

## **Company overview**

This case study concerns a publicly traded company specializing in mobile electronics, car radios, mobile video, vehicle security, and navigation (“Mobile Devices”). Mobile Devices distributes its products through retailers, distributors to new car dealers, mass merchants and the U.S. military.

## **Situation**

Mobile Devices shipped products to domestic and international locations via UPS, FedEx, DHL, USPS, and LTL carriers from their corporate facility in Long Island and three 3PL's located throughout the US. Mobile Devices used a variety of carrier-supplied systems and web sites, plus third party systems to rate, label, document, ship and track outbound shipments. Not all systems were integrated with Mobile Devices' JDE ERP system and those that were required separate interfaces, creating Sarbanes Oxley concerns regarding cost tracking processes.

### **Situation Summary**

- Disparate, inefficient shipping processes
- Lack of transportation spending controls
- Manual international compliance processes
- Fragmented transportation cost accounting
- Inability to efficiently track shipments

Because shipments were processed with disparate systems, Mobile Devices lacked a central platform from which to control soaring transportation costs. For operations, it was difficult to provide decision support for purchasing, order entry, shipping and 3<sup>rd</sup> party logistics personnel seeking to select the most cost effective carrier services. Rate calculations were inconsistent: some systems calculated published rates, others contracted rates. Moreover, each new shipping system increased training time and chances for error, resulting in incorrect address entries, carrier surcharges, delayed deliveries and extended billing cycles.

For finance, disparate shipping systems made it impossible to gather all transportation costs into a single, unified view. Instead, important financial information related to transportation costs was locked up in a myriad of databases owned and controlled by various carriers. This made controlling soaring transportation costs very difficult as expected shipping costs were often very different from costs itemized in carrier invoices. As a result, accounts payable struggled to reconcile carrier invoices and accounts receivable lacked POD information. Post-shipment accessorial fees levied by carriers accounted for over 10% of total transportation costs. Mobile Devices was unable to recover these unexpected fees, even when they could be verified against fragmented shipping data.

For customer service, tracking shipments was a tedious process, requiring searches on the JDE system, research in the shipping department, inquiries to the 3 pl's, searches on carrier web sites, and call backs.

Mobile Devices lacked consistent processes for automating international customs documentation. As a public company, Mobile Devices is subject to Sarbanes Oxley (SOX) regulations and must demonstrate reasonable care against compliance risks. Mobile Devices was also concerned that manually prepared international forms could contain errors, causing delays in customs. Mobile Devices turned to Agile-Network for expertise required to reduce transportation costs, automate international compliance processes, and improve efficiency.

## **Capabilities Required**

Mobile Devices identified the following key system requirements:

1. One enterprise platform to automate shipping, integrated with JDE & other 3 PL systems
2. Ability to validate addresses and confirm residential and oversize charges in advance of shipping
3. Centralized storage of all transportation costs for monitoring, control, and reporting
4. Ability to automate international compliance processes and store digitized customs documents
5. Automate shipment tracking and PODs, with drill down on customer, shipment, item & status
6. Improve financial visibility and control over transportation costs and automate bill reconciliation

## Solution

Agile-Network, LLC, is a nationwide organization of logistics systems integrators who specialize in enterprise deployment of integrated shipping processes. Agile-Network's New York City office ("Agile") had successfully integrated solutions with JDE on several other occasions. Agile studied Mobile Devices' requirements and transportation expenditures and recommended AgileElite, a suite of enterprise transportation management solutions that exceeded all of Mobile Devices' expectations.

Agile deployed AgileElite in Mobile Devices' corporate data center in Long Island, fully integrated with JDE. Agile also established links to Mobile Devices' 3PL ERP systems. With these connections, Mobile Devices' IT personnel were able to completely control information flows, security, and authorized user access, measures required by SOX. Agile used AgileComposer to adapt role-specific processes for personnel in order entry, shipping, finance and customer service. Employees share a single real-time view of transportation activity.

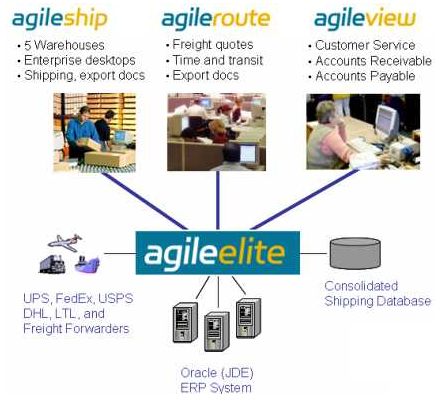
Mobile Devices warehouses now process parcels and LTL shipments from a single, simplified user interface. Their parts department can ship and track US Postal Service packages. AgileShip accesses order information from all ERP's, eliminating manual data entry. AgileShip automates weighing, carrier service selection, rating, carrier compliant labeling, and bills of lading processing. AgileShip confirms shipments and updates JDE with accurate carrier costs, including likely accessorial charges. AgileRoute automates rating and carrier service selection decisions in order entry, purchasing, and shipping. All transactions, including digitized documentation, are stored in a central database for a complete and unified view.

In addition, Mobile Devices personnel no longer have to manually prepare international customs forms. AgileExport automatically generates these documents as part of the shipping process. AgileExport accesses the appropriate tariff code by product# and prints the documents required for each destination country.

Authorized office personnel are able to print shipment requisition forms from their desktops as well as track shipments. With one shipping database for all locations and users, Finance personnel are able to generate consolidated management reports to analyze profitability, reconcile carrier invoices, and take action on any variances that appear. Accounts receivable get PODs to support collections.

### Results

- Reduced transportation costs by 10%
- Reduce labor costs by \$300k
- Improved custom service
- Reduced SOX compliance risks
- Improved management of critical processes



## Results

Mobile Devices' VP Operations: "By implementing AgileElite, Agile has helped us establish visibility and control over all our outbound transportation processes. As a result, we have reduced transportation costs by 10%, improved efficiency, and empowered all of our employees with the decision support they need to achieve Mobile Devices' mission to be the best in our industry. Agile really delivered."

### For more information:

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[www.agile-network.com](http://www.agile-network.com)

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