



Cargo Industry Needs Increased Awareness of True Benefits of Automating Dimensional Data

- New Technologies Offer Greater Opportunities for Improved Accuracy, ROI -

Solana Beach, California, November 13, 2008 – According to Sheri Ascencio, Executive Vice President of Marketing for FreightScan, LLC, a leader in the development and deployment of innovative technology solutions for the freight and logistics industry, large segments of the global cargo industry still do not have an operational process in place to take advantage of the value-added benefits obtainable from the automated dimensioning of cargo.

“Despite the dynamic new technology solutions that are available for the accurate measurement of dimensions and calculation of dimensional weight today, many involved in cargo processing are still ignoring the opportunities to greatly improve profits,” she says. “If more cargo companies understood that by switching from the traditional manual measurement of cargo to a standardized dimming process offered by automated technologies, they could vastly improve their ability to increase revenues, create warehouse efficiencies and optimize warehouse systems, I think we’d see a much more rapid movement toward the use of these dimensioning systems.”

Many cargo operations decide to maintain the more time-consuming systems and processes they already have in place based on familiarity and a lack of awareness about the considerable benefits of automated dimming. As scanning technology and new requirements develop, however, the logistics industry is beginning to witness more cargo companies that are at least reviewing all of their alternatives and educating themselves to the economic impact new options can have throughout their organizations.

“Dimensional weight is an aspect of the transportation industry that has been around for so long that many people take it for granted. However, we are finding that express companies, cargo handlers, air carriers and trucking companies, as well as 3PLs – especially in Europe and Asia – are beginning to realize the benefits of automated cargo scanning,” say Ascencio. “3D imaging systems today permit all cargo, from single packages to full shrink-wrapped skids, to be dimensioned in seconds; and some technology even enables the dimming of multiple packages simultaneously. These new systems capture a digital photo and laser image for 100 percent of scanned freight, and create a retrievable visual record of every waybill. The solutions available now are fast, accurate, reliable and their automated data generation of correct dimensions and chargeable weight generates virtually instantaneous revenue gains for users.

“While the industry understands how dimensional weight is calculated: length x width x height = total volume divided by a factor = dimensional weight; not all industry veterans fully understand what percentage of their total shipments has higher dimensional weight. They don’t know how many of their shipments are being tendered with no dimensional data or mis-declared dimensions, and they haven’t followed the paperwork through their organizations to see how many times different people have to enter data into various systems in order for dimensional weight measured on the floor to actually channel through to a collected invoice. These functions can create redundancies and waste time; dedicating resources to collecting dimensional data is only valuable if that information ultimately results in greater operational efficiencies or increased revenues on the books,” she explains.

Many cargo operations are using automatic dimensioning systems for efficiency first – to quickly calculate the total dimensional weight of a shipment and compare it to scale weight. If cargo has higher dimensional weight, companies dedicate resources to gather dimensions at a piece level; if the cargo doesn’t have higher dimensional weight, it then moves through the acceptance process. In this way, operations can pinpoint those shipments that will yield higher chargeable weight, and the majority of cargo will move off the dock much more efficiently.

For example, Ascencio points out information FreightScan has collected from carriers over the past 12 months indicate that 33 percent of total shipments tendered to an average air cargo operation are dimensional weight shipments. On average, one third of those dimensional weight shipments are tendered with mis-declared chargeable weight. When dimensional weight is consistently collected, the average increase to chargeable weight on those shipments is 254 pounds or 116 kilos. For a facility handling 125 shipments per day, consistently collecting dimensional weight will increase revenue by \$1.4 million per year.

In addition, Ascencio adds that the average time to manually dimension each piece of cargo is 60 seconds; 90 seconds is the total when the warehouse agent also is inputting the measurements into a computer. For a truck with four shipments and 84 total pieces, manually dimensioning will take almost 1.5 hours – and there is almost a 100 percent certainty that not all of those shipments will dim out. During peak times, the cumulative effect of this is that drivers are waiting on the dock for 1.5 hours, and then spending another 1.5 hours having their truck unloaded for a total of three hours spent dimming cargo that may not yield any additional revenue.

“Given the current economic challenges of the global industry, we are finally seeing many companies re-evaluating their business processes to gain more efficiency,” Ascencio says. “Industry managers should carefully evaluate how they operate now, and think about how to generate the same or better results with a simple and more exact process. Accurate dimensional data has significant value, and recent advances in technology are finally bringing real solutions for efficiently capturing and utilizing

dimensional data. The industry needs to invest the time to educate itself on the current options available. It's a worthwhile venture that will generate a very immediate and long-term valuable return on investment."

ABOUT FREIGHTSCAN

FreightScan, LLC is a leader in the development and deployment of innovative technology solutions for the freight and logistics industry. Its groundbreaking *FreightScan FS100* system exceeds all existing standards for static dimming systems. Utilizing revolutionary D.I.M.M. Tech™ (Defined Imaging and Multiple Measurement Technology), the *FS100* has the capability to scan cargo in all configurations within seconds, providing companies with the ability to maximize warehouse resources, establish accurate billings, and significantly improve revenues and profit performance. FreightScan has also recently introduced two security related products that work in conjunction with the flagship *FS100* system: *FAST* is a tamper detection system which creates a unique "Package DNA" for every piece of a shipment that can be monitored as it moves through the supply chain; and *CargoVizion*™ is the next generation of look-inside-the-box security screening technology. Logistics industry segments it serves include air freight, ground freight, rail freight, sea freight, multimodal transportation and container logistics. For more information, please visit: www.freightscancargo.com.

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