ProShip / Tony Verrill: Hello, welcome to the 18th episode of ProShip's ParcelCast.

Today's episode is with our partners from enVista titled: Check the Plumbing: Is Your Supply Chain Leaking Money? Today, joining me is Megan Bishop. Welcome, Megan!

enVista / Megan Bishop: Thank you for having me, Tony!

TV: Yeah, maybe you want to start out and just give a quick introduction of yourself and a quick intro on enVista as a company.

MB: Sure. So as Tony mentioned, my name is Megan Bishop, I am a Director of Global Operations within enVista. I've been with the company for about 11 years now, and I lead our all modes audit team, as well as our carrier services team, that was essentially built out of a need to help our clients' carriers successfully use our auditing platform, receive the information they need. But also, to ensure the invoices are billed properly, and carriers are paid on time, ultimately. So, my background, prior to audit is really through transportation management systems, consulting, implementation, and operations. Just a quick tidbit about who enVista is. We are a supply chain technology and consulting firm. We really deliver end-to-end physical and digital solutions to provide value, and help clients meet business needs - in regards to things like maximizing cost, savings, driving profitability, increasing customer satisfaction and much more.

TV: Great, yeah, very interesting. I know, you know, it's probably scratching the surface a little bit of all that enVista does, and having today's conversation really focused around audit and analytics. But, certainly, the first thing that comes to mind is cost cutting, right? When we start talking about analytics, audit of shipments. From a ProShip perspective, you know, cost cutting and, you know, in controlling, transportation costs really comes through, rate shopping. Right? Being able to get the lowest cost carrier, lowest cost carrier service to any destination, maybe within a time to transit, or just downright get the lowest cost per package from a carrier expense standpoint. From a cost cutting perspective, I mean, I think the initial thing I think of, as many people probably do with audit, is going to be, you know, give me my guaranteed money back from the carrier. I guess, could you dive into a little bit as far as you know what cost cutting means to enVista, and your tools around audit?

MB: Sure. So, the first area that I would say is really carrying on what you just mentioned about how ProShip provides value in terms of cost cutting. When we prioritize the audit through our auditing platform, MySHIPinfo, we are really looking to validate that carrier is billing the way that the client is expecting. So, they are expecting the carrier to bill based off their contract, based off that least cost carrier that they chose when they were rate shopping through ProShip. You name it, we need to make sure that they are being billed properly there.

Our end goal is to make sure that the carrier bills properly, and we have as few exceptions to review and dispute as possible. And so we will do that through working directly with our clients' carriers to ensure that we proactively fix billing discrepancies upstream. When it comes to cost

cutting for enVista, we're really taking the audit, pulling the data out of that, and from a visibility standpoint, looking at ways that we can help our clients cut costs through things like service level optimization, looking at, you know, unnecessary accessorial charges, that they might be getting charged by the carrier, and really through kind of taking a lens after the fact and trying to proactively make callouts that can help clients save money upstream.

TV: Great, great. Yeah, that's interesting, you know, typically, I've always thought of it as, you know, your rate shop a package, you ship a package, you audit it, whatever money you get back. But, you know, being able to be proactive for that next shipment, I think, is you know, is the next iteration of coupling these solutions together, right? Making sure that, well, maybe it's not just the next package, but next week's packages, next two weeks, next month's packages. Getting ahead and being able to maybe make some changes in real-time to be more efficient across the board.

A big trend that we've seen just throughout the market, you know, last maybe two years part of the pandemic, even before the pandemic was carrier diversification, I'm sure audit goes hand in hand and some of the, you know, network optimization or carrier negotiation services that enVista provides offer assistance into this.

But, certainly, carrier diversification from ProShip, you can obviously add as many carriers as you'd like, rate shop against them, but what are some of the carrier diversification topics of conversation, or processes that you guys do from an enVista standpoint, with your clients?

