

# The Benefits of a Sliding Scale Solution

How Overhaul addresses your unique supply chain risks and security needs





All supply chains are vulnerable to theft, damages, and other risks. However, not all companies are equally vulnerable, nor equally able to recover from loss. Companies also have different budgets, goals, and overall needs in order to meet their objectives. In other words, no two supply chains are the same, and their risk solutions shouldn't be, either.

At Overhaul, we offer customizable, company-specific solutions to ensure that our customers get the support and tools they require to manage logistics risks and meet KPIs. We start with three base solutions designed to support diverse budgets and risks before offering add-on features for enhanced security. We also make it easy for customers to access different levels of support as their needs grow and evolve.

In this white paper, we explain why a sliding scale supply solution is a must for supply chain security. We also break down our base and extended offerings and show how they can benefit your company now and in the future.



### ***What is a sliding scale solution?***

A sliding scale solution enables companies to choose from a variety of offerings based on budget, level of support, and several other factors. In the case of supply chain security, a sliding scale solution considers a company's current goals, operational capacity, available funds, and ability to recover from risk. It then uses these factors to create different levels and types of support for a supply chain, with the lower levels typically being cheaper but offering less in-depth support, whereas the higher levels are more expensive, but also more comprehensive.

The reason this solution is considered a "sliding scale" is because, should a supply chain's needs evolve, it can easily access higher, more in-depth levels of support. At the same time, if it becomes unable to afford these higher levels or realizes it no longer needs certain offerings, it can "slide" back down to a lower level.

In general, companies with high-risk loads should invest in higher tier solutions whereas companies with fewer risks and stretched budgets can benefit from a lower solution. However, the line between high-risk and low-risk is not always clear, and several factors must be considered when determining your supply chain's risk level.





## Industry-specific risks

Different industries require different levels and types of visibility and risk management support. While no means exhaustive, here are a few different industry-specific needs:

1

### Pharmaceuticals and healthcare

Pharma and healthcare supplies can easily spoil due to temperature deviations or delays in transport. They're also an attractive item on the Black Market. If stolen, recovery is necessary in order to prevent the products from being illegally sold and causing harm to consumers and the brand itself. However, recovery does little to prevent financial damages, since the goods will likely need to be disposed of regardless.

2

### Electronics

Electronics can become damaged in transport or stolen to be resold. In fact, because these products are expensive and highly-desired, they are among the most frequently targeted. While recovery is possible, a single stolen load can mean financial devastation for a company, especially when they lack insurance to recoup losses.

3

### Food and beverage

Food and beverages are often perishable and at risk of spoilage. Delays in transport or fluctuations in temperature can cause the goods to become unusable. In cases where a shipper doesn't realize there's been a fluctuation, the products might still be sold and thus cause harm to consumers.

