shipium

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The Shipium Way

How to Turn Your Supply Chain into a Strategic Value Driver

The Shift Happening in the World Today

The world has changed around you. Networks are more complex than ever as economies shift to a digital era, making supply chains feel out of control. Costs are going up while customer sentiment is going down. Supply chains and customer experience are now intimately connected, with shipping pain being felt the hardest on the bottom line:

→ Delivery cost is often the highest operating expense on a P&L
→ Delivery speed is often the second biggest growth driver (after price)
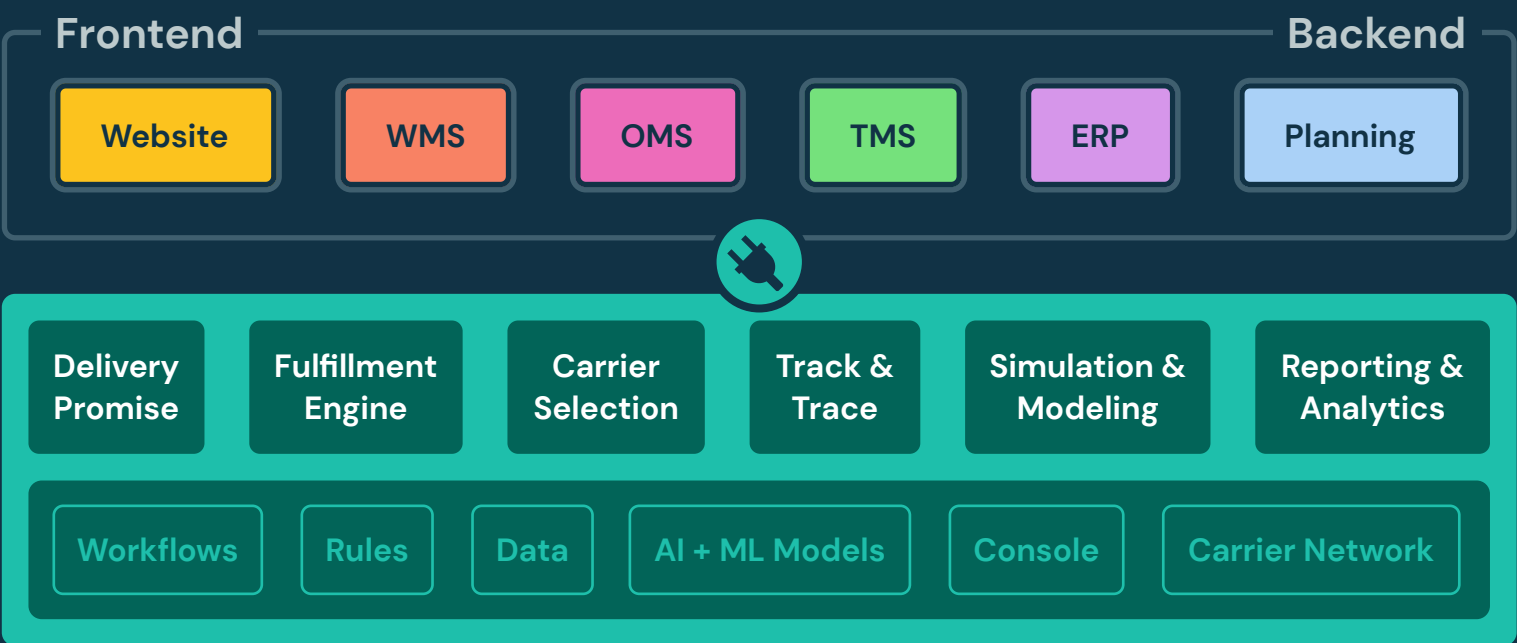→ Delivery experience is often the top reason for loyalty and repeat purchases

The old way of managing a supply chain where shipping decisions are isolated across different systems, teams, and data makes it so that dealing with this change is hard. Operators feel stuck and unable to drive strategic value in the modern era.

That's Why We Built Shipium

Companies want their supply chains to be a strategic value driver for their business, which means they need to get control of the shipping aspects of their supply chains and connecting it to their customer-facing systems.

We built an end-to-end shipping platform that helps coordinate all the shipping decisions needed to deal with this complexity. On top of the platform are a collection of Solutions that use a combination of Workflows, Data, and ML+AI Models to orchestrate decisions throughout existing systems. That platform uses principles from the 3 Pillars of a modern supply chain which together leads to a flywheel that powers a journey towards modernization.

