eBook

Three Must-Have Capabilities to Achieve Global Supply Chain Visibility

Global Complexities Have a Profound Effect on Supply Chains

A multitude of forces drive today's need for greater visibility into the supply chain. Global supply and demand networks introduce distance, cultural and time-zone challenges. These, in turn, create increasing complexity, which is difficult to see into and manage. Moreover, businesses are under constant pressure to cut supply chain costs and improve cycle times while meeting customer expectations. Ongoing mergers and acquisitions create even more complexity as each new division finds itself operating in silos and unable to leverage economies across the organization.

Such complexity makes it difficult to see what's happening in your international supply chain in real-time. It can jeopardize supply chain performance in the management of critical activities with suppliers, and undermine the ability to meet customer demands and compete in the marketplace.
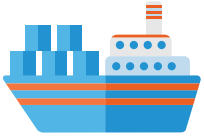
These Complexities Result in Global Supply Chain Challenges

- Lack of visibility of global shipments moving through the supply chain

- Lack of consistent and timely collaboration with international suppliers

- Unpredictable lead times on international shipments

- Excess inventory of raw materials and finished goods at supply chain nodes

- Silo challenges of focusing on individual metrics versus corporate costs

Reliance on International Supply Chains Continues to Increase

- 48% of companies now do business in more than 50 countries, and 32% do business in more than 100 countries

- 41% of companies now import over half of their products / materials from foreign suppliers

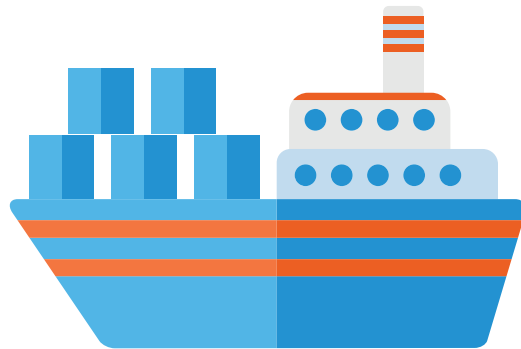- 35% of companies now realize more than half of their total sales from customers located in foreign markets

Source: SCM World, *Managing Global Trade – Rising Importance But Lagging Execution,* July 2013

24h

With today's international shipments costing twice as much, taking five times as long and having five times more variability than a domestic shipment[1], understand what you have to lose.

Poor global supply chain visibility can adversely affect your business through:

- Increased inventory costs resulting from inventory buildup

- Increased freight costs from premium shipping

- Decreased productivity resulting from manually intensive processes

- Loss of revenue from product shortages

Leading *global* supply chain operations can deliver **$17 million in annual savings** for a typical $2.5 billion company.

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1   Source: Aberdeen Research, *Domestic vs. International Supply Chain Performance & Investment Disparity*, October 2014

Companies Leveraging Supply Chain Visibility Demonstrate Better Performance Across Key Categories

- **Inbound perfect orders** — the percentage of orders received complete and on-time from suppliers

- **Outbound perfect orders** — the percentage of orders delivered to customers complete and on-time

- **Change in total landed costs** — the change in cost per unit shipped during the past year

- **Out of stock frequency** — measured as a percentage of out-of-stock inventory compared to average on-hand inventory change versus prior year

Source: Aberdeen Research, *Supply Chain Visibility and Segmentation: Control Tower Approach,* July 2014