4

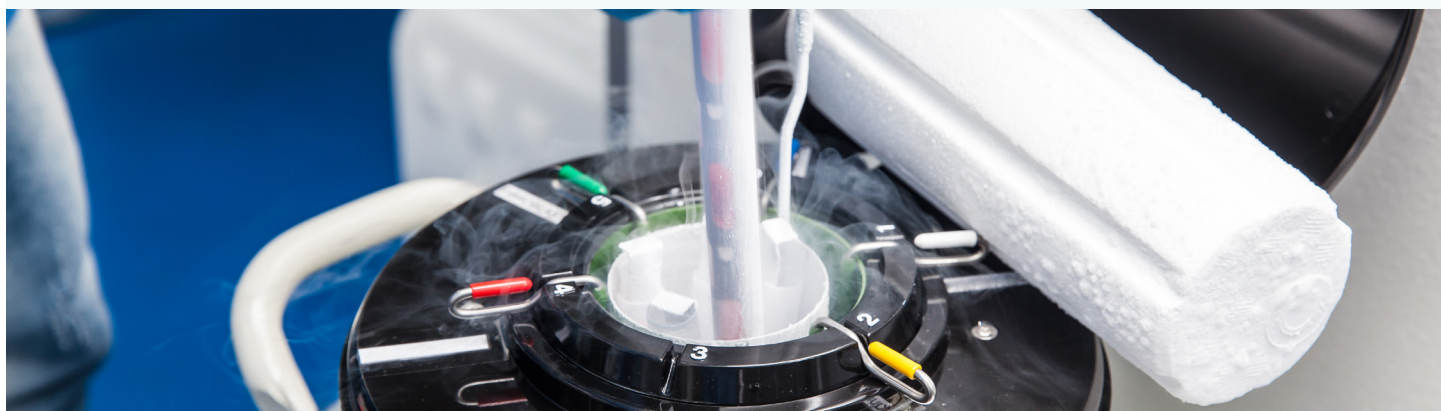
### Retail

Retail products are often in high-demand, and the sheer variety of these shipments means numerous unique compliance considerations. Counterfeiting is one such issue that can often arise, as is organized retail crime (ORC), which can affect shipments all the way from warehouse to destination.

5

### LSPs

Depending on what an LSP is shipping, they might require visibility and monitoring to cover all manner of risks. Those stated above for pharma, electronics, food and beverage, and retail can each apply. Additionally, if the LSP is shipping all of these products, it will need additional insights in order to handle the sheer magnitude of shipments and their unique needs.





## Modal-specific risks

Shipping by road is a different experience than air, rail, or sea. Shipping across multiple modes can be even riskier. When determining your risk factor, it's important to keep these risks in mind:

1

### Road Risks

Shipments sent via road can experience delays due to traffic, weather conditions, or driver shortages. They can also be targeted by cargo thieves and face hijackings, violence, or other issues when traveling to different countries.

2

### Air Risks

Flight cancellations or delays can severely impede the shipment process. Air transport can also face unique customs and compliance requirements, as well as challenges regarding shipment capacity or the expense of shipping itself.

3

### Ocean Risks

Port congestion is a huge issue facing ocean freight. Visibility can also be impeded along long voyages. Additionally, rough sea conditions can require ships to reroute their course, which means delays, and piracy can lead to losses.

4

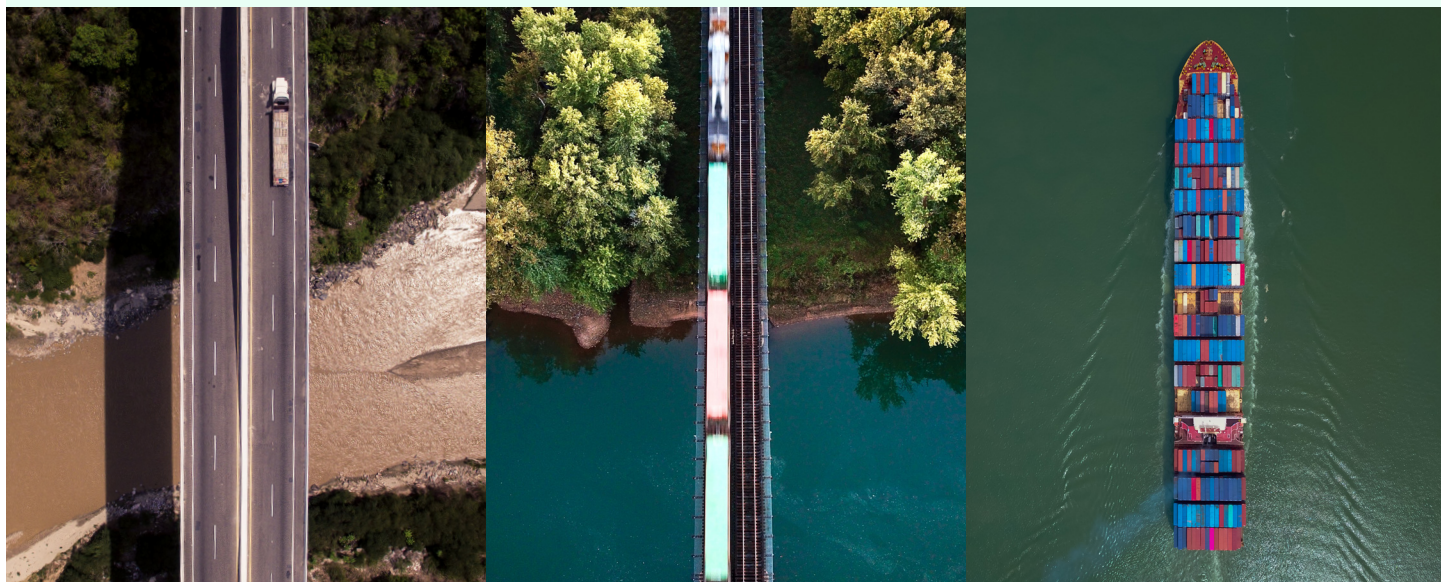
### Rail Risks

Derailments or other infrastructure issues are a source of stress for rail deliveries. Cargo thieves are also tuned into rail schedules and will try to intercept shipments at stops. Just like the other modes, rail deliveries can also be affected by adverse weather patterns.

