportation costs can range from 3 percent to 7 percent of total sales, which even for mid-sized firms adds up to millions of dollars in annual expense, hundreds of millions for the largest firms. Transportation provides the richest, lowest hanging fruit of any potential area of supply chain improvement to quickly drive out costs and achieve improved operational performance.

Market data shows increasing numbers of companies are coming to a similar realization. Recent studies by several leading analyst firms forecast substantial growth for transportation management systems (TMS), an essential tool for achieving logistics cost savings and supply chain performance improvements. For example, data from AMR Research, one of the supply chain industry's leading observers, shows global TMS-related spending will grow at a compound rate of 26 percent over the next five years.

TMS 5-year Forecast - Source: ARC Advisory Group



DRIVING OUT TRANSPORTATION COSTS

Transportation costs represent a substantial component of overall supply chain and corporate spend for many companies. These costs have been rising in recent years due to changing order profiles and higher velocity supply chains, which require more expensive modes of transportation (e.g. LTL rather than full truck load shipments).

The good news is that TMS solutions can enable companies to take back control of their transportation processes and drive out transportation related costs. This is accomplished through a set of capabilities that enable companies to optimally plan and more effectively execute their transportation processes.

Process Improvement

By automating key transportation and logistics processes through advanced TMS, most companies are able to substantially reduce or re-deploy current transportation staff and overhead. This is accomplished, in part, by automating manual tasks (e.g. shipment planning, carrier selection, tendering and acceptance). This leads to greatly enhanced productivity gains for transportation staff. Many companies are also able to reduce overhead by centralizing transportation functions at a network level, rather than maintaining transportation staff at each ship point. Companies implementing these network "load control centers" realize substantial savings in overhead and total freight bills.

How can TMS solutions deliver these savings?

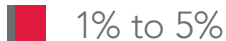
Process Improvement / Administrative Cost Reduction



Shipment Optimization



Continuous Moves



Carrier Management



Shipment Optimization

An advanced TMS will provide the ability to automatically process inbound and outbound orders and optimally select the least cost transportation mode. Orders (inbound and outbound) are also optimized to create least cost, consolidated plans that drive substantial savings on net freight bills while meeting customer service requirements and other network constraints. Common optimization opportunities include consolidation of LTL shipments into multi-stop truckloads, use of inbound or outbound carrier pool point distribution, and multi-origin to multi-destination plans that utilize cross-dock and related best practice.

Continuous Moves

Transportation costs can be further reduced by TMS capabilities that support "continuous moves," or the ability to link full truckload movements together (such as a pick-up and delivery) that will generate a lower per mile rate than treating each shipment as an individual move.

Carrier Management

TMS provides the opportunity to reduce rates and improve quality and service through support for core carrier programs.

- Rules for carrier assignment by lane can be easily configured into advanced TMS software.
- Robust TMS reporting and analytic capabilities enable transportation managers to spot quality and service problems with ease and take appropriate actions.
- Improved service execution, monitoring and compliance can be achieved through electronic load tendering and shipment tracking, using traditional EDI or new web based technologies.

TMS ROI is substantial, with payback periods of typically 12 months or less, sometimes in as little as a few months. All of these bottom line benefits can be achieved while simultaneously improving quality, customer service and supply chain information flow.

SYNCHRONIZED SUPPLY CHAINS

Transportation is the physical process that links the flow of goods through every stage of the supply chain, from inbound supply to the ultimate consumer. As such, overall supply chain excellence is inextricably linked to transportation excellence.

