

Press release

New AEB White Paper: Freight Purchasing Success

- Tools and techniques for effective negotiations with transport service providers
- Third in a series of AEB white papers on reducing costs and increasing efficiency through smart freight management

Leamington Spa, 8th October 2012 – The wide range of prices for comparable freight services means many businesses simply overpay for their transport needs. SCM solutions provider AEB has published a new white paper showing how supply chain managers can lay the groundwork for successful negotiations and realise savings while building a constructive, long-term partnership with transport service providers.



Titled “Freight Purchasing Success”, the white paper explains four tools that enable supply chain managers to optimise their negotiations with transport providers:

- Transparent management of forwarder tariffs
- Analyses and key performance indicators
- Simulations
- Requests for proposals and benchmarks

Transport logistics is one of the most frequently outsourced logistical processes. The freight rates negotiated with carriers are a critical cost factor in nearly every supply chain. But it’s very difficult for shippers to find the right partner and negotiate the right conditions. According to studies¹, prices for comparable domestic and international road freight services vary by as much as 50 percent, and by as much as 100 percent for air and ocean freight. Experts believe that negotiating freight rates with existing partners or changing transport service providers can produce savings averaging about ten percent.

Iqbal Pannu, Senior Solutions Consultant at AEB (International) Ltd, said: “The on-time performance of a company’s transport partners has a critical impact on its reputation, service level and other internal process costs. Negotiations with transport service providers should therefore focus on long-term partnerships rather than short-term savings. This is the only way to avoid the inefficiencies associated with continuously changing providers. It also enables transport partners to optimise their own costs and workflows in the partnership – which ultimately benefits the shippers as well.”

- more -

¹ Germany’s Association for Materials Management, Purchasing and Logistics (AMMPL)



About AEB's white paper series

Reducing costs and increasing efficiency through smart freight management – that's the focus of a series of in-depth white papers published by AEB:

1. "Three Paths to Efficient Freight Invoice Auditing"
2. "Navigating the Price Maze: Smart Freight Cost Calculation"
3. "Successful Freight Purchasing"

The fourth and last white paper of this series will be dealing with freight cost reallocation.

The white papers can be downloaded free of charge from www.aeb-international.co.uk/freight.

- Ends -

Contacts

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Notes to Editors

About AEB GmbH

AEB is one of Europe's leading providers of supply chain logistics software and has been delivering solutions to customers for over thirty years. The company has over 5,000 customers worldwide and is headquartered in Stuttgart, Germany, supported by offices in the UK, Switzerland, Singapore and the US.

AEB's core product - ASSIST4 - is the comprehensive solution suite for all logistics processes in global business. ASSIST4 offers a complete set of business services for end-to-end logistics, including international goods movements, making it possible to standardize and automate business processes in supply chain execution. ASSIST4 also creates transparency and provides a reliable basis for making the right decisions about the planning, monitoring, control and continual optimization of supply networks - even beyond the boundaries of the business.

The ASSIST4 suite offers full functionality via a wide range of modules including Visibility & Collaboration Platform, Order Management, Warehouse Management, Transport & Freight Management, Customs Management and Compliance & Risk Management.