5

### Multi-modal

When using multi-modal transport, additional planning and risk prevention is required. The different transport options must abide by their schedules or else miss essential hand-offs. Furthermore, carrier validation must be performed each time a different mode is used, or else an illicit actor could make their way into the chain and make off with the shipped products.







## Location-specific risks

Although many MOs and risks are persistent across countries, different countries also have unique theft patterns. Additionally, certain countries are more prone to theft than others, and all countries have unique hot spots that are important for shippers to identify. For example:

1

### USA

In the US, strategic theft remains a huge issue, with one of the most recent problems stemming from BOL altering. Essentially, thieves will alter a shipment's original BOL to reflect a new piece count, weight, and seal. This information reflects what has been left in a trailer after a portion has been stolen.

2

### EU

The EU faces many obstacles due to chameleon carriers, which are carriers that hide their identity in order to appear legitimate. Additionally, due to the large range of languages across countries, communication problems, and thus carrier validation issues, often arise.

3

### Mexico

Cargo theft throughout the country is often accompanied by violence. This is largely due to the increase in organized crime gangs who have turned their attention toward supply chains. Signal jammers can also cause multiple issues for shippers as they try, and fail, to track their cargo.

4

### Multiple Countries

The more countries involved in transport, the more a shipper needs to understand about customs, compliance, hot spots, and other general transport obstacles. Additionally, because the route will be longer, they'll need to plan out the safest stops and be ready to reroute as necessary.





## Determining your risk level

Your overall risk level is based on more than just the product-type shipped, modes used, and the location you transport through. It's also dependent upon your risk preparedness level, i.e., how ready you are to prevent risk. In other words, if two companies are shipping the exact same product via the exact same modes and through the exact same countries, one will still be more at risk if it lacks intelligence and visibility into said factors.

When determining overall risk, it's also important to consider your risk appetite and risk tolerance. The former covers how much risk you're willing to take on in pursuit of goals whereas the latter concerns the maximum amount of risk you could withstand on an operational level. Additionally, and perhaps most importantly, you should consider your risk capacity. This metric is the absolute limit financially that your company could feasibly recover from.



## How a sliding scale solution can support different risk levels

After considering the aforementioned criteria, most companies can generally slate themselves into high-risk, medium-risk, or low-risk categories. They can then work with providers to find the best solution for that level of risk. However, it's not enough to go with a solution that only fits their current needs. Instead, they must also consider their future goals, potential growth, and evolving supply chain threats.

A sliding scale solution allows companies to address current risks and prepare for those ahead. It also enables them to work within their budget and to later expand into new security investments. In short, a sliding scale solution makes it possible for a company to address risks at an affordable price, fend off new risks as they arise, and overall evolve their risk program as they evolve their greater company goals. And when it comes to sliding scale solutions for supply chain security, none do it better than Overhaul.

