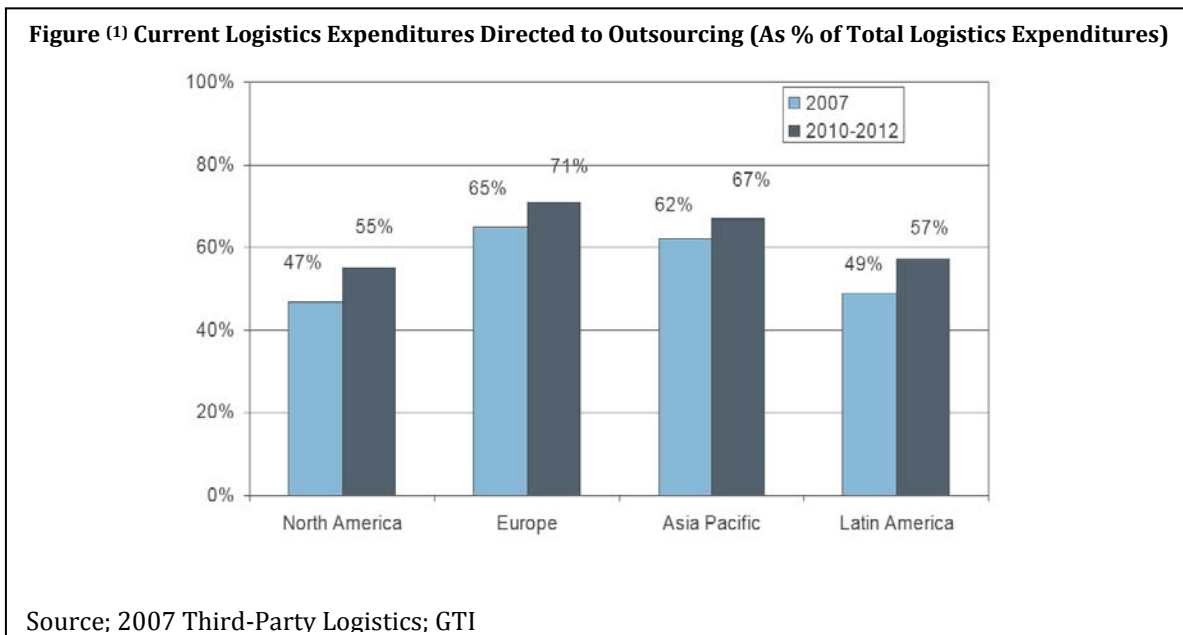


Supply Chain Visibility and Response – Enabling 3PLs to Increase Market Share

An Opportunity

Globalization has changed the competitive landscape so that finding markets, labor, and sourcing in foreign countries is a reality of business in today’s world. Leveraging the company’s resources in order to operate in these new markets can be problematic at best, and in some cases impossible. This is leading to an increased need for the outsourcing of logistics services. Organizations are turning to their logistics providers to help them manage suppliers, comply with import/export regulations, and offer end-to-end supply chain visibility.

The “2007 Third-Party Logistics - State of logistics outsourcing” study conducted by Georgia Technical Institute show that more than 50% of the global logistics expenditures have been directed to outsourcing and that trend is increasing (Figure 1).