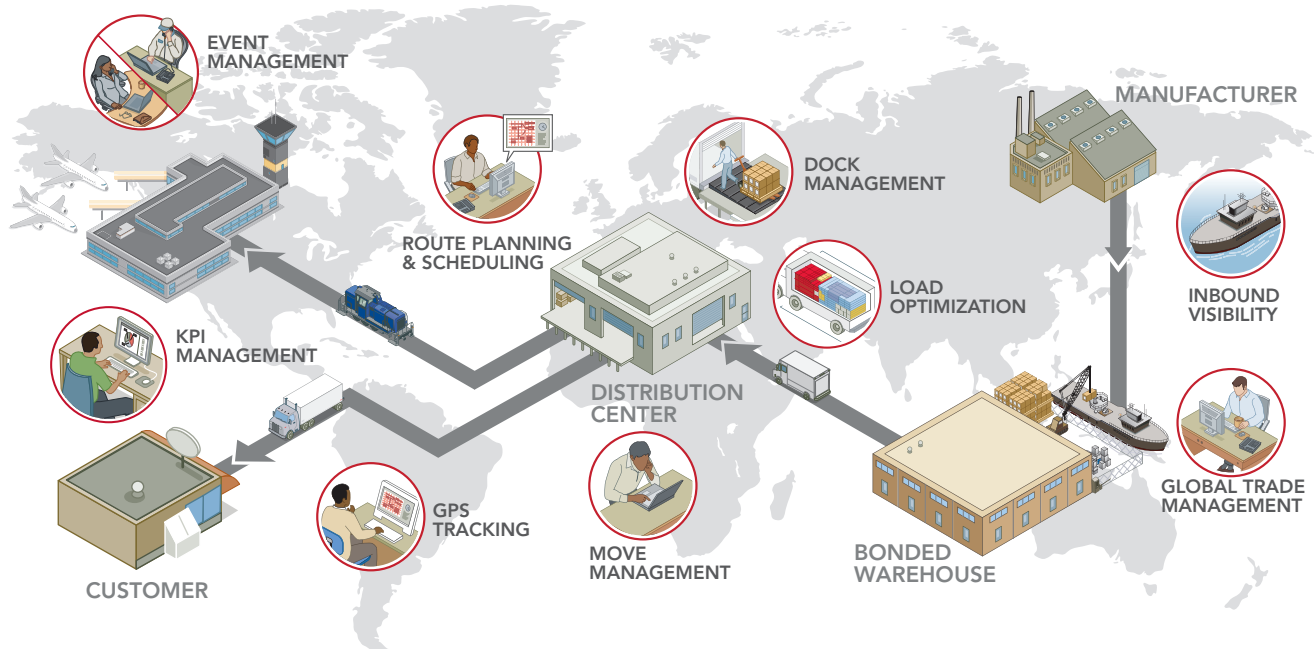
Supply chains today are increasingly complex, with multiple parties inside and outside the company playing critical roles in executing specific logistics flows (inbound flows, intra-company flows, outbound flows, reverse logistics, etc.). These activities must be synchronized to enable the right product or material to be in the right place at the right time, at the least possible cost.

Today's advanced transportation management solutions enable companies to manage complex scenarios in two important ways:

- 1) Considering transportation moves across the entire network and generating optimal plans produces lowest total cost while meeting customer service requirements and other constraints.
- 2) Providing web-based, roles-oriented connectivity enables multiple parties engaged in each logistics flow (suppliers, carriers, 3PLs, customers, etc.) access to real-time information and gives them the ability to update transportation-related information as they execute their part of the process.

The result: synchronized supply chain processes that enable companies to take costs out of transportation and reduce cycle times, while improving information flow that drives better decision-making and improved customer service.

Today's Supply Chains Require Integrated Transportation Across Complex Logistics Flows



REDPRAIRIE'S TRANSPORTATION SOLUTION

RedPrairie provides a powerful, world-class transportation management solution, Transportation Management, that is driving value for supply chain leaders such as Pella Windows, Nestle, Georgia-Pacific, Eveready, General Cable, United Sugars and many others.

Transportation Management is a key component of RedPrairie's integrated DigitaLogistix™ suite of solutions that help companies eliminate costs and improve logistics flows end-to-end across the supply chain processes of Source, Make and Deliver. These solutions include integrated components for warehouse, transportation, and logistics productivity management, supply chain visibility and event management, supplier collaboration and performance management.

Important capabilities of Transportation Management include:

Advanced Shipment Planning and Execution

Red Prairie's Transportation Management system includes robust support for full network-wide, many-to-many (multiple origins and destinations) shipment planning and optimization. Through such capabilities as intelligent, optimal carrier assignment, LTL to truckload shipment consolidation, dynamic pool point selection, and matching of loads to generate continuous move opportunities, Transportation Management significantly drives down total transportation costs.

After shipments have been optimally planned, a rich set of execution functions ensures efficient execution of those plans across the network. Key capabilities include automated rating and routing, a full set of transportation EDI transactions to support electronic load tendering and acceptance, shipment status updates, web-based connectivity for non-EDI enabled carriers, "rate and pay" and "match and pay" functions for carrier settlement, and many other planning and execution capabilities.

Continuous Planning and Execution

Building on its existing strength in shipment planning and execution, RedPrairie has developed a new set of capabilities, unlike any others available today, that enable customers to drive additional transportation savings and respond dynamically to supply chain changes in real-time.

Continuous Planning and Execution solves the problems associated with traditional approaches to transportation optimization, which optimize large blocks of orders in batches and send them forward for execution.