MB: Yeah. That's a great question. So, you know, a lot of times, our clients are coming to us, you know, advising us on their situation. Whether they are looking to expand their use of different carriers, because, you know, specific carrier isn't moving their product anymore, or because they want better service. You know, you name it, they're coming to us for our insight on things like that, because we, of the number of clients that we work with today, they know that we have that kind of diverse view of things. And so what we generally do is, is coach clients on really understanding first what their end goal is. So, you know, making sure that if they are looking at diversifying their carrier mix, that they think of that end consumer, for example. Is the, the unpackaging or the unboxing experience going to be, you know, shifted if you go with the carrier, that might not pay as much attention to quality? So making sure that not only packages are delivered on time - and that's both looking at time and transit, but also on time performance.

But also looking at, you know, what kind of quality is that package arriving in at the client's doorstep, once it, once the carrier delivers it? So for us, it's really looking at those aspects, too, and not just the cost because there's going to be some give and take on if you're willing to sacrifice some of those cost cutting measures for the quality of the service. But also looking at things like, where does the bulk of my end consumer, you know, sit in terms of looking at a map and making sure that whatever carriers you are looking to diversify with in thinking through regional carriers at the moment, that they service that area. If they do service that area, how broad is it? What kind of accessorials are they going to charge me to service some of those more rural areas, et cetera?

TV: Yeah. I'm sure it's critically important to kind of model that out, right? So, adding a carrier from a ProShip perspective. Sure, you know, enable the module, and get it up and running, and get your rates, And away you go, printing labels. I'm sure there's a lot of legwork that's done prior to that, right? For, you know, studying the area of service, the quality of the actual services provided.

You mentioned something – the unboxing, right, so the unboxing of your end user, that customer journey, that a lot of our retailers, direct consumer customers and just the industry in general, wants everyone to be able to control that customer journey, if you will, or impacted it in a positive light.

Could you talk to maybe some of the visibility? I mean, visibility can mean a number of different things, right? It's tracking that, I know that pair of shoes is showing up tomorrow, that's more of the blocking and tackling day-to-day. But, I think the solution that you guys provide is going to be more of that end-to-end visibility, connecting all the data points again, for tomorrow's pair of shoes, or next week's pair of shoes, to, again, have a positive customer experience. Could you talk on some of the visibility that you guys provide through, through your analytics solutions?

MB: Yeah, and, you know, some of that, just comes down to reviewing what the data looks like and reviewing, you know, how quick the package is being delivered, versus how quick the carrier has committed to it being delivered. If I'm, if I'm an end consumer, and I'm checking out online and I'm expecting two-day shipping, is the carrier upholding their end of the bargain, you know, barring unforeseen issues the majority of the time?

So looking at, looking at things like that, so your time and transit, your on time performance, but also, you know, from an audit standpoint, looking at lost and damage claims. How often are end consumers filing damaged claims with the shipper? How often are they filing lost claims? And really just trying to take a step back, and determine what's driving it, and how can we, how can we be better, and how can we, you know, advise the client in terms of making those changes to, so it doesn't have a negative impact on the end consumer. Because in today's world, you know, a lot of times, consumers, you know, because they've been conditioned to expect that two-day shipping, in some cases, even faster, it's trying to balance that with, with the carrier, and find a way to mitigate costs, but also compete with the two-day shipping mindset that a lot of end consumers have.

TV: Absolutely, It's a tough position. Right. Because you're kind of you're damned if you do, as far as if you provide it all, but if you're an hour late of the expected delivery. And then, obviously, you're damned if you don't because people are expecting this visibility, you're expecting that, you've done everything you can to meet that two-day time in transit, right? Some of it is a little bit out of your hands, trusting in your carrier partners, carrier relationships, and once it leaves your facility. Right?

So, part of diversification here, you know, obviously, selecting new carrier partners, renegotiating, you know, finding execution, platforms like ProShip to be able to, you know, to

actually run the operations and make those real-time decisions. Could you maybe talk about, you know, how you guys would be bridging that, you know, collaboration between shipper and carrier with your clients?

