



Motorola and the American Express Intelligent Online Marketplace, powered by Rearden Commerce

Wireless and Broadband Communications Leader Saved 19 Percent on Desktop Shipping by Providing Employees a More Convenient, Cost-Effective Way to Ship Packages

Customer Snapshot

- *Company: Motorola, Inc.*
- *Industries: Communications*
- *Geographies: Global*
- *Challenges:*
 - *Reducing cost of employee desktop package shipping*
 - *Driving compliance while ensuring high employee satisfaction*
- *Solution: Through AXIOM, How2Ship, powered by Rearden Commerce, has enabled Motorola to significantly reduce the costs associated with desktop package shipping by almost 20 percent, while improving user efficiency and satisfaction.*

Situation Summary

Each year, corporations across the United States ship in excess of six billion packages at a cost of more than \$58 billion. Only 10 to 15 percent of these packages are shipped by employees using carrier-provided desktop package shipping solutions. Many organizations don't realize that the lack of visibility and controls around the shipping process is estimated to cost more than \$1 billion annually.

Motorola recently took action to harness its package shipping expenses and found a partner in an unconventional place – its travel management company (TMC), American Express Business Travel. T&E budgets have expanded to include services beyond the traditional travel costs of air, hotel, car rental and dining, and now encompass package shipping, event ticketing, teleconferencing and other business services. American Express Business Travel helps clients answer this challenge through the American Express Intelligent Online Marketplace (AXIOM), powered by Rearden Commerce. AXIOM helped Motorola take a more strategic approach to reducing desktop shipping expenses, while providing a superior user experience to ensure broad adoption.

As a Fortune 100 communications leader with global presence and impact, Motorola is known around the world for innovation and leadership in wireless and broadband communications. It selected AXIOM for a number of key capabilities:

- **Visibility and control:** To help reduce the overall cost of desktop shipping, Motorola recognized it needed a more effective way to set and communicate desktop shipping policies to thousands of employees across the U.S. Meeting this need, AXIOM gives Motorola unprecedented visibility into what's being shipped and how, letting the company set and manage shipping policies at the point of purchase.
- **Procurement flexibility:** AXIOM's flexibility allowed Motorola to easily add its existing non-production shipping carriers and guide employees to negotiated rates, with just a click of a mouse.
- **Ease of use:** Motorola knew that the solution it selected would have to be easy-to-use and convenient or employee adoption would be sub-par. With the AXIOM desktop shipping solution, Motorola employees can easily view policies, shipping rates and delivery

options as they send non-production packages directly from their desktop. Adding to its convenience, they can also automatically receive package status and delivery updates on an ongoing basis.

Challenges

Each year, Motorola employees ship hundreds of thousands of non-production packages, using leading global shipping companies. While Motorola had desktop shipping policies in place and had negotiated rates with its preferred shipping vendors, there was no central, automated way to communicate those policies to, and control compliance among, its thousands of employees based in offices around the U.S. Consequently, policy compliance wasn't up to Motorola's standards.

What's more, in many locations the desktop shipping process was manual. If a Motorola employee wanted to ship a package, they needed to complete a waybill by hand. And without visibility to negotiated shipping rates, a Motorola employee had no way of knowing which provider offered the best rate and delivery option to fit their needs. Too often, employees would simply turn to the shipper they used most frequently, without consulting other options. The guidance employees needed to make informed decisions simply wasn't there on the scale Motorola required.

"The ability for employees to view real-time price comparisons among the supply base allows Motorola the opportunity to take a more strategic approach toward managing our non-production shipping needs," said Terry J. Rieth, PhD, Motorola Indirect Procurement Leader. Motorola knew it needed to take action to put better controls around desktop shipping. It also recognized the need to implement a solution its employees would enthusiastically adopt that would provide such a rewarding experience they'd come back again and again.

Motorola launched the How2Ship program to achieve several objectives:

- Reduce the cost of employee desktop shipping

- Increase employee satisfaction with the desktop shipping process
- Maximize the use of lower cost, preferred shipping options
- Increase the ability to move employee spend from one carrier/service option to another to take advantage of differences in shipping costs

How2Ship Delivers Convenience & Savings

With How2Ship, Motorola employees have a consistent, automated way to evaluate their shipping options and to schedule, label and track shipments directly from their desktops.

Motorola employees can easily compare shipping rates and delivery options by vendor side-by-side on their computer screens thanks to the information delivered by AXIOM. They can see at a glance, for instance, that choosing to have a package delivered for next day noon can be significantly less expensive than having a package delivered in the early morning. Depending on the importance of the package and when it must arrive, this insight into the cost impact of delivery times becomes extremely relevant and a huge savings driver.

Pre-integration with employee corporate address books is one of How2Ship's most popular features. This integration gives employees the ability to ship a package merely to "Bob Jones in the Phoenix office" by pulling contact information directly from the employee's address book. This feature not only saves employees' time, but it also helps reduce manual address errors on waybills to eliminate the address correction fees levied by most shippers.