Your Systems ⟶

The Shipium Platform ⟶

Frontend					Backend
Website	WMS	OMS	TMS	ERP	Planning

Delivery Promise	Fulfillment Engine	Carrier Selection	Track & Trace	Simulation & Modeling	Reporting & Analytics
Workflows	Rules	Data	AI + ML Models	Console	Carrier Network

## The 3 Pillars

Pillar 1 — Customer Focus
Supply chains are built from the ground up to serve customers. This can't be a feature, it has to be an organizational mindset. A lot the problems we see with existing solutions is that they are not built with the end customer in mind. In a retail context this means providing a delivery promise and having the backend machinery to make sure you hit that, but this can apply to any industry, like in the context of automotive parts distribution, the system needs to ensure the part arrives before the vehicle begins repair.

Pillar 2 — Optimization
Continuous and ongoing optimization leads to improved ratio of speed to cost. When we talk to our customers they often view their cost structure as fixed in stone. This is an artifact of thinking of the supply chain as a static background process. The reality is that through a combination of transportation and inventory optimization, contract changes, customer targeting, your cost curve will look very different. Internal to Shipium we refer to this as bending the cost curve.

Pillar 3 — Automation
Automation is normally thought of as removing work from humans but the second part is it creates bandwidth to focus on strategy. On top of that, Automation will react dynamically to changes in customers behavior, transportation networks, or inventory supply. Most importantly, automation is the only way to repeatability scale a process that is working.
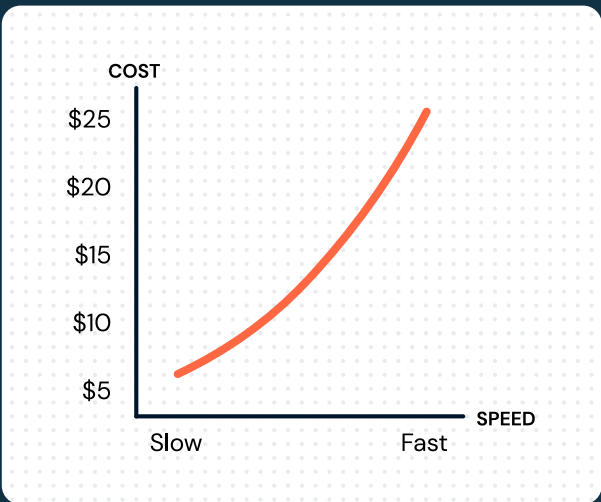
Old World
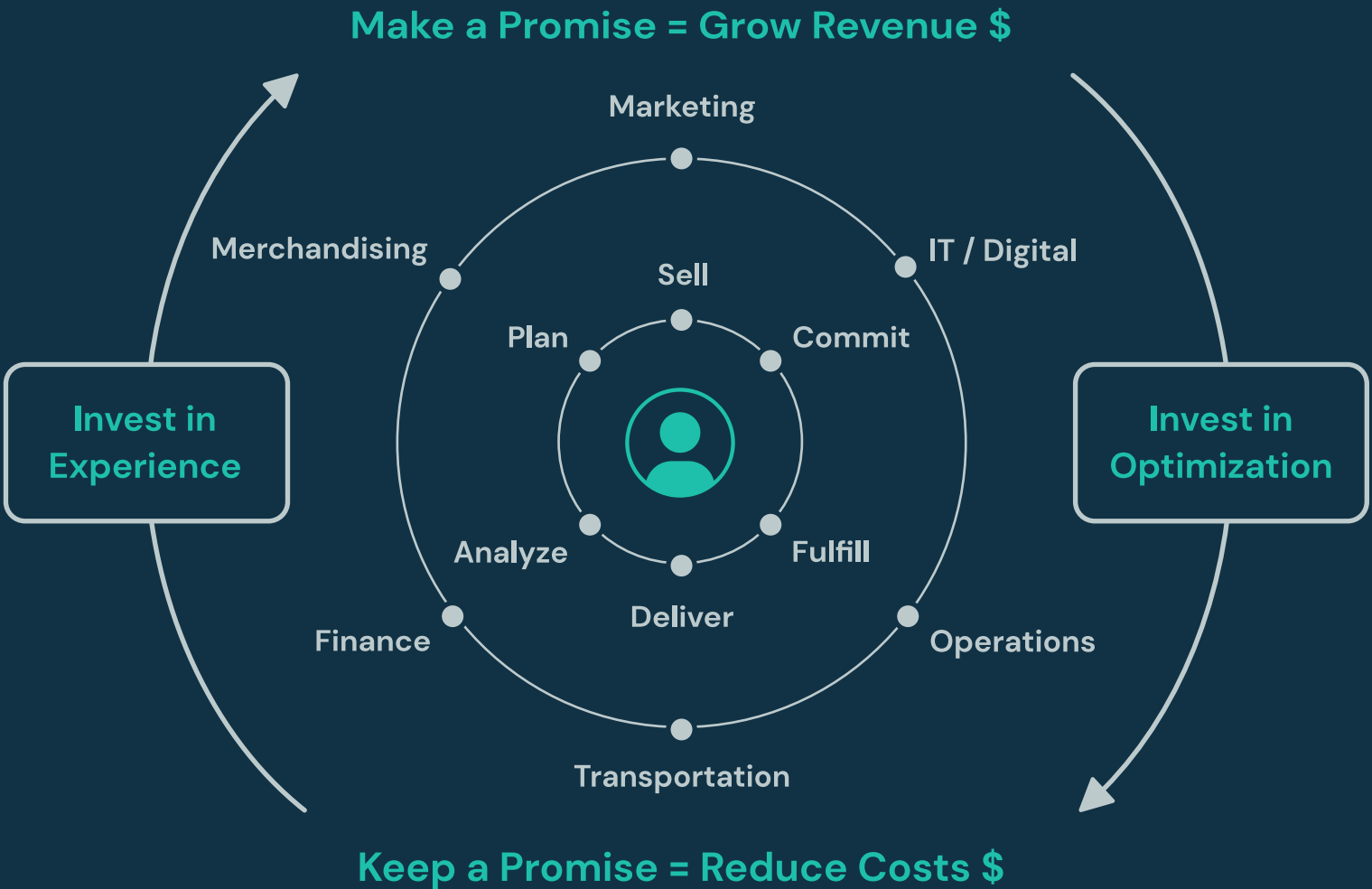As speed gets faster, costs go up
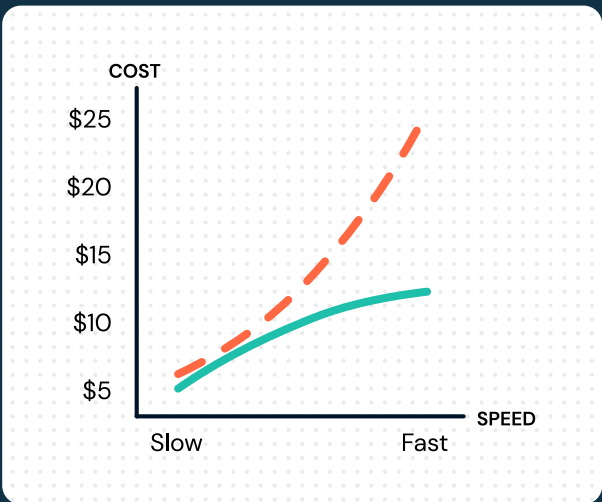
New World
Improve experience while bending the cost curve

