

Real ROI - What OTM Has Brought to an Industry Leading Manufacturing Company

Doskocil Background

- Founded in 1960 by Ben Doskocil
- Sold to Private Equity Firm in 1997, combined with DogLoo
- Implemented Oracle E-Business Suite in 1999
 - Financials
 - Order Management
 - Advanced Pricing
 - Purchasing
 - Manufacturing
 - Shipping
 - Inventory
- Annual freight spend of \$15 Million
- Went live with OTM in February of 2007
 - Planning and Optimization
 - Tendering and Execution
- Went live with Freight Settlement in October of 2007



Petmate®



Doskocil Products

- Primary Products include:

- Pet Shelters
- Kennels
- Feeding and Watering
- Pet Bedding
- Leashes and Collars
- Pet Treats
- Pet Toys

- 50% of Products are Manufactured at Arlington site

- 50% Sourced, primarily from China

Petmate

ASPEN PET

BOODA

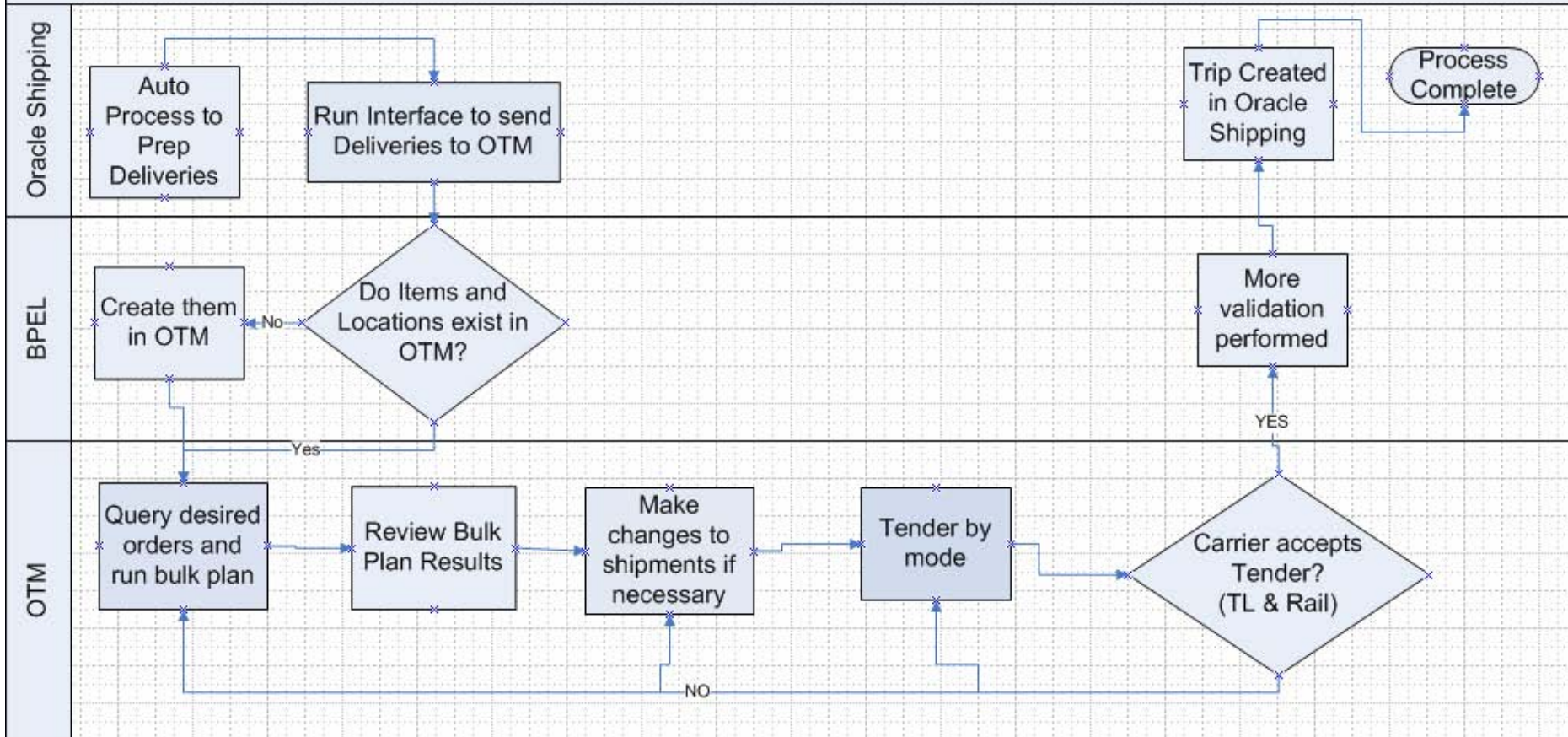


Logistics Information

- OTM implementation focused on:
 - Outbound shipments only
 - Primary facility – Arlington, TX (95% of outbound volume)
 - Functions as a plant, distribution center, and logistics operations
 - Other facilities in California, North Carolina, and Indiana for outside processing (5% of outbound volume)
 - Domestic (US) and Canada ground shipments only
 - Majority of moves to customer DC's
 - Prepaid shipments only (approx. 70% of total outbound volume)
- Modes: TL, LTL, Rail
- Volume information
 - Approximately 150 – 300 orders per day
 - Approximately 50 – 80 shipments per day
- 3 Transportation Planners – all in same facility in Arlington, TX

