

Commerce*Express Service

***Introducing
GE Information Services'
Freight Payment Service***

GE Information Services



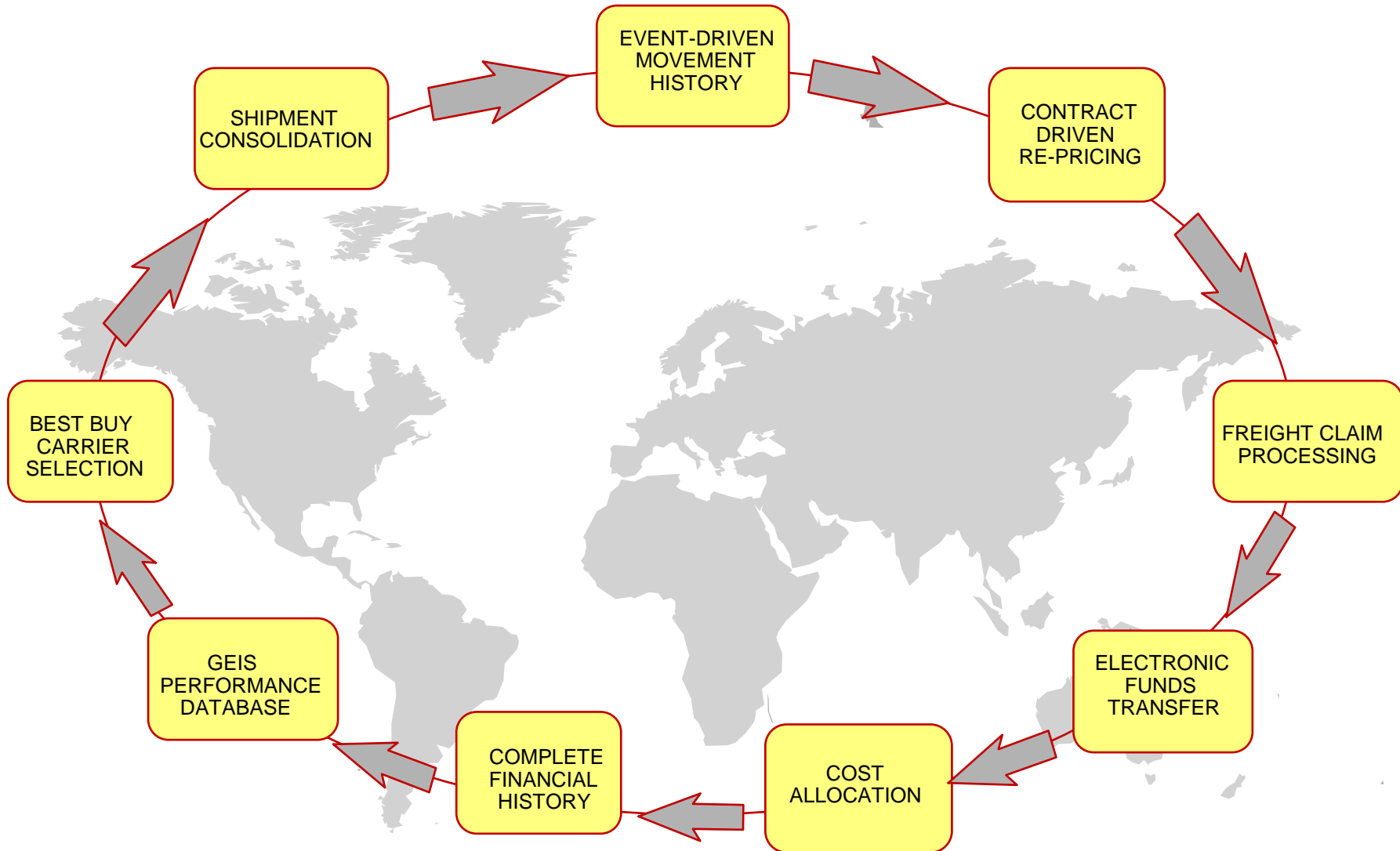
Objectives

- Describe the GEIS Freight Payment Service (FPS)
- Understand which type of companies benefit from this service
- Discuss your environment and opportunities for improvement using FPS