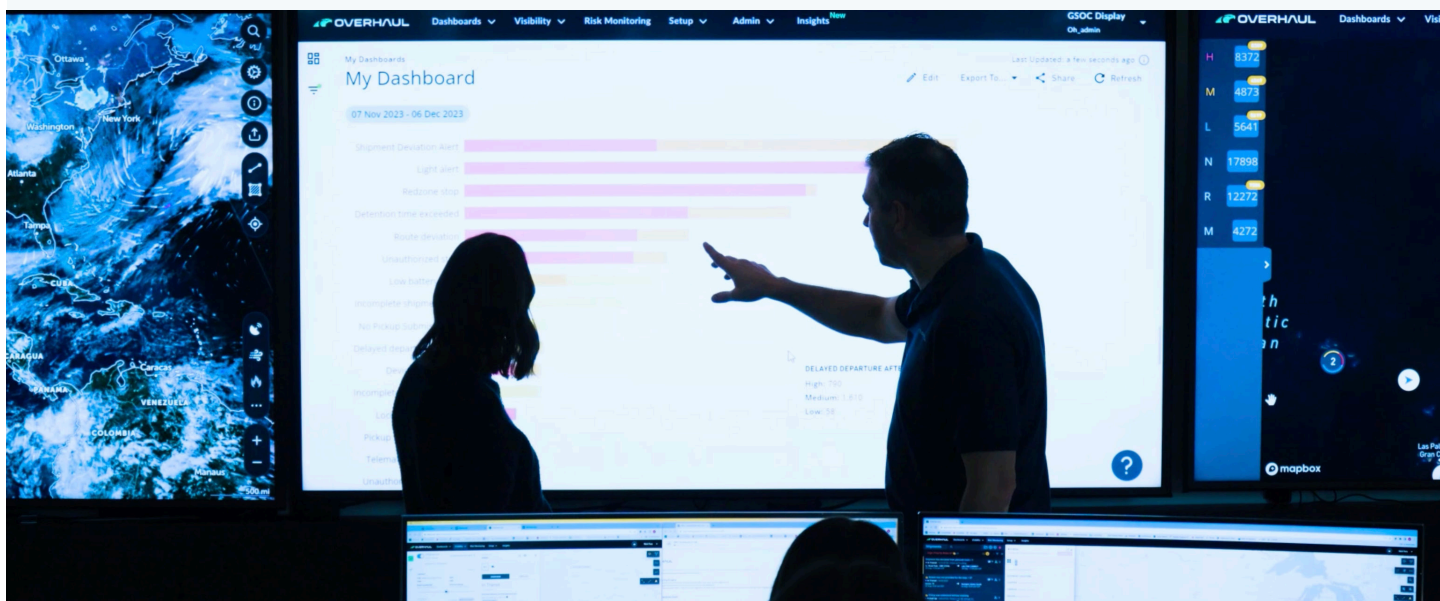




## Overhaul's sliding scale solution

Overhaul offers security support to fit all levels of risk, all budgets, and all types of goals.

- Our base solution enables companies to track risk and improve their compliance programs via their existing data. We've integrated with the top **ELD devices** to improve safety and efficiency by monitoring driver behavior and location. This allows companies to strengthen their risk prevention strategies and meet and exceed KPIs, all at an affordable price.
- Our mid-tier solution helps companies address areas where their security is lacking via an affordable, effective solution. Our platform provides easy data integration, which makes for streamlined tracking insights. Additionally, along with our ELD tracking, we provide **embedded IoT devices** for greater situational awareness and clearer data.
- Our high-risk solution helps companies identify and respond to risks in real time. We provide easy access to all their data via one platform, as well as ELD tracking services. Our embedded IoT devices can also be used for clearer, more accurate insights. Furthermore, our **Fusion Hub risk monitoring and intervention services** provide support the moment it's needed.



## Sliding scale solutions tailored to your risk tolerance & needs

✓ Full Platform Access

✓ ELD/Telematics Tracking

○ Intelligent Door Seal Solution

✓ Compliance Data + Insights

✓ Single Embedded IoT Device(s)

○ Covert Embedded IoT Device(s)

