

Maximizing Corporate Logistics Profits

Finding the Money you Never Knew Was Missing



Presented By:

ICC Logistics Services, Inc.
Tony Nuzio
Founder/CEO
September 1, 2015

A Little Bit Of History First

[**CLICK HERE!**](#)

GOAL: Identify Opportunities to Enhance Corporate Profits

Invoice Audits

Benchmarking & Target Pricing

Contract Negotiations

Logistics Education

Step Outside the Box



Invoice Audits



Why Audit Your Invoices?

What Types of Audits Should You Perform?

Should You Consider Multiple Audits?

Expected Results?



Invoice Audit Results

\$8,000 in Refunds vs. **\$700,000** in Cost Reductions

Duplicate Payments, Really!

Spend **\$185,000** to save **\$6,000**

Audit the Auditor

Find the Inefficiencies



Benchmarking & Target Pricing Results

Biomedical Firm - **\$1.3 Million** Annual Profit
Enhancement

Oops, we left **\$1.5 Million** per year on the
table

What you don't know **CAN** Hurt You! - **\$3.4 Million**
Annual Profit Recovery

What does my customer want, do I care?

Net Profit Impact of Reducing Logistics Costs

A FREIGHT COST REDUCTION OF

\$10,000	\$20,000	\$50,000	\$100,000	\$500,000
----------	----------	----------	-----------	-----------

EQUALS APPROXIMATE SALES OF

THIS IS YOUR NET BEFORE TAX PROFIT MARGIN	4%	\$250,000	\$500,000	\$1,250,000	\$2,500,000	\$12,500,000
	5%	\$200,000	\$400,000	\$1,000,000	\$2,000,000	\$10,000,000
	6%	\$166,667	\$333,333	\$833,333	\$1,666,667	\$8,333,333
	7%	\$142,857	\$285,714	\$714,286	\$1,428,571	\$7,142,857
	8%	\$125,000	\$250,000	\$625,000	\$1,250,000	\$6,250,000
	9%	\$111,111	\$222,222	\$555,556	\$1,111,111	\$5,555,556
	10%	\$100,000	\$200,000	\$500,000	\$1,000,000	\$5,000,000

Parcel Spend Analysis – ZYZ Company

Total Benchmark Gross Charges - **\$495,226** / Total Benchmark Revenue Annualized - **\$6,437,939**

Current Carrier A vs 2nd Proposed Carrier A vs Proposed Carrier B Contract Analysis									
Accessorial	Volume	Current Carrier A Rate	Current Charges	Proposed Carrier A Discount	Proposed Carrier A Charges	Carrier A Savings	Proposed Carrier B Discount	Proposed Carrier B Charges	Carrier B Savings
Accessorial A	146	\$8.50	\$1,241.00	25%	\$930.75	\$310.25	40%	\$744.60	\$496.40
Accessorial B		0%	\$4,482.40	30%	\$3,137.68	\$1,344.72	37%	\$2,835.12	\$1,647.28
Accessorial C	845	\$3.50	\$2,957.50	25%	\$2,218.13	\$739.38	50%	\$1,478.75	\$1,478.75
Accessorial D	1,526	\$5.00	\$7,630.00	100%	\$0.00	\$7,630.00	100%	\$0.00	\$7,630.00
Accessorial E	1,918	\$15.00	\$28,770.00	25%	\$21,577.50	\$7,192.50	50%	\$14,385.00	\$14,385.00
Accessorial F	65	\$15.00	\$975.00	25%	\$731.25	\$243.75	50%	\$487.50	\$487.50
Accessorial G		0%	\$34,282.64	25%	\$25,711.98	\$8,570.66	25%	\$25,711.98	\$8,570.66
Total Carrier A Accessorial Savings				\$41,214.15	Total Carrier B Accessorial Savings				\$50,057.79
Total Carrier A Accessorial Savings Annualized				\$535,783.95	Total Carrier B Accessorial Savings Annualized				\$650,751.30

Parcel Spend Analysis – ZYZ Company

Current Carrier A vs 2nd Proposed Carrier A vs Proposed Carrier B Contract Analysis

Total Benchmark Revenue	\$495,226.09		Carrier A Savings	\$69,152.60		Carrier B Savings	\$77,576.39
Total Benchmark Revenue Annualized	\$6,437,939.17		Carrier A Savings Annualized	\$898,983.86		Carrier B Savings Annualized	\$1,008,493.02

Service Type	Weight Breaks	# Shpt	Benchmark Gross Charges	Current Carrier A Discount	Current Carrier A Net	Proposed Carrier A Discount	Proposed Carrier A Net	Carrier A Savings vs Current	Proposed Carrier B Discount	Proposed Carrier B Net	Carrier B Savings vs Current	Carrier B vs Carrier A %
Service A	A	3	\$154.55	0.00%	\$154.55	0.00%	\$154.55	\$0.00	20.30%	\$123.18	\$31.37	100%
Service B	B		\$30,996.47	0.00%	\$30,996.47	0.00%	\$30,996.47	\$0.00	20.30%	\$24,704.19	\$6,292.28	100%
Service C	C	91	\$2,299.75	56.40%	\$1,002.69	70.00%	\$689.93	\$312.77	72.30%	\$611.55	\$391.14	20%
Service D	D		\$2,541.80	56.40%	\$1,108.22	74.30%	\$653.24	\$454.98	72.30%	\$675.92	\$432.31	-5%
Service E	E		\$315,906.40	56.40%	\$137,735.19	74.30%	\$81,187.94	\$56,547.25	72.30%	\$84,005.83	\$53,729.36	-5%
			\$390,065.84	\$209,164.00		\$151,849.00		\$57,314.99	\$148,287.53		\$60,876.47	

Grand Total Savings Annualized - **\$1,434,767** (Carrier A) / **\$1,659,244** (Carrier B)

Some Food For Thought

Strategic Sourcing

Data Quality – Good Data vs. Bad Data

You can't manage what you can't measure

Contracts vs. Pricing Agreements

Is There a Difference?

What's Best for my Company?

Downside to Contracts, are there any?

Contract Success Story

\$52 Million Annual Freight Spend
Contracting Benefits – There are many!



What Will The Future of Shipping and Logistics Look Like?



GLOBAL HEADQUARTERS
Hicksville, NY
(T) 516-822-1183

SOUTHEAST REGIONAL OFFICE
Cary, NC
(T) 919-946-5583

WWW.ICCLOGISTICS.COM