



CIS: The Cost Information System for Air Cargo Carriers

Every shipment is a unique combination of weight, handling units, density, origin, destination, and other factors. This makes average-cost calculations meaningless. The TCG Cost Information System provides motor carriers with the cost of moving each shipment from origin to destination, utilizing their company's expenses and operating information. This is supplemented by TCG's industry database of P&D stop-time and cross-dock handling performance.

CIS has two purposes: developing projected costs for moving prospective freight for both bid response and spot-pricing, and producing an ongoing costed database of actual freight. That database is used to analyze the profitability of customers and other traffic segments.

Your Cost Model

TCG develops and delivers a model of each carrier's operations and service areas directly from their operating expenses and statistics, mapped to TCG's unit cost categories, so that ongoing updating can be performed quickly and efficiently. Multiple models for various accounting periods, and projected future levels of costs and performance, can be easily established using TCG's maintenance software. The flexible models will:

- Include the carrier's performance data for Pickup and Delivery (P&D) areas or airports served by the carrier's drivers and equipment
- Use rates charged by cartage agents for any areas they serve on the carrier's behalf
- Develop individual shipment costs that recognize every activity employed in moving freight
- Include standard extra-cost codes, which can be set up and then applied to recognize notification, temperature control, and a wide range of other costs incurred in addition to the movement of freight

Prospective Cost Analyses

Several tools are available in the user software for the Cost Information System to develop the cost of prospective freight.

- **Interactive:** An easy-to-use shipment data entry routine for costing one or more shipments with a minimum amount of key entry via a template feature, selection lists and worksheets
- **Rate Analysis:** This is used to develop custom, cost-based rates (geographically based on shipment, pieces, weight, cube or pallets, even by day of the week), or to evaluate existing rate tables. This routine lets users set up rate groups for various origin and destination combinations
- **File Importing:** This allows users to map columns and then read-in shipment data from files, adding other information where available, for efficient bid-response

These different methods of delivering shipment data to the Cost Information System, which include sophisticated editing capabilities for making "what if" and other data adjustments to large numbers of shipments, allow for precise shipment descriptions, leading to more accurate shipment costs.



Let's get started

All you need is:

- Your chart of accounts
- Your general ledger and the latest financial statistics
- Your service areas
- Freight terminals and sizes
- Airports where drivers are stationed
- Any local performance data currently collected
- Rates charged by cartage agents

Pricing/CIS

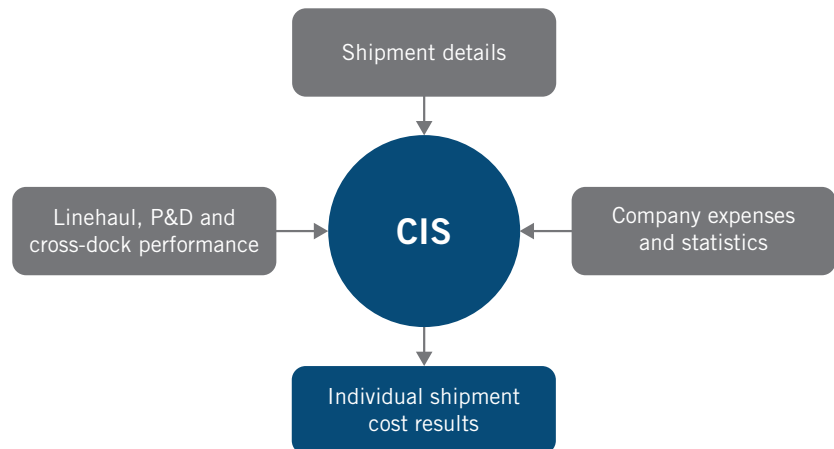
The cost system was designed to interface with SMC³'s RateWare[®] XL. When applicable, this allows shipments in a cost file to be rated at the same time they are costed, via user-selection of the tariff required for a proposal, allowing shipment discount, fuel surcharge, and/or minimum charge manipulations to determine the most profitable response to customer requests for proposals.

Traffic/CIS

Each carrier's cost model, once established, is used to cost all the carrier's freight on an ongoing basis, providing a costed traffic database of all business, reconciled each financial period to actual expenses and payroll hours. Standard month-end reports are automatically generated, ranking customers by size and profitability. The CIS user software includes a reporting tool to allow analysis of freight by weight, area, density, distance, and dozens of other factors. Users can drill-down to the cause of both profitable and unprofitable traffic segments, or even to the individual shipments.

Want to know which customers give you profitable freight and which don't?

The Cost Information System provides these answers.



Why TCG?

TCG, an SMC³ Company, is the premier activity-based costing and Profitability Management software provider for the air freight carrier looking to achieve superior profitability. TCG is the provider of the most widely used suite of Profitability Management tools and activity-based costing models to the motor carrier industry. TCG cost models are tailored to specific carrier operations. Information on services and systems offered by TCG can be obtained by contacting TCG at 800-328-9700 or via email at info@TCGCIS.com. For general product information, please visit www.TCGCIS.com.

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