Agenda

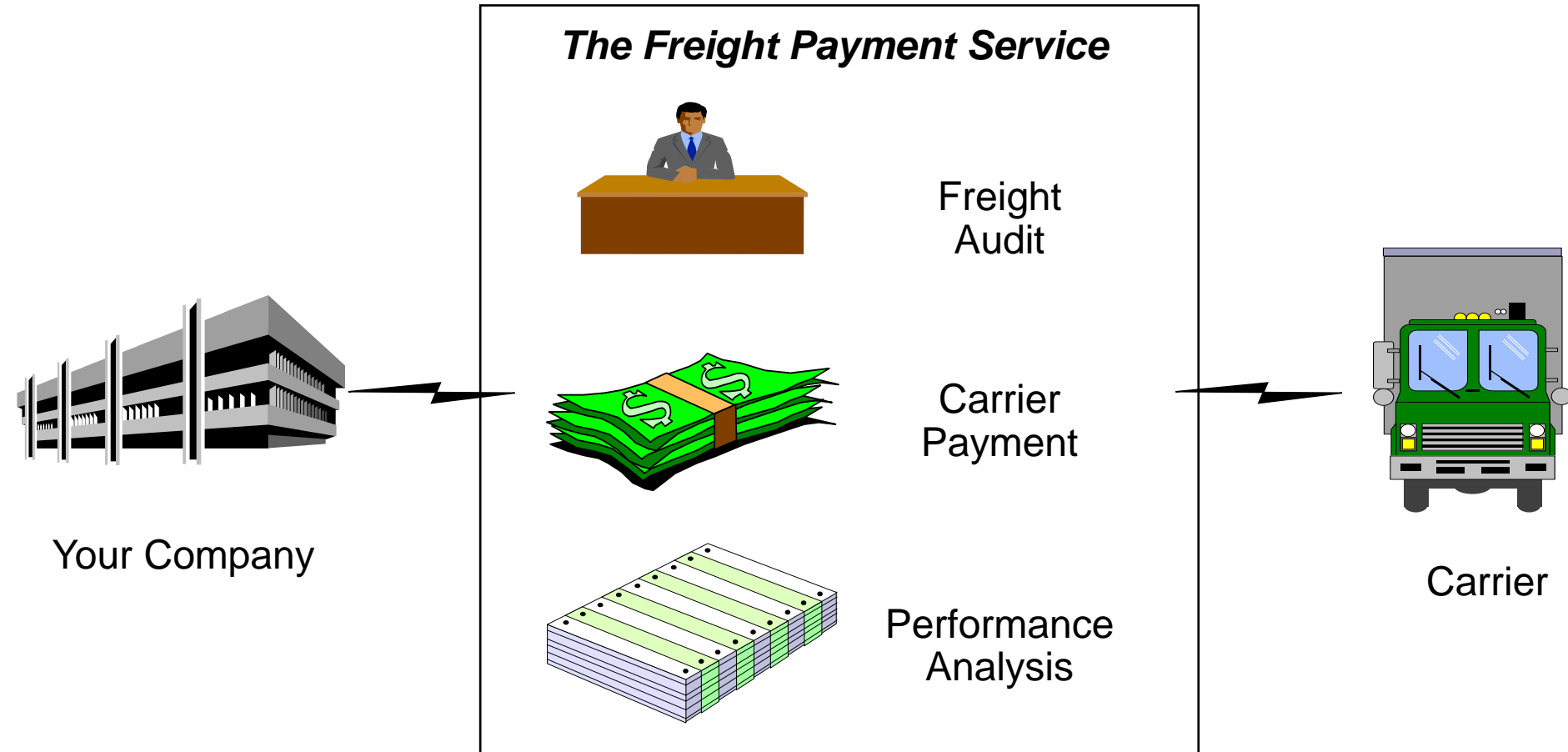
- Logistics cycle and the freight payment process
- FPS Overview
 - Basic functions
 - System components
 - System flow
 - Features
 - Benefits
- Customer experiences
- Pricing
- Summary

Logistics Life Cycle



FPS Overview

Basic Functions



FPS Overview

System Components

The Freight Payment Service



GEIS
Network

GEIS Unix Service

FPS End-user Software (Windows-based)

- Human intervention
- Exceptions
- Payment creation
- Cost allocation
- Reporting
- In-house system interface