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The Flywheel — A Path to Profitability

Investments in customer experience (like faster shipping) will power more growth. That newfound growth should be invested into optimization + automation (like carrier diversification), which will lead to greater cost savings. That newfound saved costs can be plowed back into more customer experience improvements (like faster and free shipping) to power yet more growth, and the flywheel starts over again. The key insight is that the flywheel ties together multiple functional teams and responsibilities.

Make a Promise = Grow Revenue $

Marketing

Merchandising

IT / Digital

Sell

Plan   Commit

Invest in Experience

Invest in Optimization

Analyze   Fulfill

Finance

Deliver

Operations

Transportation

Keep a Promise = Reduce Costs $

The Journey — A Maturity Model for Supply Chain Transformation

As companies shift towards this methodology, they need a roadmap for how to transform themselves. For this, we created a journey map that focuses on investments to customer experience, and how those tie to investments in cost structures and efficiency. In between are linkages to tie everything together. Every company is different, so the best way to get started is to work with Shipium to identify where you are on this journey, and chart a path for how to evolve over the years ahead.

More Cost Savings

Make a Promise

| Show exact dates | Show fast and free delivery options | Regional 2-3 day delivery promises | Nationwide 2-3 day delivery promises | Implement premium customer program |

Link Between

| Start simulating | Add more carriers | Add more complexity | Add more origins | Tie demand to fulfillment |

Keep a Promise

| Get control on shipping operations | Use intelligent downgrades | Maximum carrier arbitrage | Advanced ideas, like forward drain, rebalancing, and consolidation | Allocate inventory based on demand and shipping relationship |

More Cost Savings

Elements of a Modern Supply Chain

Shipium is born out of decades of experience building Amazon's supply chain. **Jason Murray, Co-founder and CEO,** spent most of his 19 years there as a key executive charged with building the technical stack powering Prime's operations. All of us spent years at Amazon creating the framework that allowed the company to thrive, becoming the largest company in the world. Shipium represents the manifestation to these same ideas and we want to take you on this journey with us.

→ Watch the full video at **shipium.com**