

Supply Chain Solutions,
Developed by Mayo Clinic

Logistics Program

Manage your transportation and shipping expenditures

- Reduce marketplace variables
- Raise the visibility of transportation costs within your organization
- Gain additional control of the supply chain

Members with an original mix of 70% pre-paid and add spend along with 30% third party logistics spend experienced a 38% reduction in their transportation costs by participating in the Supply Chain Solutions' Logistics Program.

In addition, Audit Services offered as part of the Supply Chain Solutions' Logistics Program have reflected hard dollar savings of approximately 2% of the member's spend.



Customer quote:

"One of our major goals for this year is to reduce our total freight spend by \$75,000 which is about 10% of our total freight spend. With the help of the new Logistics Program, we were able to account for a conservative estimated savings of \$32,000 with this program alone. Vendors continue to be added to the program and the available reporting has helped to drive vendor compliance. I am very pleased with this new program and would highly recommend anyone to participate."

– Purchasing Manager
Gundersen Lutheran Health System



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For more information on
Supply Chain Solutions'
Logistics Program, visit:

www.myscsolutions.com

Email: scslogistics@mayo.edu

Phone: 855-875-4862

Logistics Program

You cannot manage what you cannot see

A comprehensive logistics and transportation program that offers increased efficiencies, greater shipping transparency and control, and competitive rates.

Supply Chain Solutions, Developed by Mayo Clinic

Mayo Clinic, a leader in medical care, research and education, and one of the most trusted names in health care worldwide, now offers a Logistics Program which assists organizations in controlling their transportation costs.

The Supply Chain Solutions' Logistics Program is designed to give participating organizations the opportunity to:

- Assume control in buyer/supplier shipping expense
- Gain new transparency in shipping costs and discounts
- Raise the visibility of transportation costs internally
- Share in discounted shipping rates

The Supply Chain Solutions' difference

The Supply Chain Solutions' Logistics Program is not a "contract for goods," but rather a comprehensive service that leverages Mayo Clinic's market position, knowledge and best practices.

Industry knowledge and best practices

The program targets supplier behavioral changes that aim to reduce overall transportation costs. Suppliers who add shipping to an invoice or include shipping in the cost of goods have been known to charge higher than retail shipping rates, especially for "prepay and add."

Just switching to an inbound freight program (collect/bill third party) which uses list rates means your organization saves...

But the Supply Chain Solutions' Logistics Program does more. It establishes a transparent logistics and transportation environment which promotes strategic decision-making, increased efficiency and greater cost effectiveness.

Comprehensive service

Supply Chain Solutions' Logistic Program offers comprehensive services and savings beyond traditional contracts.

- Benefits include direct line-item savings and additional savings opportunities in freight, specialty and capital shipping.
- The program targets your customer-based suppliers for compliance.
- Buyers take control. A transparent environment, consistent oversight and ongoing reporting put the management and control of transportation expense back where it belongs, in the operation manager's hands.

Value-add features

The Logistics Program offers value-add features which allow organizations to promote better management by raising the visibility of transportation activity and providing data which leads to new insights.

- Audit services – improves supplier oversight, promotes internal compliance, provides meaningful metrics and ensures the charges by the transportation provider are accurate.
- Consolidated invoices – experience less invoice processing expense through fully audited shipping costs that are invoiced and paid electronically.
- Account management – provides ongoing consultation services, set-up and conversion support, training assistance and acts as a liaison between Program Member, transportation provider, and service auditor.

How it works

When you join the Logistics Program, Supply Chain Solutions becomes your partner in transportation expense management, and FedEx, the world's largest express transportation company, becomes your logistics partner, offering specialized service and support.

As a program member, you will save immediately, paying a service fee that is based on a small percentage of your measurable savings.

Supply Chain Solutions will help manage the supplier on-boarding process. The program will target the suppliers specific to your organization that have been identified with large shipping costs. We also establish audit rules that help ensure accurate billing. Suppliers will be directed to use your new inbound shipping program with FedEx.

Armed with greater insight to actual transportation costs and discounts on retail shipping rates, your organization will be empowered to transition from "prepay and add" to "bill third party."

And, finally, you will incorporate industry best practices to transform internal processes. The Logistics Program will allow you to differentiate shipping and product costs on the general ledger and push expense out to the end users, aligning authority with responsibility and connecting cost and accountability.

You can only manage — and measure — what you can see; all costs within the Supply Chain Solutions' Logistics Program are transparent and supported by convenient and accurate transportation data.