How2Ship also enables Motorola employees to schedule a package pick-up time directly from their desktop and then proactively delivers ongoing updates on shipment status via the employee's tool of choice: email, phone, text message or fax. This saves the employee time by eliminating the need to call or check online for package status. Additionally, this status information can be automatically sent to the package recipient.

Also, since How2Ship can be easily accessed remotely, Motorola employees can enjoy all of its benefits when traveling or working from home.

Finally, How2Ship provides Motorola the ability to update shipper pricing information easily and guide employees to special negotiated rates.

A Wealth of Quantitative Results

By leveraging the How2Ship solution, Motorola not only cut its desktop shipping costs by 19 percent, but also enhanced employee productivity and satisfaction in the process.

Motorola expects to save an average of more than \$2 on each package via the How2Ship solution. Savings have come in the form of:

- A 10 percent reduction in costs as employees shifted to lower cost service delivery options.
 - Prior to implementing How2Ship, 54 percent of Motorola's non-production packages were scheduled for delivery before 10:30 a.m. the next day. This figure plummeted to 22 percent once employees were able to see the cost savings that resulted from shifting packages to a later delivery time.
 - More than 30 percent of Motorola's domestic non-production shipments are now scheduled for 3:00 p.m. delivery, versus only 4 percent before the introduction of How2Ship.
- A 7 percent reduction in costs as employees shifted to a lower cost carrier for the same service delivery option, enabling Motorola to maximize its negotiated discounts.
- A 2 percent reduction in costs, as How2Ship eliminated the address correction fees charged by most carriers.

Capturing User Mindshare

To guarantee the long-term continuation of these cost savings, Motorola took proactive steps to ensure enthusiastic user adoption, and as a result, according to Motorola's Procurement team, "How2Ship has become a widely accept-

ed tool among U.S. employees who ship non-production packages."

Motorola promoted the introduction of How2Ship through its corporate intranet, employee emails and by posting signs in its facilities. Since then, How2Ship's ease-of-use has created positive word-of-mouth among Motorola employees.

According to a Motorola survey of more than 500 How2Ship users across the U.S., 91 percent said they'd recommend the solution to a colleague. Eighty-four percent gave How2Ship direct credit for helping them find a more cost-effective shipping option for their packages.

For instance, one Motorola human resources manager planned to send 800 intern welcome packages via next day early morning delivery. By referring to the How2Ship shipping matrix and selecting the next day 10:00 a.m. delivery option instead, she saved Motorola an impressive \$20,000 in shipping costs.

Additional survey data indicated that:

- 96 percent of How2Ship users found the tool easy/very easy to access and log-in
- 90 percent found How2Ship good/great in terms of its usefulness for shipping non-production documents and packages
- 94 percent rated How2Ship easy/very easy to use
- 84 percent said How2Ship had helped them select a more cost-effective shipping option
- 91 percent said they'd recommend How2Ship to a colleague

In total, 92 percent of survey respondents indicated they were satisfied/very satisfied with the solution. Motorola expects this high level of user satisfaction to help it deliver even higher levels of user adoption over time.

Taking User Adoption to the Next Level

By 2008, Motorola was on track to achieve 60 to 70 percent user adoption of How2Ship among its targeted population. While this achievement is significant for a corporation of Motorola's size, Rieth and his team continue to raise the bar.

Strategic initiatives Motorola implemented to spur How2Ship adoption include the "GoGet" program. As part of "GoGet," Motorola analyzed the shipping transaction volume of and the types of packages shipping by its various locations across the United States and identified those locations where increased user adoption will make the biggest impact on cost savings. Based on this analysis, Motorola is putting emphasis on ensuring the highest possible level of How2Ship use among employees at selected locations to ensure maximum savings for the corporation.

"How2Ship has helped Motorola lower non-production package shipping costs and make users more effective in the process," concluded Rieth. "Arming employees with the tools and information they need to make better decisions turns them into more strategic consumers. How2Ship has been a successful program for Motorola to date. We expect it to continue growing in popularity over time as it helps us further control costs."

About American Express Business Travel

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For more information on American Express Business Travel services and offerings, visit us at www.americanexpress.com/businesstravel.

American Express operates one of the world's largest travel agency networks with over 2,200 travel service locations in over 140 countries and territories worldwide. The Company processed \$24.6 billion in global travel sales in 2007.

American Express Company (www.americanexpress.com) is a diversified worldwide travel, financial and network services company, founded in 1850. It is a world leader in charge and credit cards, Travelers Cheques, travel and business services.

About Motorola

Motorola is known around the world for innovation and leadership in wireless and broadband communications. Inspired by the company's vision of Seamless Mobility, the people of Motorola are committed to helping customers get and stay connected simply and seamlessly to people, information, and entertainment. Motorola does this by designing and delivering "must have" products, "must do" experiences and powerful networks – along with a full complement of support services. www.motorola.com.

About Rearden Commerce™

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