Unfortunately, the dynamic nature of today's supply chains means that changes to order and delivery requirements often occur (e.g., a customer adds to or cancels an order) after the batch process is run. The result for most companies, even using TMS software, is that these changes are handled outside the system, and the once-optimal transportation plan is not executed because of the system's inability to react in real-time to these changes. The result is lost savings opportunities.

RedPrairie's revolutionary capabilities solve this problem by enabling the planning and execution process to operate in a continuous, integrated and real-time mode. The optimization engine is able to run continuously, accepting changes dynamically, and producing re-optimized results in real-time.

The result:

- substantial savings over traditional approaches to batch shipment planning
- the ability to optimally react to order and other supply chain changes in real-time
- the ability to fully utilize a shipment's true planning window (from order receipt to delivery) to drive optimal plans without the artificial constraints imposed by batch processes.

REDPRAIRIE'S TRANSPORTATION SOLUTION

Transportation Management Process Flow:



This capability, so naturally aligned with the dynamic nature of today's supply chains, will become the standard approach to transportation planning and execution processes as the industry moves forward.

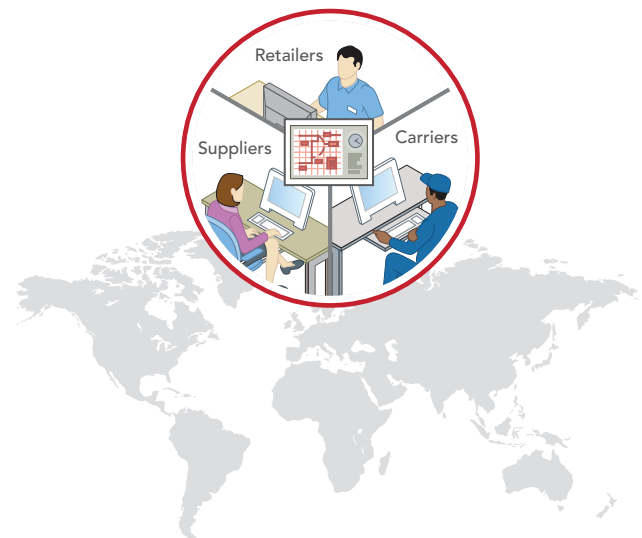
Web-Based Connectivity

In today's integrated supply chain environment, multiple parties must be linked together using the power of the internet to match information flow with the flow of goods, providing decision-makers with the timely logistics information they require.

RedPrairie has crafted a series of web-based, roles-oriented applications that meet this market need. These capabilities include:

- Web access to detailed order status information across multiple legs of the transportation process, with drill down information by SKU, PO, outbound order, customer and many other useful data filters and links. This information can be made available to transportation and logistics professionals, buyers, purchasing agents, materials managers and customer service reps.

RedPrairie Web-based Applications Allow Shippers to Connect to Carriers and Customers Via the Internet.

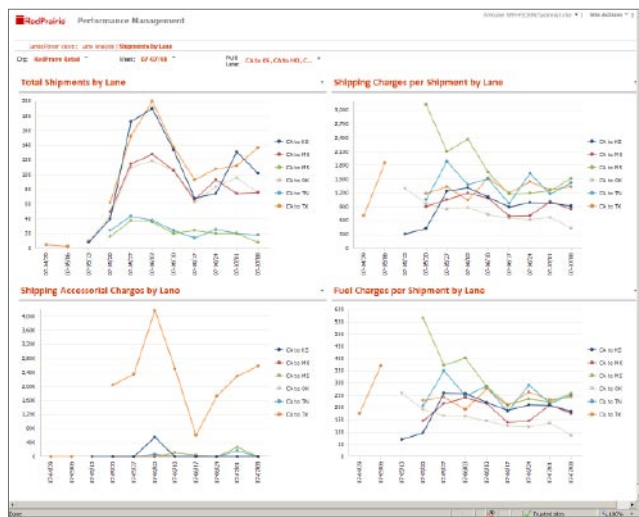


REDPRAIRIE'S TRANSPORTATION SOLUTION

- Complete web-based carrier connectivity, enabling non-EDI carriers to see and accept loads, provide shipment status updates, post capacity and perform many other functions. This allows RedPrairie customers to create their own private carrier portal, taking advantage of the benefits of the Internet without the transaction charges of third party exchanges.
- Connectivity to suppliers and remote divisions to post loads for execution, send suppliers inbound transportation plans, and perform other tasks where system-to-system connectivity has not been achieved.

This broad set of web-based applications enables RedPrairie customers to easily connect and synchronize with multiple parties in the supply chain to drive integrated logistics and world-class performance.