Three Capabilities Are Key for Attaining Global Supply Chain Visibility

Quick access to global supply chain information

Proactive supply chain alerts

Efficient collaboration with global trading partners

1. Gain Real-Time Access to Global Supply Chain Information

For intelligent decision-making — and to take the right actions — you have to know what's happening now. Global visibility enables you to monitor performance across PO and SO lifecycle processes, global trade requirements, products, customers, and suppliers, and then drill down to the details when required. Now you can gain insights into cause-and-effect relationships to better understand the impact of decisions throughout your organization. Access to global supply chain information enables better and faster decision-making.
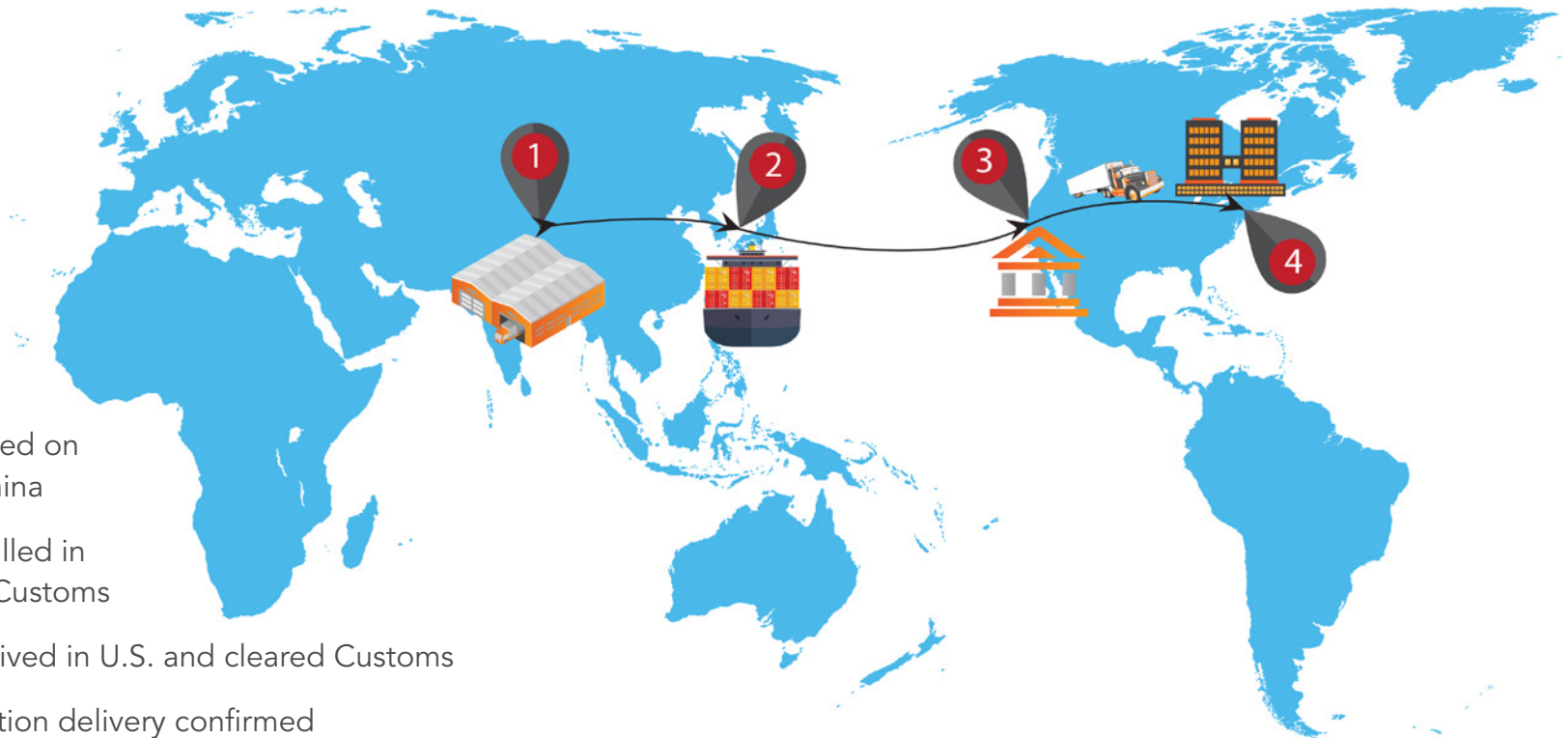
2. Manage Global Supply Chain Processes Proactively

Success depends largely on the ability to manage the unexpected. Count on Supply Chain Visibility software to help you identify key metrics and create alerts to enhance your management by exception capabilities and take immediate corrective action. Now you can proactively identify trends and events that can lead to performance issues. For example, you'll be able to manage out-of-tolerance replenishment criteria for suppliers, reorder points, safety stock levels and minimum/maximum inventory levels. Supply Chain Visibility helps automate the decision process so your employees can focus on the business activities that require attention.

Alerts:

1. Goods shipped on time from China

2. Shipment stalled in Hong Kong Customs

3. Shipment arrived in U.S. and cleared Customs

4. Final destination delivery confirmed

3. Maximize Business Performance with Global Trading Partners

Your trading partners around the world vary greatly in strategic importance, size, technical sophistication, and communication capabilities. These partners include suppliers, customers, carriers, Customs brokers and others. Visibility brings this all together and utilizes your existing infrastructure without the need for extensive integration projects. Better communication allows you to maximize revenue by decreasing out-of-stocks, and ensure products are available and delivered to customers in the timeframe promised. You will also eliminate many manual processes with global trading partners, which will enable you to improve operational efficiencies and respond immediately to unplanned supply chain disruptions.

Drive Significant Benefits for Your Global Supply Chain

Company Benefits	Business Partner Benefits
■ Improved customer satisfaction	■ Better on time performance
■ Reduced inventory levels	■ Improved partner relationships
■ Better supplier/provider relationships	■ Reduced lead times
■ Reduced variability lead times	■ Faster time to market
■ Faster shipment tracking	■ Better forecasts/demand signal reaction
■ Better forecast accuracy	■ Additional market opportunities
■ Optimized freight charges	■ Reduced administration
■ Free up working capital	■ Sustainability footprint

Source: Gartner Research, *Use Cases for Supply Chain Visibility,* October 2013

The Benefits Are Real

Global Pharmaceutical Company

- Saved $100+ million in working capital in the first two years of operation
- Cut total logistics costs by 5% to 8%
- Established foundation for six sigma program

Global Apparel Retailer

- Improved visibility of in-transit inventory
- Improved response time to potential out of stock situations
- Reduced ASN cycle time by up to 10 days

Global Beverage Producer

- Increased customer satisfaction with greater cycle time accuracy
- Improved carrier performance by gaining access to actual service levels
- Enhanced end-to-end order and shipment information availability for internal and external users

Amber Road – A Global Supply Chain Visibility Provider

Amber Road's (NYSE: AMBR) mission is to dramatically change the way companies conduct global trade. As a leading provider of cloud based global trade management (GTM) solutions, we automate import and export processes to enable goods to flow across international borders in the most efficient, compliant and profitable way. Our solution combines enterprise-class software, trade content sourced from government agencies and transportation providers in 145 countries, and a global supply chain network connecting our customers with their trading partners, including suppliers, freight forwarders, customs brokers and transportation carriers.

We deliver our GTM solution using a Software-as-a-Service (SaaS) model and leverage a highly flexible technology framework to quickly and efficiently meet our customers' unique requirements around the world. For more information, please visit **www.amberroad.com**, email **Solutions@AmberRoad.com** or call **201-935-8588**.

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