

## Enterprise Computing Solutions – North America

### Logistics – Transportation

Arrow has over 70 years of experience in managing our own global supply chain and the supply chains of more than 1,200 suppliers and 125,000 customers. In addition, with our more than 25 years experience in supporting computer products sales and systems integration, Arrow has the deep knowledge and experience required to be successful in a fast-paced, global supply chain environment.

#### Domestic and International Carriers

Arrow ECS works with domestic and international carriers to ensure the best possible rates and consistent on-time delivery. At the current time, we maintain contracts with:

- CABIN VYBORNY LLC
- DB SCHENKER
- DHL
- DHL GF
- FED EX LTL
- FEDEX
- UPS
- UPS SCS (and several regional carriers as needed)

#### Carrier Evaluation

We regularly evaluate carrier transit times, shipping systems and processes as well as rates and fees and go through a formal RFP process with each carrier every three years. In addition, each quarter Arrow ECS reviews each carrier in a formal business review. During the QBR, we evaluate our carriers

for both domestic and international (where applicable)

criteria such as:

- Package volume by market
- Net spend by market
- Volume/spend by location
- On-time performance by delivery product
- Claims

#### Services

Arrow ECS maintains a comprehensive list of services for our customers. Where possible, we offer these services to both our domestic and international clients. Arrow ECS offers:

- White glove
- Time guaranteed
- Standard Air
- Ground
- Worldwide express
- Express critical
- Worldwide expedited
- Freight forwarder
- LTL and full truck load
- EU Transborder
- Worldwide standard
- Worldwide three-day select

**Contact your Arrow representative today.**

800 544 7674 or  
ecsmarketing@arrow.com

Arrow ECS On-time Delivery Performance this year was 99.91% to customer Promise Date. In our integration center, the percentage of orders shipped the same day they went into release status was 63 percent in 2012.

**Note:** if this was extended to be a full day, (24 hour work day and coinciding freight pick up) it would equate to 95 percent.

#### International Shipping

Arrow provides cost-effective door-to-door equipment delivery to more than 70 non-embargoed countries. Wherever Arrow is the Importer of Record, we provide door-to-door import to most countries including the direct handling of customs clearance, duties and taxes. In all cases (except countries with import restrictions), Arrow can provide door-to-door transportation including local

transport within the destination country to the final delivery location. In addition, Arrow has the ability to evaluate shipping costs to international locations and, in some cases, Arrow has the ability to ship from our European Union distribution centers to reduce costs.

In addition, with our strong global presence, Arrow can provide regional expertise in not only transportation, but also international tax law and general import/export law.

## Systems

Arrow utilizes both a Transportation Management System and Warehouse Management System to allow us to meet customer delivery dates and ensure least expensive ship method and carrier.

- Transportation Management System evaluates service rate, required delivery time and location, and the dimensions and weight of the shipment to optimize rates and make sure we are using the cheapest ship method that still meets the customer request date.
- Warehouse Management System reviews all sales orders going to a specific customer and utilizing complex logic consolidates shipments going to the same customers via the same shipment type to ensure the customer gets fewer shipments and the best rates.

## Analytics

Arrow utilizes extensive business intelligence programs to evaluate service levels, rates and on-time delivery. By consistently reviewing service and rate reports, we are able to quickly make changes to our transportation systems.

Arrow employs a third party freight and audit company (Data2Logistics) to ensure the accuracy of freight bills and payment processing. Before each bill is paid, Data2Logistics verifies carrier charges to eliminate carrier overcharges, collect on service failures, eliminate duplicate billing and identify inappropriate assessorial charges. By leveraging a best-in-class service provider like Data2Logistics, Arrow is able to keep shipping costs low and pass those savings on to our suppliers and customers.

## Proximity Warehouse Offering

Arrow understands that each customer has a unique environment that may require additional offerings outside of an In Plant Store. In these instances, and in an effort to move material closer to manufacturing, providing more of a Just In Time (JIT) manufacturing environment, Arrow has the option of using a proximity warehouse model.

### Proximity Store model offers:

- Reduction of working capital requirements
- Point of use replenishment allowing for:
  - Min/max programs
  - Kan Ban
- Increase inventory turns
- Less inventory carrying costs
- Allows for positive cash flow.

Arrow manages over 90 customer warehouses in North America and over 300 consignment solutions on-site at customers. We have the flexibility to develop multiple options for proximity warehouse solutions for our customers.

## Trade Compliance

The Trade Compliance Program for Arrow ECS North America is comprised of three key areas; customer screening, Export Control Classification Number (ECCN) classification, and license determination. For each area, Arrow ECS NA has processes and controls in place to help ensure adherence to export compliance regulations. Arrow utilizes a program called Tradesphere to review all orders, screen all customers against denied party lists and perform license determinations. All orders, whether international or domestic, are reviewed for trade compliance.

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### In Person

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### Via Email

#### Region

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### Online

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**ARROW**  
**Five Years Out**