MB: Absolutely. So, you know, one of the biggest value-add points that enVista is providing today is really, again, helping our, our shippers become a shipper of choice with the carrier. And that really means making it as easy as possible with carriers so, they prefer working with that client, they prefer working within enVista, because they know, I'm going to get paid faster, it's going to be easy to use, I know what the expectations are, and, you know, the client or enVista is really helping me remove any roadblocks to that.

And so, you know, with that, it's not only making sure that we reduce the number of exceptions that the carrier is introducing, whether that's from an incorrect way that they're billing, or whether that's an accessorial charge that the client wasn't anticipating. But it's also going back, and really looking at, from a holistic standpoint, looking at the entire invoice process, and saying, where can enVista improve, where can the client improve, and where can the carrier improve? Because there's opportunity, typically, on all fronts. And carriers like that, because today, the capacity is so tight and the demand is so high that they have the ability and they will very easily and very readily choose a different shipper that's going to be more predictable and easier to work with, easier to bill, easier to get paid, et cetera.

TV: Yeah, it's an interesting shift in the market, right. So, you know, couple of years ago, you know, the shippers really held that power, that negotiation. Kind of flipped on its head here, and it's maybe coming back to being a little bit more, you know, equal as far as the capacity for the carriers. Now, being able to pick and choose their shippers. Right, So, I think that is an interesting take too. Take a moment. Think as if you were the carrier as far as what would you like out of your end users, rather than the traditional, you know, I have the volume, I hold the power type of viewpoint for it all.

So, very interesting. So, we've talked about, you know, kind of carrier audit and cost savings. We talked about adding carriers and what to look for in adding new carriers. I talked about the shipper of choice. From a feedback loop perspective, you know, how does analytics, actually, you know, what you can find, as, you know, as part of BI, analytics, audit, translate that into changing day-to-day operations. Do you have a few examples where enVista has been able to find a few nuggets within the data, if you will, that really impacted the end user's operations in a positive way?

MB: Absolutely, so today, you know, I would say that audit has become more of the expectation among clients. So when we're performing an audit, it's, I expect you to, you know, find the cost savings, but ultimately, or more importantly, work with the carrier and make sure that they're billing properly upfront.

Where the value comes in after that, is the data and the actionable insights that we can provide based off what we're seeing. So, oftentimes, we are combining carrier invoice detail with a

shipper's order or load data. Then that really allows us to increase the visibility, increase the level of detail that we're able to provide back to shippers and all of that as being funneled through our business intelligence platform. And with that, you know, we are constantly taking a fine tooth comb and looking at the data and saying what are our shippers end goals? And, then, what is the data telling me and looking for opportunity there.

So, a good example of that would be a client where recently, you know, we started noticing we were getting their order data, and they actually have a large ship-from-store component to the way that they ship today. And we started noticing that they were increasingly getting hit with particular charges out of one location. And so, with that, we were able to dig in deeper at a package level, and determined that they were shipping using a specific box every time when they had multiple packages, or multiple boxes at their fingertips to choose from. And then on top of that, they were sticking with the same service level every time they shifted out. So, when you compare that particular store to all of the other stores, there was about 7% or seven times, I should say, increase in their shipping costs versus other stores. And so, we were able to dig into that and provide that back to the client. So, they could really go back to that store and educate them on what to do different was to ensure not only that they were choosing the optimal package each time, but also that they were choosing the optimal service level based off what the need was there.

And that's just one example of many, where we're constantly reviewing the data in real time, determining where the opportunities are and also making sure that we're determining what feasible opportunities there are, because you can throw out, hey, you should use this service level instead of this. But, if that doesn't fit within a shipper's model, you know, in terms of getting the product to their end consumer, then that's really not something that's going to work for them.

TV: Yeah, that's interesting. Yeah, from a ProShip perspective, we're always kind of conditioned to think, well, it's rate shopping savings, it's making sure that, you know, the right rate shop group is being applied to the right situation. But an interesting thing from a workflow or maybe like, you know, operation guidelines perspective, how audit can have an impact there, that example, you just gave. Something as simple as you're changing up the packaging type or being more flexible for the service selected rather than just defaulting. Yeah, you probably won't see that until you see the, you know, 50,000 foot view of all the data, right, Or the exception to, you know, probably one of hundreds of stores. But, you know, critical cost center or critical costs for that, for that customer.