✓ Intelligence as a Service

✓ Theft Recovery Services

✓ 24/7 Live Risk Monitoring

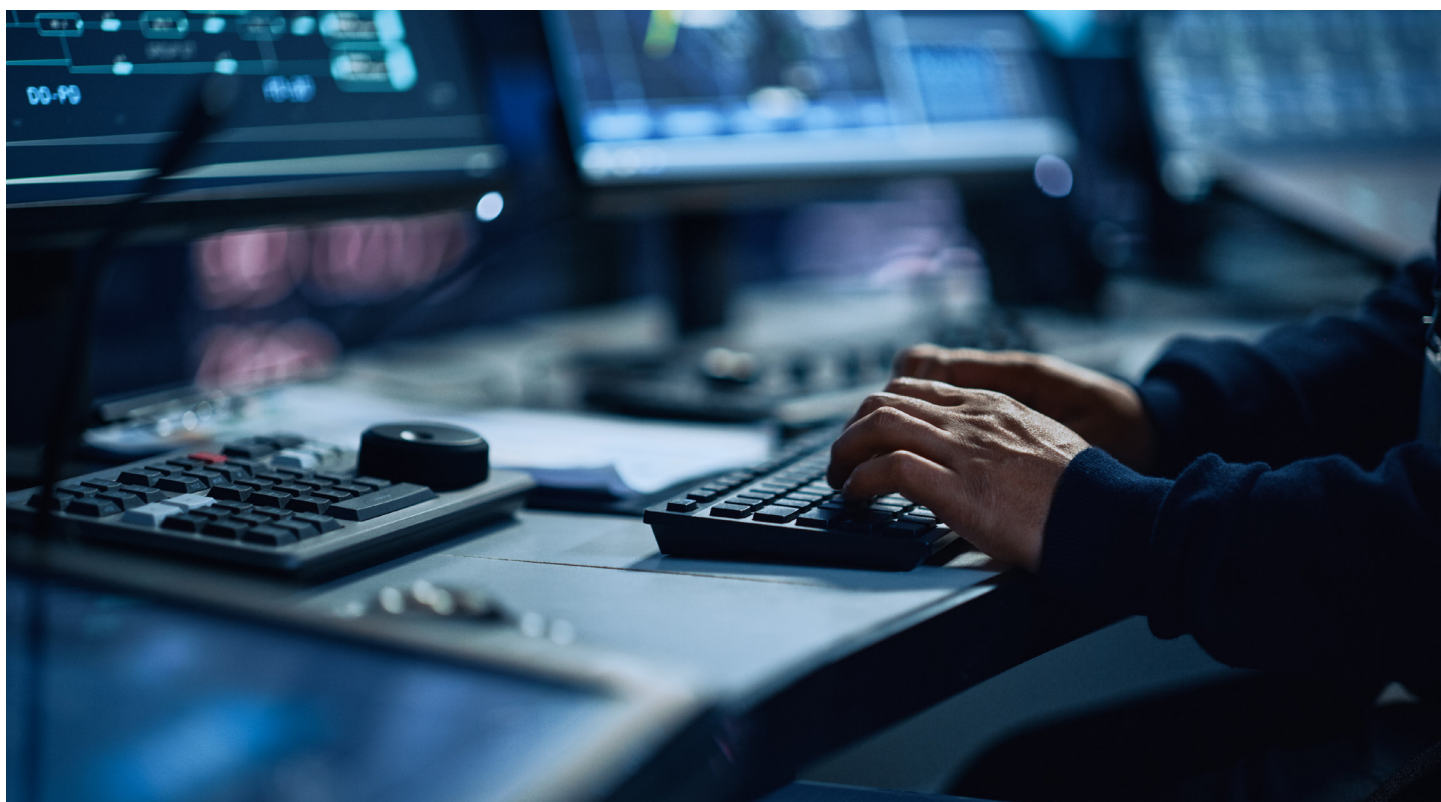


## Additional Support

Along with the solutions above, we also provide add-on options for enhanced support. These include:

- **Insurtech** – Overhaul works with insurance providers to offer lower premiums, streamlined claims procedures, and coverages ranging from one-off spot rates to annual policies.
- **LE Connect** – For worst-case scenarios, Overhaul partners with law enforcement in order to pursue, locate, and return stolen cargo.
- **Intelligent Door Seal Solution** – An industry first, the Intelligent Door Seal Solution incorporates Bluetooth and GPS to immediately notify users when a trailer door is opened.

In short, Overhaul's solution is dependable, scalable, and multi-faceted. We'll grow with your company to help you prevent threats and capitalize on potential growth. And because we're device agnostic and maintain intelligence throughout the globe, we can offer support for your company regardless of the devices you use or the locations you transport through.



It's important to understand how risk affects your specific company, both now and in the future. It's also essential that you consider your risk appetite, tolerance level, and capacity when determining what security support you need. With Overhaul's scalable security solution, you'll be able to sustain and grow your business no matter how your budget, goals, or overall company evolves.

Reach out to our Sales team at [sales@over-haul.com](mailto:sales@over-haul.com) to see how our solution can scale with your company.