

## PRESS RELEASE

# AEB publishes e-book on optimizing freight costs upstream

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January 7, 2019 – Optimizing the downstream part of the supply chain has been an ongoing effort for decades. But many companies are unaware that the uncharted waters in supply chain optimization are upstream. A new e-book by AEB titled “The uncharted frontier in optimizing freight costs” analyzes the various components of the total cost of goods and explores what’s next in supply chain cost optimization. The e-book is now available for download, free of

charge, at [www.aeb.com/ebook](http://www.aeb.com/ebook).

The high degree of choice and personalization that customers have today affects the entire supply chain. Traditional models of planning, sourcing, manufacturing, delivering, and returning products are being upended. The pressure for companies to quickly reduce their total cost of goods (TCOG) to maintain their margins and competitiveness is tremendous.

Considerable effort has been directed at achieving optimizations in the downstream part of the supply chain: getting finished goods from the factory floor to the retail door as cheaply as possible, while still meeting delivery timelines. Just about every conceivable savings in downstream logistics has been discovered and exploited.

### **The new frontier for supply chain optimization**

But the uncharted waters in supply chain optimization are upstream. Freight cost reductions in the sourcing of raw materials and component parts can have a direct impact on the delivered cost of the finished goods. However, despite the strong contribution of freight to upstream supply chain costs, many businesses lack understanding of how these costs accrue. In balance sheets, “freight costs” are often just lumped into one category, with little granularity on their composition.

AEB’s e-book explores all the various components of the TCOG. Once companies understand the ways in which freight costs accrue, they may question the long-held ‘wisdom’ in outsourcing manufacturing to a cheap labor country. For example, re-shoring manufacturing to be nearer to raw materials, components, and skilled labor can reduce freight costs. Free Trade Agreements (FTAs) are making it more competitive to source from newer markets.



### **AEB's e-book covers the following topics:**

- Strategies and tactics for supply chain cost reductions
- Efficiency opportunities in your upstream processes
- The importance of product design and strategic sourcing
- A structured approach to sourcing your supply chain
- Optimizing freight costs through data analytics
- How organizations need to change to take advantage of digitization

Markus Meissner, Managing Director of AEB and co-author of the e-book, said: "Our new e-book provides qualified, unbiased information about supply chain cost management and deals with product design and manufacturing processes, technologies and corporate business management – analyzed and explained by experts. It is part of fulfilling our aim to empower businesses to evolve, continually reinvent themselves, and transform powerful ideas and business models into reality. Beyond that, we want software to make a positive contribution to society by making supply chains leaner and greener, more secure and equitable."

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### **About AEB ([www.aeb.com](http://www.aeb.com))**

#### **Software for global trade and logistics**

AEB software supports the global trade and logistics processes of businesses in the industrial, commercial, and service sectors. More than 5,000 customers from over 35 countries use AEB solutions for shipping, transport and warehouse management, customs clearance, import and export management, sanctions list screening, and export controls. AEB's portfolio extends from ready-to-go software products from the cloud to a tailored but highly adaptive logistics platform. With the automation of customs declarations, embargo checks, shipping and billing processes and the IT integration of partners in the supply chain, AEB brings greater transparency, efficiency, cost reductions, and legal protection to supply chain management as a whole. AEB solutions also make companies more flexible and increase their capabilities to react.

AEB has more than 450 employees worldwide. The software company has its head office and on-site data centers in Germany and international offices in the United Kingdom, Singapore, Switzerland, Sweden, the Netherlands, the Czech Republic, France, and the United States.