So, from a ProShip perspective, we always think, you know, parcel audit, right parcel, direct consumer shipping. And obviously, you know, that's gonna be a core focus for anybody in the omnichannel retail space, anything from manufacturing, 3PL, retail and e-commerce. But, obviously, we talked about enVista having a large scope. What are some of the other trends in the industry that you guys have seen, where enVista has really been helping out clients for the better here, in the last couple of years?

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MB: Yeah. I mean, one big one that comes to mind that's, you know, still playing out today, is ocean inbound freight. Ocean inbound freight is so critical to many of the shippers that we work with just from a retail standpoint, that, you know, things like covid-19 have really disrupted that. In the sense that, there were many shutdowns at various ports. That's just recently been back up and running. And actually, I think there's a few ports that are internationally that are potentially on pause again. But, ensuring that clients are getting that inventory in, to not only restock their shelves, but also, if you think through, you know, any campaigns that they might have going on, where it's time sensitive, it's been a struggle because of the disruptions. But also, some of the political climate that's going on has led to, not only a lot of uncertainty, but, both have led to, a significant increase in the costs for, you know, shipping a container from point A to point B. And then on top of that, you, you add on the uncertainty of, you know, when am I actually going to retrieve this inventory, because things have restarted in the economy has kinda started getting back up to speed. Now, you have an issue at the other end, where, you know, upon delivery. There are plenty of container ships stuck out at sea, and I think the number has actually been coming down each day, but that's led to a delay in receiving product. And then also, again, another increase where ocean carriers are charging, you know, accessorials that clients didn't have the budget for, didn't plan for ahead of time, such as, you know, storage fees and things of that nature.

TV: Interesting, yeah, definitely, definitely needs a lot of collaboration, I'm sure with, you know, shipper and carrier, especially on the inbound side, right? You mentioned some critical cutoff times and making sure you had that inventory for that, you know, for that summer release or to stock the shelves for that particular product release. Very interesting.

So, just to wrap up here, you know, if anybody's heard anything in the last 20-30 minutes or so, I guess what is the typical process for enVista, how would they learn more? How would they get involved with them? You know, what is the right solution for me as a shipper? Can you walk us through, maybe, high level what that process looks like for getting onboarded with enVista?

MB: Absolutely, so, in this typically starts out by really trying to understand what our clients' goals are, so, you know, oftentimes, once you start peeling back the onion, and talking through, what potential clients needs and wants are, you discover more. And it's also an educational process, where we can listen into what those goals are, and provide some advice on what we think that a client needs. And really agree upon, what that should look like, both short term and long term, because our ultimate goal is to turn this into a partnership. And so, from there, you know, we have a very methodical implementation process that we follow. Where we are, going through a discovery phase. Making sure that we are obtaining all the information needed. Carrying that through to a really modeling anything that's needed there, and then ultimately going through and agreeing upon with the client that everything, looks right, we're doing trainings, we're making sure that everyone is set up for success, and then ultimately going live from there. So, you know, it's something that we can, can change up, depending on if there's multiple regions in play, Depending on, you know, how quickly, we can get carriers onboarded, what modes are in play, etcetera. But if anyone would like to learn more about that, you can always go to to envistacorp.com or you can, you know, reach out and connect through through

LinkedIn. I'd be happy to have a conversation with you and let, you know a little bit more about what we have to offer and how we can help provide value.

TV: Great. Thanks for your insights today, Megan. Really appreciate your time and conversation. Obviously, if you, if you did like what you heard on the on the ParcelCast here today, you know, feel free to visit envistacorp.com. Feel free to visit proshipinc.com if you are interested about Pro Ship and our partnership with enVista. Thank you all for your time.