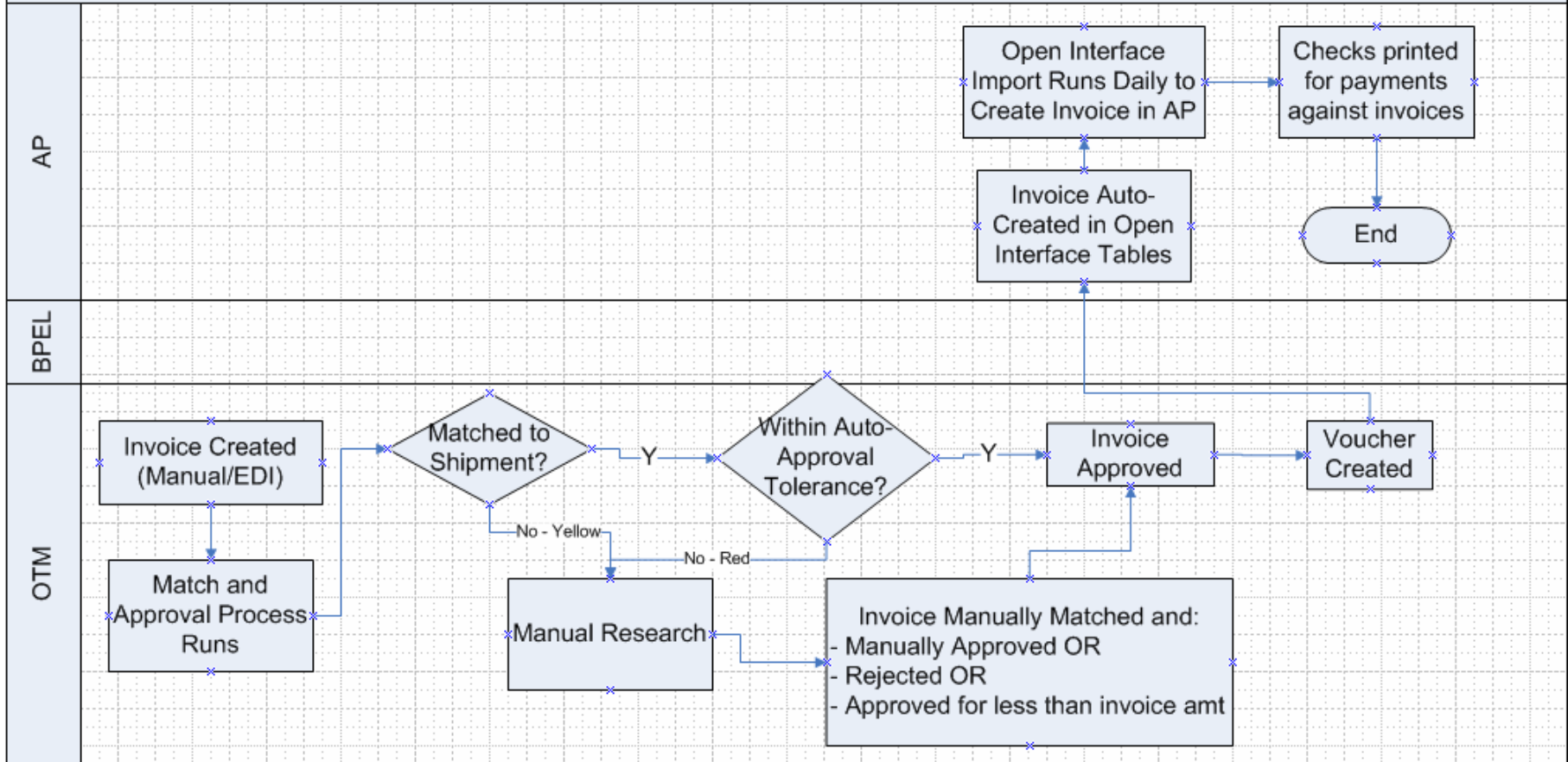
DMC Outbound Process Flow

DMC Planning Process



DMC Freight Settlement Flow

DMC Freight Settlement Process



Realized Benefits

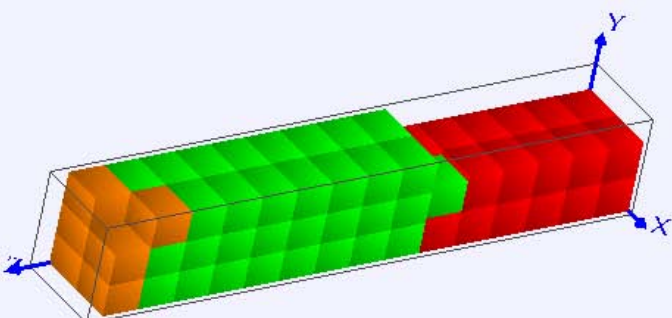
- Lowest cost carrier selection
- Automated rating and routing
- Consolidation of smaller LTL shipments into multi-stop TL shipments
- Accurate load configuration
- Streamlined/centralized planning process
- Online execution of planned shipments – tendering at the click of a button
- Better communication with service providers for tracking – shipment status updates
- Increased visibility into freight costs
- Freight settlement managed in-house with better accuracy
- Automatic enforcing of “we just know” rules

Accurate Load Configuration

With OTM you can define numerous attributes such as:

- Item/Case/Pallet relationships
- Mixed pallets
- Stackable/Nestable properties
- Weight/Volume constraints
- Pallet TI/HI
- Pallet dimensions

View Load Config (Shipment ID: 24309 Equipment Group ID: 53_FT_TRAILER)



Show Content

- Item Summary
- Commodity Summary
- Stop Summary
- All Ship Unit Pieces
- Print Friendly

- Default Viewpoint
- Edit

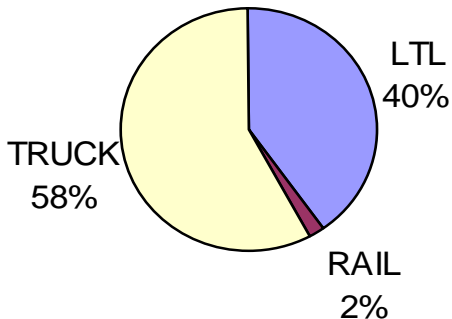
