

DDI's Savings Program



DDI's Logistics Program is a fully customized transportation program designed to help you move your freight more effectively and economically.

Expected Program Savings:

Much is dependent on the amount of transportation spend and the modes currently used by the Client. DDI typically saves companies a range of 3-14% of their overall transportation spend. DDI is always looking for ways to increase savings for our Clients whenever possible.

Cost: DDI is normally paid on either a percentage of savings (30-40%) or a minimum monthly fee. Under our percentage of savings program, there is **NO COST** and **NO MINIMUM FEE** if DDI does not hit the minimum savings goal of the Client. DDI is paid only after savings are achieved. Currently DDI is hitting this goal over **94%** of the time.

Modes Included: Less than Truckload (LTL), Truckload, Intermodal, Expedited, Domestic Air. International (ocean/air) can be included as well.

Term: Two years (24 months) once the Client is in compliance with using the carriers they've selected at least 94% of the time.

To Enhance Maximum Savings, DDI Offers:

Detailed savings report; rate negotiation and recommendations; establishing and maintaining routing guides for each location; tracking/monitoring of invoices and reports for areas where the Client is overspending or mis-routing freight (non-compliance); pre-audit of freight invoices; and performance metrics.

Additional Services Offered for Client Convenience:

Providing 1-800 service for help in selecting the correct carriers; controlling inbound routing from vendors; answering general questions; getting quotes; and filing of loss and damage claims.

DDI uses a 3-phase approach as a guide for implementation:

Phase I – Modeling/Analysis (10-15 days)

- Client endorses agreement with annual freight expense & minimum savings goal for the program, completes questionnaire, provides carrier pricing pages/agreements, and gathers 3 months of bills/data.
- DDI performs a preliminary model of the information provided to determine a "fit", estimates an annual transportation savings amount, and then compares to the Client's minimum savings goal. DDI then presents the results to the Client.
- If the savings results ARE NOT achieved, the CLIENT can elect to reduce the savings goal and continue with the program OR terminate the agreement (at no cost).
- If the savings results ARE achieved, the CLIENT can elect to continue with the program within 30 days OR terminate the agreement (at the agreed upon fee).

Phase II - Negotiation (30-45 days)

- Client creates a letter authorizing DDI to negotiate on the Client's behalf and provides benchmark acceptance.
- DDI negotiates with industry providers and compares the new negotiated pricing to the benchmark with consideration for operational requirements. A final review is done to compare to the Client's minimum savings goal and the results are presented to the Client.
- If the savings results ARE NOT achieved, the CLIENT can elect to reduce the savings goal and continue with the program OR terminate the agreement (at no cost).
- If the savings results ARE achieved, the CLIENT can elect to continue with the program and choose a carrier selection within 14 days (else a monthly fee will be charged) OR buy out of the agreement (at the agreed upon fee).

Phase III - Implementation (10-15 days)

- Client provides a letter with their carrier selection and works with DDI to coordinate the conversion process.
- DDI's notifies carriers of the selection, the conversion team begins setup procedures and implements the startup process with the Client's operational personnel. A start date is decided and the program begins. DDI continues to give ongoing support throughout the term (2 years) to assure that the program achieves the savings results.

Carrier Selection: DDI makes recommendations but the Client makes the ultimate decision in the core carrier selection since the pricing is put in the Client's name and the Client will be working closely with the carriers. The program is flexible enough that the Client can use other carriers up to 10% of the time.

Optional Service Offerings:

International expertise, Freight Bill Payment & Processing, SmartRate Rating Software.

How Long to Get Started?

The Client can begin to see savings in an average of 100 days.