Powerful Analytic Capabilities



Reporting and Performance Measurement

Today more than ever, companies are focused on achieving objectives and driving continuous improvement. The key to realizing these objectives is the ability to easily measure actual performance against plan and to be proactively alerted when key performance indicators (KPI) approach or pass pre-determined thresholds.

Many corporations have invested in performance measurement and decision support tools in other areas of the business, such as finance and customer analysis. Unfortunately, these tools have been largely unavailable to transportation and logistics professionals - until now.

RedPrairie provides a powerful Performance Management tool that enables managers to get the information they need to control their business and achieve objectives. Presented in a web-based framework, the transportation scorecard presents on-line information and reporting across a wide range of transportation specific metrics, including carrier performance, transportation spend, cost per lane, on-time delivery and other customer service metrics.

Performance Management is integrated with RedPrairie's Event Management solution, which enables managers and users to easily configure the specific thresholds for each metric for which they would like to receive an alert informing them of performance goals that are in jeopardy. For example, an e-mail or pager alert could be sent if on-time performance falls below a customer service limit, such as 90%. The user can then view the performance details and determine the root cause of this performance decline.

EXECUTION FOCUS

RedPrairie differentiates itself from other TMS providers through its intense focus on rapid, on-time, on-budget implementation. This focus has led to a consistent track record of customer success and satisfaction.

Our transportation solution installs easily and works flawlessly. Already the market leader in the speed and ease of TMS deployment, RedPrairie has extended its lead with the introduction of a new rapid deployment methodology that enables customers to achieve a fully configured and integrated TMS solution in only 55 days. This is half the time, or less, that other TMS providers require for their solutions.

Rapid deployment enables companies to accelerate their time-to-value from their TMS investment, and increases project ROI by reducing implementation costs associated with system deployment.

Achieving Measurable Results

Too many solution providers focus on selling software, with little real attention to customer results achievement once the purchase decision has been made. RedPrairie is a different kind of company because we have totally aligned our company's culture, processes and products to ensure you achieve the results you expect from our solutions.

The RedPrairie Approach provides laser focus on ensuring our customers realize expected value from our solutions. Throughout the process, we work with our customers to quantify value, define results to be achieved, design, configure and implement solutions that will achieve those results, and measure our success. It is a fundamentally different approach than what other software providers use.

The RedPrairie Logistics Operations Analysis

Key to the RedPrairie Approach is our Logistics Operations Analysis (LOA). The LOA is a tightly focused assessment of specific aspects of a company's current transportation and logistics process, performance, technology and objectives. This assessment is mapped against current industry best practice, opportunities for process improvement, value drivers, system implementation costs, and economic justification. The result of an LOA is an objective benchmark of current transportation or overall logistics performance against obtainable levels of excellence, and a clear roadmap of how a company can migrate from current processes

and operating results to the desired future state. The LOA provides companies with the information they need to make informed, financially sound decisions on logistics process improvements and automation.

Through this highly focused methodology, RedPrairie is able to deliver actionable results in a fraction of the time and cost of traditional consulting studies.

To conduct an LOA, senior RedPrairie Logistics Consultants spend several days at the customer's facility observing all aspects of the operation and interviewing the appropriate staff. Key metrics on current operations and performance are collected or derived. These observations and interviews, combined with RedPrairie's deep understanding of the logistics execution process, allow RedPrairie to quickly provide:

- An analysis of current operations and potential process improvements
- Detailed analysis of the key sources of hidden logistics value that can be unlocked through process and technology change
- A comparison of current practices against potential levels of performance and results along a broad spectrum of key logistics system attributes
- An objective appraisal of quantitative and qualitative benefits
- Detailed Return on Investment (ROI) and cash flow analysis
- A proposed plan of action for moving forward

The LOA provides a focused analysis of current transportation systems and performance along a broad spectrum of key attributes. This "opportunity matrix" provides a concise, graphical view (fully supported with back-up documentation) of where a company currently operates along these criteria, along with the situation-specific targets that the company should achieve along each dimension. This analysis is essential, since "current state" and "future state" analysis directly impacts the Return On Investment (ROI) that can be projected from process and technology change.

Importantly, RedPrairie works with its customers after TMS system implementation, as part of its value delivery system, to validate these expected savings have been achieved, and to help the customer take the appropriate steps to get back on track if they are not.

INTEGRATING REDPRAIRIE TMS WITH ENTERPRISE APPLICATIONS

To achieve the full potential benefits of a transportation management system, it is critical that the solution works in concert with the customer's Enterprise Applications in a seamless and synchronous way. RedPrairie's transportation management success has been built upon a strong approach to system connectivity, and includes the TMS industry's most flexible integration tool to manage transaction flow. As a result, regardless of their environment (legacy, SAP, Oracle, Peoplesoft, etc.) customers can be confident RedPrairie's transportation solutions will be easily integrated with complementary order management, financial, and other enterprise applications, and connect with carriers via EDI or the web.