<input checked="" type="checkbox"/>	Packaged Item ID	Total Weight	Total Volume
<input checked="" type="checkbox"/>	122-85822	6528.00 LB	1866.24 CFT
<input checked="" type="checkbox"/>	122-85823	4324.92 LB	894.24 CFT
<input checked="" type="checkbox"/>	122-85842	567.00 LB	234.00 CFT

PARALLEL GRAPHICS

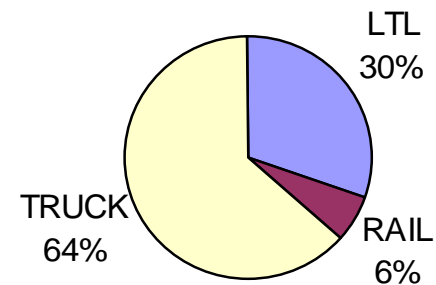
More Cost Effective Modes

Through consolidation and routing more shipments via rail, OTM has led a shift to more cost-effective modes of transportation

Mode Breakdown Prior to OTM



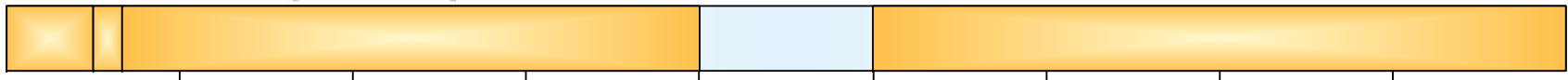
Mode Breakdown Since OTM was Implemented



Planning Process Improvement

Old Process:

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Manually run report to facilitate that day's planning 2. Manually separate orders by size – TL and LTL | <ol style="list-style-type: none"> 3. Route shipments – select a carrier and create deliveries and trips in Oracle (x2 people) 4. Manually create load tender sheets and email to carrier |
|--|---|



New Process with OTM:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Prep and interface deliveries to OTM 2. QA orders in OTM 3. Run bulk plan in OTM | <ol style="list-style-type: none"> 4. Review bulk plan results 5. Tender shipments to carrier |
|---|---|



