



## Dear client, and all those interested in logistics,

The Chinese word for 'crisis' consists of two characters, one of which means 'danger', the other 'opportunity'. COOs and logistics managers thus find themselves confronted with the challenge of coping with the global downturn and at the same time taking forward-looking decisions. Seen from this perspective, the current financial and economic crisis also represents an opportunity. Because it offers the time, the right conditions and the necessity for embarking on a process of change.

Process optimisation, cost reduction and increased efficiency are the order of the day. When markets are shrinking, that is obviously not the ideal time for expanding capacity or making investments to increase production. But according to Erik Brynjolfsson, Professor in the Faculty of Economics at the Massachusetts Institute of Technology (MIT), companies should and must make investments in two key areas at this very moment:

- investments that lead to greater efficiency and savings, so that the company can achieve more with less;
- investments that increase agility and flexibility to such an extent that the company is better able to respond to the market.

This view is wholly consistent with the conclusions reached by inet-logistics in the context of the recent committee meeting of the [SCE](#)

[\(Supply Chain Execution\) Competence Center](#). Together with the other experts in this field, we agreed that supply chain execution exerts a positive influence on the four pillars of 1) stability/quality/reliability, 2) agility/flexibility, 3) cost reduction and 4) sustainability of operative excellence, all of which are key to the success of any company heavily dependent on transport.

logistics-server<sup>®</sup>, which is a collaborative platform for the transparent integration of all supply chain partners into the logistical processes, is one such solution that fully supports this view of SCE. We have customers operating in various sectors of the economy, and all of them value the opportunity to lower costs on an ongoing basis by implementing efficient transport and freight cost management. Right from the start, we have been convinced that these solutions bring additional advantages when presented in the form of an SaaS (Software as a Service) package. This is particularly true in times of economic hardship. SaaS solutions are making great headway in the marketplace. Because with their deployment, it is possible not only to reduce start-up costs but also to make operating costs transparent and susceptible to planning.

Best wishes

Oswald Werle

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«REDUCE COSTS – KEEP COSTS UNDER CONTROL – INVEST INTELLIGENTLY»

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## Modern triathlon

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**Reduce transport costs - keep freight costs under control - invest intelligently: this is the nature of the modern triathlon, in which logistics managers make their contribution to maintaining profitability during these troubled times. The potential is enormous, because supply chain execution continues to reveal extensive scope for optimisation that can be used in a structured way.**

In times such as these, companies focus on their costs, in particular on areas where costs can be avoided altogether. Preferably, where less can be spent whilst still achieving the same outcome. The purpose of all intelligent measures is to increase efficiency. We can point to one large company where the logistics managers introduced logistics-server® to make their Europe-wide transport network transparent and then went on to put it out for single tender. The mere fact that the total volume of transport had now become transparent for the first time provided a basis for negotiation which enabled the logistics managers to place bulk transport orders and thereby secure freight rates that were 20 percent lower than before. Even though this individual case revealed exceptionally high potential for optimisation, the practical experience of many inet-logistics customers has shown that complete transparency about the real extent of transport is one of the key negotiating points in agreeing the best freight rates.

Moreover, within complex logistics networks, it is possible to identify extensive scope for



optimisation by means of transport planning as well as operative transport management. In order to establish an overall optimum, all areas of supply chain execution need to be included in the equation. This means that transport management, freight cost management and container management as well as customs management have to be integrated in order to optimise transport processes. It has been shown that this can lead to savings of up to 20 percent in freight costs. In this way, supply chain execution realises its full operative excellence in relation to stability of transport networks, quality and reliability of goods supply, agility and flexibility in transport management, as well as cost transparency and business sustainability.