Powering this seamless interface is RedPrairie's Integrator solution, an enterprise application integration (EAI) framework that provides the execution and communication backbone to enable batch or real-time information flows between the systems. Integrator provides direct support for XML transactional exchange with external applications that can support this advanced and rapidly growing communication protocol.

It also provides the capability to personalize workflows, if needed, to address the specific data exchange nuances of a customer's work processes.

RedPrairie's integration framework has been designed to streamline the process of data mapping, and manage "events" and responses associated with transactional exchange between applications. It provides an intelligent, configurable interface tool that handles variable or fixed data formats. It also leverages the sophisticated configuration options available in many ERP applications through mapping a single transaction (for example, customer orders) to multiple "destinations" within the TMS suite, depending on specific customer workflow. It can easily send and receive transactions for multiple systems beyond ERP (for example, a legacy manufacturing system), and summarize multiple TMS transactions into a single outbound transaction to ease customer system processing requirements, where appropriate.

Because there is variability in the requirements of end customers for delivery platforms and support for communication protocols, Integrator natively supports a wide variety of integration mechanisms and protocols, including:

- Native XML parsing for UNIX and Windows NT/2000 platforms
- E-mail based XML parsing
- Flat File interchange
- FTP
- RFC type direct adapters for message exchange

SUMMARY

Despite the tremendous opportunities offered by advanced transportation management systems to reduce costs and improve supply chains, the penetration rate for TMS is relatively low compared with other supply chain applications, such as warehouse management. But the market is clearly starting to recognize this opportunity, as the high growth rate for TMS solutions indicates.

RedPrairie offers a powerful TMS solution that has proven itself in some of the world's leading logistics companies, as well as in many mid-sized companies looking to achieve transportation savings and improved customer service. Some of the key differences between RedPrairie's solution and others on the market include:

- A total company focus on logistics execution.
- Comprehensive enterprise transportation solutions that enable full process automation from shipment planning through execution and settlement.
- Unique capabilities to drive additional savings and optimally manage dynamic change through continuous planning and execution.
- Full cross-network optimization, including robust support for "many-to-many" shipment planning scenarios.
- A broad suite of components that allow companies to synchronize logistics flows with suppliers, carriers and customers through web-based connectivity.
- A comprehensive transportation scorecarding system that enables companies to drive quality and continuous improvement in operations through on-line performance measurement.
- A flexible approach to system deployment, including a rapid deployment methodology, that enables companies to accelerate time-to-value and install RedPrairie's TMS solution in only 55 days.
- The industry's most flexible, robust integration capabilities, based on RedPrairie's Integrator solution, that contains certified adapters for leading ERP applications and provides seamless integration across a wide range of enterprise application scenarios and customer workflows.
- Pre-built integration with all other RedPrairie applications, such as Warehouse Management.

RedPrairie differentiates itself from all other software vendors because of its total focus on delivering value and measurable results for its customers. The RedPrairie Approach ensures alignment with the customer from the earliest conversations to successful results achievement, delivering the operational improvements expected from RedPrairie solutions. And we're willing to guarantee it, in a shared risk-reward framework.

About RedPrairie

RedPrairie delivers productivity solutions to help companies around the world in three categories—inventory, transportation and workforce. RedPrairie provides these solutions to manufacturers, distributors and retailers looking to reduce cost, increase sales and create competitive advantage.

With 20 global offices providing services to over 40,000 sites in 50 countries, companies trust RedPrairie inventory, workforce and transportation solutions to deliver an immediate increase in productivity—with the flexibility to adapt as business needs change.

At RedPrairie, we understand today's operational demands and we're committed to delivering solutions that work. We're committed to delivering solutions for the real world.

1.877.733.7724 info@RedPrairie.com RedPrairie.com

RedPrairie Corporation has made every effort to ensure the accuracy of the information included in this document. This document is subject to change without notice. The information contained in this document may not reflect the final design in some instances.

Copyright © 2009 RedPrairie Corporation. All rights reserved. This publication contains proprietary information of RedPrairie Corporation. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise without the prior written permission of RedPrairie Corporation.

RedPrairie and the RedPrairie logo are registered trademarks of RedPrairie Corporation. E2e is a trademark of RedPrairie Corporation. All other trademarks and registered trademarks are the property of their respective holders.