Increased Visibility

The information OTM provides has helped to:

- Identify problem regions where rates need to be renegotiated
- Identify certain products that needed to be packed differently in order to ship more effectively
- Identify customers that needed to have their order minimums adjusted in order for them to receive prepaid freight
- Implement customizations to enable them to be more proactive in planning towards their goals
- Audit and pay all freight bills internally and with greater accuracy



Parameters:
Organization: 4
Origin: Arlington,TX

DMC OTM Carrier Summary Report

Date Shipped	MS SQ	Delivery	Trip Carrier	Mode	Customer	Final Destination	Miles	Cost/Mile	Line Haul	Fuel Stp Off	Other Fees	Total Frt Cost	Invoice Number	Invoice Amount	Frnt/ % Invoice	
10/01/07		893392346	412559 DART/FLEETL	Rail	ORCHARD SU	TRACY,CA,USA	0.00	0.00	1,566.00	328.86	0	0.00	1,894.86	1457127	7,856.64	24.12
10/01/07		893396621	415480 DICK LAVY/L	TL	MID-STATES	EVANSVILLE,IN,US	744.10	0.88	654.81	275.32	0	0.00	930.13	1457131	6,468.00	14.38
10/01/07		893396644	415501 SUMMIT TRAN	TL	MID-STATES	PLAINVIEW,TX,USA	335.30	2.09	700.00	124.06	0	0.00	824.06	1456763	13,170.74	6.26
10/01/07		893396639	415511 Direct Tran	TL	PETSMART	RENO,NV,USA	1,680.50	1.14	1,915.77	621.78	0	0.00	2,537.55	1457180	9,185.40	27.63
10/01/07		893396720	415802 DICK LAVY/L	TL	PETSMART	GROVEPORT,OH,USA	1,054.60	0.88	928.05	390.20	0	0.00	1,318.25	1457124	18,685.78	7.05
10/01/07	MS	893396627 893396633	416741 SUMMIT TRAN	TL	BRADLEY CA PETSMART	HAZELTON,PA,USA HAGERSTOWN,MD,US	1,480.50	1.25	1,850.63	547.79	50	0.00	2,448.42	1457183 1457182	9,953.51 8,530.64	13.25
10/01/07	MS	893396701 893396708 893396735	416744 SUMMIT TRAN	TL	MID-STATES MID-STATES BI-MART CO	GREAT FALL,MT,US GREAT FALL,MT,US EUGENE,OR,USA	2,375.90	1.34	3,183.71	879.08	125	0.00	4,187.79	1456903 1456904 1456905	5,234.67 2,990.40 5,936.91	29.57
10/01/07		893396718 893396719	416798 DICK LAVY/L	TL	PETSMART PETSMART	GROVEPORT,OH,USA GROVEPORT,OH,USA	1,054.60	0.88	928.05	390.20	0	0.00	1,318.25	1457123 1457121	6,973.66 7,605.12	9.04
10/01/07		893396660 893396663	416800 DICK LAVY/L	TL	PETSMART PETSMART	OTTAWA,IL,USA OTTAWA,IL,USA	889.20	0.88	782.50	329.00	0	0.00	1,111.50	1457652 1457651	7,886.60 6,657.50	7.64
10/01/07		893396624	416864 ROADRUNNER	LTL	UNITED HAR	MILBANK,SD,USA	0.00	0.00	57.29	8.88	0	0.00	66.17	1457227	214.65	30.83
10/02/07	MS	893395775 893395778	414971 BEAR TRANS	TL	ACE HARDWA LOWES INC.	MIAMI,FL,USA MOUNT VERN,TX,US	1,362.60	1.35	1,839.51	449.66	50	0.00	2,339.17	1457412 1457414	11,868.43 5,104.00	13.78
10/02/07		893396675	415481 SUNTECK	TL	PETSMART	NEWNAN,GA,USA	787.40	0.98	771.65	291.34	0	0.00	1,062.99	1457459	17,210.96	6.18
10/02/07		893396743	415810 Direct Tran	TL	MID-STATES	MATTOON,IL,USA	782.60	0.88	688.69	289.56	0	0.00	978.25	1457279	9,689.52	10.10

Return on Investment

- They experienced a 12% reduction in freight costs after only 6 months
- Increased visibility has led to process improvements and more proactive management of freight expenditures
- Freight Settlement has given Doskocil tighter control over their payables to service providers saving them approx \$200,000 per year
- As their business grows and their shipping demand increases, Doskocil has a solution in OTM that will help facilitate that growth, continually improve their business processes, and control costs.

Q & A