Compliance regulations represent a major aspect of business sustainability. In many complex transport networks, there is scope here for further cost savings. It is often impossible to achieve 100% control over freight costs because of a failure to integrate processes or to automate them to any meaningful extent. This is where logistics-server® comes into its own. By offering the possibility of checking all freight costs in an objective and professional as well as tariff-focused way, this IT

solution offers a powerful instrument for flagging up agreed transport charges and double billing. Companies thereby not only achieve cash savings but also ensure that they comply with regulatory requirements of the transport industry such as the guidelines arising from the Sarbanes Oxley Act (SOX). Furthermore, the extensive automation of planning, optimisation, testing and booking of transport can lead to reductions in related process costs by up to 30 percent.

The crowning element in any efficient transport setup is an intelligent cost structure in the use of tools. Modern IT sourcing strategies are notable for the way in which high levels of basic investment are avoided and operating costs are based on a usage-dependent, flexible price model. In other words, if less transport takes place, correspondingly less use is made of the IT and consequently less is paid for it. On the other hand, if the transport side of the business is running at full capacity, it is possible to justify higher costs for the IT solution. inet-logistics is one of the pioneers in the field of 'Software as a Service', offering

«Fact Box»

**Software as a Service: More than just hype**

'Software as a Service' (SaaS) is a sales and distribution model whereby software is sold (or alternatively hired out) as a hosted solution. The fee payable comprises actual software usage and update services. An SaaS customer does not merely rent the software but also benefits from an infrastructure and application service. The innovative aspect of the SaaS model compared to ASP (Application Service Providing) or outsourcing is that the services on offer can be used by multiple customers. This helps to bring down costs for individual companies. At the same time, maximum security and confidentiality is maintained.

its customers an appropriate level of experience in the reliable operation of SCE applications that are crucial to business success. Companies thereby not only save money but also have a tool at their disposal that gives them a competitive edge in the modern triathlon that is logistics.

«CUSTOMER ANNOUNCEMENT»



**New container management system at MTU**

➔ MTU Friedrichshafen GmbH

**Within the scope of a logistics optimisation programme at MTU Friedrichshafen, the container management section is being redesigned. The implementation of a new container management system is a substantial partial aspect of this. It is the objective to manage the container stocks at MTU locations as well as at appropriate partners.**

Apart from cross-company stock control, the essential requirements of MTU are a web-based ordering process, the facility of worldwide use of the system by all partners as well as a complete web-based application. For this reason, MTU Friedrichshafen GmbH, subsidiary of Tognum AG and supplier of diesel engines and complete drive systems based in Friedrichshafen, decided upon the inet-logistics product Container Management when introducing their new container management system.

With the implementation of Container Management, internal and external container stocks will in future be transparently administered, partners simply and effectively integrated into the container process and losses and damages documented by causes.

This will in future lead MTU to an increased security of supply, optimisation and reduction of units in transit as well as transparent overview of all movements.



In the course of a further project phase, the standard ad hoc evaluations of container stocks and movements will be able to be complemented by tactical container stock planning as well as budgetary planning.

«More News»

[www.inet-logistics.com/en/news.html](http://www.inet-logistics.com/en/news.html)

## «EVENTS»

### transport logistic

transport  
logistic

12th - 15th May 2009 in Munich

#### 12th International Exhibition for Logistics, Telematics and Transport

inet-logistics will be manning **Booth 615 in Hall B2**, where they will be demonstrating how global transport processes can be optimised by the transparent integration of all supply chain partners into a collaborative IT platform. In response to current efforts to reduce costs and improve logistics processes over the long term, inet-logistics offers professional IT solutions as an SaaS package (Software as a Service) for sectors of the economy that are heavily dependent on transport. Using these solutions, it is possible to achieve significant savings in transport and freight costs.

«Info on the web»

[Hall plan](#), [booth plan](#), [program](#)  
[www.transportlogistic.de](http://www.transportlogistic.de)

### VNL Switzerland

2<sup>nd</sup> April 2009 in Regensdorf



#### Localisation and tracking systems in production and service networks

- **Lecture** given by Oswald Werle, CEO at inet-logistics
- 'Case study: shipment localisation and monitoring at GEHE Pharma Handel GmbH'

«Info on the web»

[www.vnl.ch](http://www.vnl.ch)