FPS Central System

- EDI translation
- Mapping
- Data validation
- Duplicate checks
- Rate tables

Integrated
Interface

The MARK III Service

The EDI*EXPRESS Service

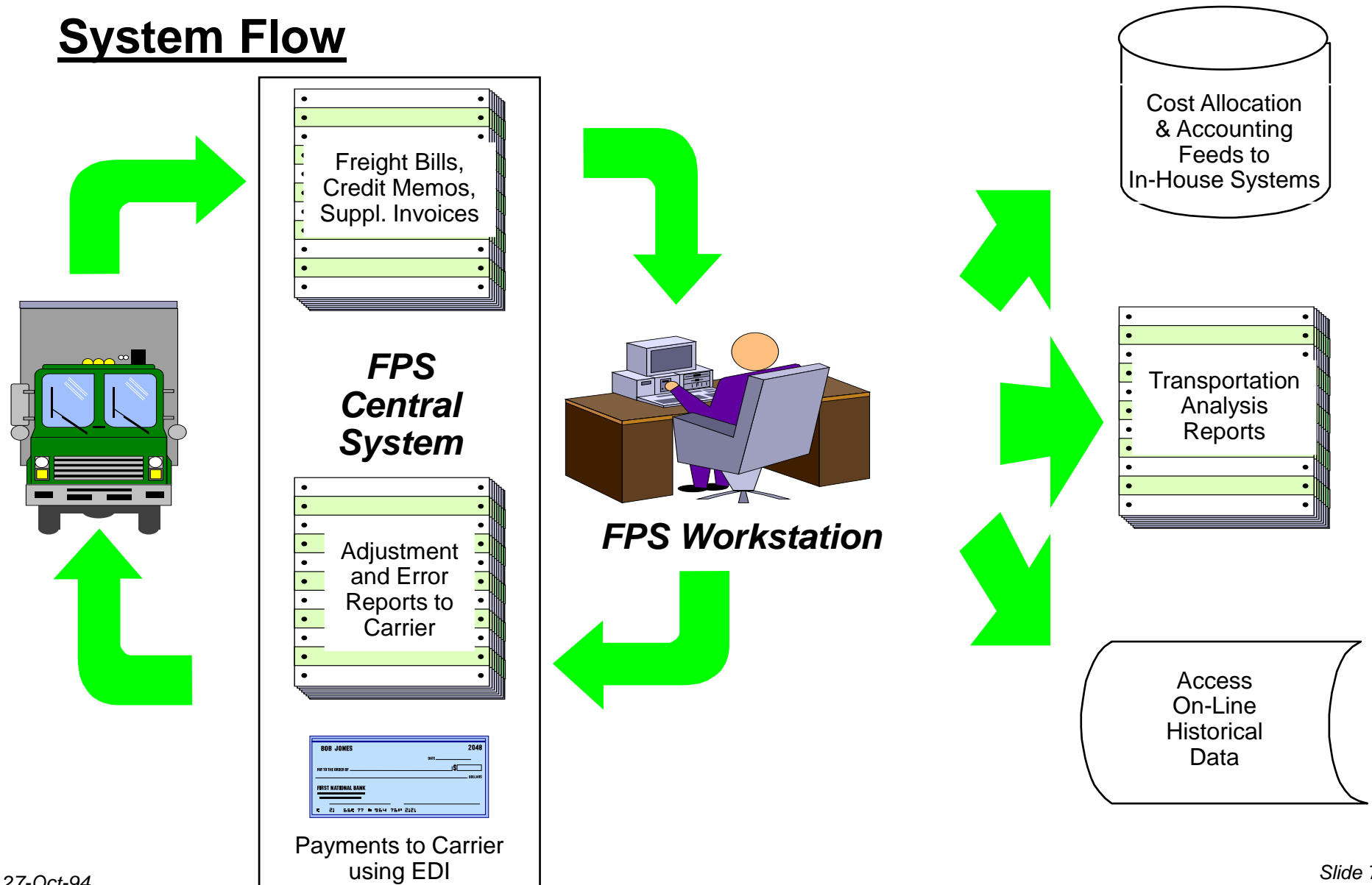
- EDI mailboxing
- Trading partnerships
- Separate FPS mailbox
- Normal charges apply

Interconnects
Carriers
Banks

*Software developed by Trax Technologies,
a leader in logistics automation solutions.*

FPS Overview

System Flow



FPS Overview

Features

- Receives carriers freight bills in EDI format
- Verifies shipping locations are valid
- Matches carrier freight bills to bills of lading
- Compares computed and billed charges
- Allocates freight costs to appropriate shipper cost centers
- Provides payment via 820 Remittance Advice
- View data on carrier facsimile invoices
- Integrate existing applications and systems
- Use predefined or customized reports and graphs
- Access historical information instantly

FPS Overview

“Big Three” Benefits

- Reduce freight charges
- Reduce freight payment processing costs
- Make better buying decisions and negotiate better carrier contracts

How?

