



SUCCESS STORY

Digital Rate Card for Enterprise Customers

How Siemens is revolutionizing global freight handling

Large enterprises rely on many different transport service providers to keep their supply chains humming along. The task of finding the right forwarder with the best conditions for a given freight order is becoming more and more daunting, however—especially since the various providers have different rate structures and use contracts of widely varying form and content. The result is a process that is both time-consuming and highly error-prone. This is the challenge that Siemens faced as well. The company sends out some two million shipments a year and has service agreements with 100 freight forwarders who transport goods for Siemens and some 1,000 suppliers around the world.

Challenge

It used to take a lot of time to calculate prices and freight options for transporting a specific shipment. The problem was that Siemens employees often had to sift through the rate tables of the various freight forwarders, each in its own format and many not even digitized. This made it extremely difficult to find the fastest, cheapest, or most sustainable shipping option. It also meant that many transports were assigned incorrectly or to “mavericks” with whom Siemens had no contract in place.

“Digital Rate Card has really boosted our efficiency, and because it integrates into other tools, it helps us achieve our goal of end-to-end connectivity.”

Claudia Holz
Head of Corporate Supply Chain Management – Pooling Category Logistics at Siemens

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The idea was to create a smart solution that centralized all key information and could be integrated into the existing Siemens system environment for use by all Group companies around the world. What users wanted was a user-friendly solution that would find the right freight price with a few clicks and could also calculate the carbon footprint of each shipment.

Solution

Siemens worked with Siemens Digital Logistics to develop the “Digital Rate Card”—a global, cloud-based solution for managing complex freight rates. The solution is built around a central database that standardizes and merges all key data from the rate tables as a basis for calculations.

A user-friendly interface asks only for the shipment’s origin, destination, weight, and dangerous goods status. The system searches the rate database and offers various shipping options within just a few seconds, displaying freight costs and any additional charges along with the mode of transport, service options, runtimes, and carbon footprint.

Users even have the option to apply filters, see a map-based visualization of the routes, and break down the costs by pre-carriage, carriage, and on-carriage.

Success

Siemens has achieved much greater efficiency thanks to the information provided by the Digital Rate Card: While it used to take almost an hour to cobble together useful information on the transport costs for a particular shipment, now it all happens in under a minute with just a few clicks. The side-by-side comparison clearly lays out the optimal cost structures for each transport, helping the company be more successful. It also supports the zero emissions goal of Siemens AG, since the software also calculates the carbon footprint of each shipping option. Users can then weigh all factors and select the optimal mix.

The tool is seamlessly integrated into the current system environment and is already being used for hundreds of queries each day—a number that continues to rise. The next phase of development will integrate business-specific freight rates and extend the interoperability with other software solutions used at Siemens.

“With Digital Rate Card, gathering information on freight rates is a breeze. Now we tap into the latest rates and find just the right provider, and it’s all as easy as any online shopping portal.”

Sven Markert

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