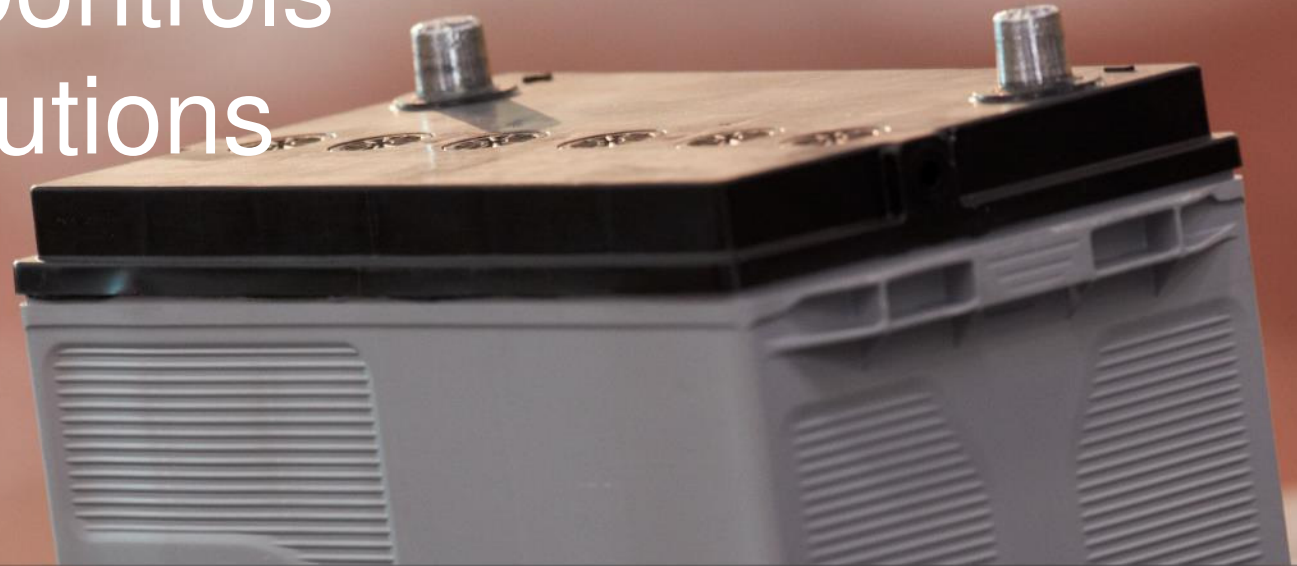# Freight Claims Management Shipper Options

Johnson Controls: A global multi-industrial company with core businesses in the automotive, building and energy storage industries.

Johnson Controls

Johnson Controls Power Solutions

Offering a full range of Lead-acid and Lithium-ion battery technology to power nearly every type of vehicle for our customers - including conventional, Start-Stop, Advanced Start-Stop, Micro Hybrid, hybrid and electric.

| **$6.6** billion revenue in 2014 | **50+** manufacturing, recycling and distribution centers worldwide | **140** million batteries sold globally in 2014. Domestic 60% | **140** thousand domestic TL shipments in 2014 |

Leading the way in battery recycling

Conventional vehicle batteries are the most recycled consumer product in the world. **Our batteries are made from more than 80% recycled materials.**

Last year, **globally we recycled 8,000 batteries every hour** – making us the world's largest recycler.

Up to
99% Of a conventional battery can be recycled

ecosteps   Johnson Controls

Freight Claim Management

- Shippers without a Freight Claims Management process can't:
    - Recoup justifiable expenses
    - Reduce incidences of damage
    - Direct changes in load presentation

- Freight Claims Management is all about the processes which happen before and after cargo damage.

- The most important rule though?

Don't sign BOL before checking for damage, concealed damage or missing parts.

Can't manage what you don't know

Johnson Controls

Freight Claim Responsibilities

- Inspect freight at receipt and sign BOL with specifics.
  - "Subject to Inspection" = insufficient
- Write down everything and take photos
- Never discard damaged cargo/packaging
  - Discarding packaging can void claims
- Fill out the claim form completely and promptly.
  - Mitigate damage request and support with invoices or verifiable repair estimates
- Pay the original shipment invoice
- Keep all documents
  - BOL, Invoices (freight and goods), packing slip, photos, claim form submission

Stay calm and work with the Carrier

Johnson Controls

Freight Claim Management Options

- Shipper managed
  - ERP systems like Oracle or SAP
  - Transportation or Warehouse programs
  - Internal designs via Access or Excel
- Carrier managed
  - File on-line at carrier website
  - Carrier can provide claim form via fax/email
- Third Party managed
  - PC/MAC based Claims program
  - Web based Claims program
  - Outsourced Claims program

Shippers have options

Johnson Controls

Shipper Managed

- Integrated systems solutions (Oracle or SAP)
    - All the shipment details resident, and these can manage item and customer level data via interface.
    - Functionality is limited because this isn't a core competency; process improvement is slow or expensive

- Transportation/Warehouse Management Systems
    - Has all shipment details, but may not interface as easily to customers return information.
    - Functionality improves along with TMS/WMS pricepoint, but high upfront cost.

- Software solutions (Access, Excel)
    - Low entry cost, but effort increases exponentially with volume. Customizable
    - Can require multiple iterations to optimize, and multiple manual integrations to bring all data together.

Shipper Managed solutions are readily available

Johnson Controls

Carrier Managed

- Low Cost
  - File on line
  - File via fax

- Limited functionality
  - Must ask carrier for reports and updates
  - Multiple carriers = multiple report formats
    - Integrating into a single management report is time consuming

- Conflict of Interest concern
  - Can be hard to get information and may be incomplete

Carrier managed systems are low cost options

Johnson Controls

Third Party Options

- Multiple option
    - Google search Freight Claims Management → 489,000 pages
    - Solution set includes
        - Stand alone software
        - Freight payment agent software
        - Bolt on to SAP/Oracle
        - Bolt on to TMS/WMS solutions

- Multiple payment options
    - Buy
    - Per Transaction
    - Software as a Service (online subscription)
    - Recovery/Gain sharing

- Remember that gathering most of the data is still your responsibility, so plan accordingly.

Outsourced options can have great ROI

Johnson Controls

Actionable Steps

- You should be able to extract specific information and identify which problem to solve
    - Share data with problem carriers and use as a basis for improvement. Carriers can be challenged to fix their problem, and you can hold them accountable for their results.
    - Track freight claims by SKU to know if one product gets damaged more than others. Investigate the product, the packaging, or something else entirely.
    - See every origin point for claims, spot trends early. Concealed damage or shortages when originating from a particular DC?
    - Problem customers can be a cause of damage claims. You'll have better luck with Sales if you have data to support actions.

Mine your knowledge base for the right data.

Johnson Controls

www.johnsoncontrols.com