- By detecting carrier overcharges and invalid freight bills effectively
- Through EDI and automation of the auditing, cost allocation, and payment process
- Through historical data stored on a system that you control

Customer Experiences

- **Medical Supplier**

- Implemented for newest version of TraxNet in 1/94
- Easy to install — via telephone in one day, with minimum training
- Extremely happy with the system, the results, and with Trax
- Implementing new carrier every two weeks
- Reduced in-house staff from 20 to 8
- By end of '94, will have 80-90% of freight invoices on TraxNet
- Allows shippers to concentrate on exceptions — reasons and trends

- **Computer Manufacturer**

- First carrier processed on 5/93 using TraxNet
- Met expectations for better quality control and data quality
- Currently processing 8 carriers for 85% of domestic volume
- Expect to reach 95% of total volume with 10 more carriers by 12/94

Pricing

Overview

- **FPS pricing is made up of four basic components:**
 1. FPS Transactions including Freight Bill and BOL
 2. Implementation Services
 3. End-user Software
 4. Additional Services
- **FPS clients must also be EDI*EXPRESS Service subscribers.**

1. FPS Transactions

- **FPS Transactions are priced as follows:**

Electronic Freight Bill	\$ 0.35 per Bill
Electronic Bill of Lading	\$ 0.20 per BOL

Electronic BOL requires the Freight Bill transaction — the pricing is additive.

Note: Please refer to FPS Price Schedule (5070.31) for official price information.

(Continued)

Pricing (Cont'd)

2. Implementation Services

- **Implementation Services** **\$ 25,000**
- **The standard implementation service for FPS includes:**
 - 1) Ten days of an implementation resource to work at the client site;
 - 2) Connection to three carriers for receipt of bills;
 - 3) Four copies of the end-user software; and
 - 4) Two days of training at the client site.

3. End-user Software

- **FPS End-user software** **\$ 299 per copy**

Windows based end-user software is used at the client's site. The client is responsible for providing the necessary PC hardware and software to run the FPS end-user software.

4. Additional Services

- **Additional implementation and training services are available beyond the initial implementation.**

Carrier Implementation	No additional charge
Implementation Service	\$1,000 per day
Custom Software Mods	\$1,250 per day
Training Services	\$1,250 per day

Discussion Questions

These questions will help GE Information Services understand your specific transportation environment better so that we discuss with you whether the GEIS Freight Payment Service can help your business.

1. Is Logistics perceived as a strategic function inside your company?
2. What are some of the major improvements you've made recently in transportation?
3. What are the major problems you still must solve? Lack of logistics management information? Poor shipment tracking capability? Uncontrolled costs? Confusing cost allocation? Late payments? Integration with other applications?
4. What is the total dollar amount your company spends on transportation with all carriers? What percent is for domestic shipments?
5. What is the average number of freight bills you receive per month? What is the breakdown by carrier?
6. Do you currently use a freight payment firm to process your freight invoices? If so:
 - Which firm?
 - Who brought them in?
 - How much do they charge?
 - Are there any problems?
7. Are there efforts underway now to reduce your transportation expenditures?
8. Do you view electronic freight payment processing as part of your company's overall electronic commerce or EDI initiative?

- . Manufactures with 300,000 shipments per year**
- . Fixed contracts with their transportation carriers**
- . Centralized negotiation of contracts with carriers**
- . Centralized payment of carriers for transportation services**
- . Any initiatives underway with the goal of reducing transportation cost**

Summary

- **Functions:** Freight Bill Audit, Payment, Analysis
- **Benefits:** Reduced freight charges, reduced payment costs, better decision-making and carrier negotiations
- **Who Should Use FPS:** High number of freight bills, receptive to change
- **Key to Successful Implementation:** Simple exception rules and cost allocation, ramping carriers on EDI, clear understanding of your business rules