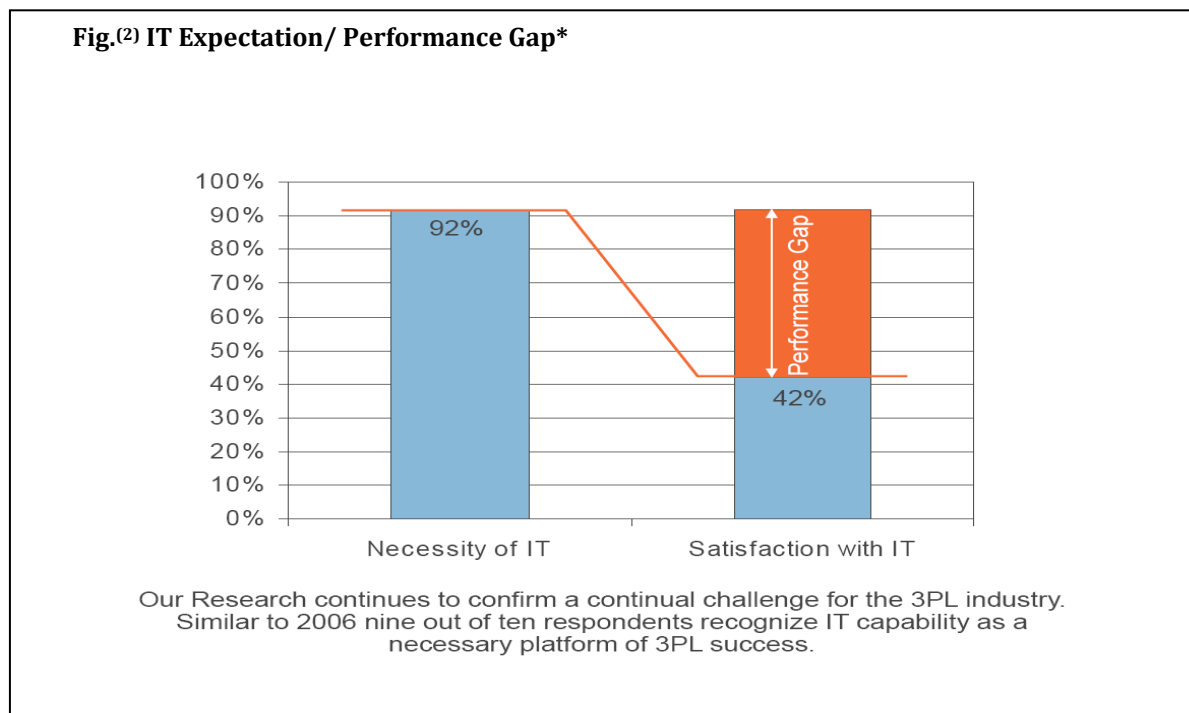
This same trend recognized by IDC, in its 2007 Business Process Outsourcing Services report, estimated that logistics expenditures will grow in the US alone at a pace of 12.9%

to reach a total of more than \$210 billion dollars. The study highlights the strategic priorities 3PLs should focus on in order to increase their value:

- 3PL should create Supply Chain Value by aligning their customers' short term metrics with the long-term goals and KPIs, and shift their efforts from speed and low cost to agility, adaptability and alignment.
- Expand beyond traditional roles to include more services.
- Leveraging Information Technology to create greater impact by improving control forecast provides quicker remedial actions while increasing collaboration.

The Challenges

The global 3PL market is dominated by a few large providers with a wide range of multinational services. If mid-sized national 3PLs are to compete with global logistics providers, they must enhance their global operations by providing trade management,



supplier relationship management, and global track & trace services.

The largest challenge the 3PL industry faces in capturing this growing market need is the gap between what IT services 3PLs are able to offer versus what customer's require (see Fig 2). Answering the question "Where is my shipment?" is not enough in today's business environment. Customers require a comprehensive IT service that spans their entire business processes and not just simply a shipment tracking solution.

Building such IT services requires a large capital investment along with changes in the corporate focus of the 3PL. An alternative is to partner with specialized company that can match the services a 3PL requires.

TradeMerit- Supply Chain Visibility and Response Management

TradeMerit is a Supply Chain Visibility and Response Management service that offers expertise in supply chain services including: trade compliance, supply chain design, and integration. Our technology is non-invasive and requires no investment beyond your current IT systems or processes. Our solution is a purely On-Demand model that can be tailored to bring the following benefits to any 3PL Partnership:

- Shared Risk
- Reduction of Operating Costs
- Improved Customer service
- Increase in productivity and efficiency
- Improved company focus

For Further Information Please Contact,

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