



Consumer Goods Companies Must Act: It is Time to Join a Consumer-Driven Network!

How consumer goods companies can digitize their supply chain to increase revenues, reduce costs, lower working capital and increase supply chain agility and transparency - at the same time

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Imagine a world where the retailer, the consumer goods companies, the distributors and the carriers all operate on the same system for the benefit of all. They share a common view of consumer demand, which enables all parties to synchronize demand and supply at every node, and respond profitably to demand, for every SKU, every store, every day, leveraging a common network backbone.

Have you ever thought that you could improve your supply chain cost, velocity, agility and transparency - at the same time? Contrary to popular belief, it is possible – but it will require that you change your view on how to operate your supply chain. The only way to increase velocity, improve customer loyalty, lower costs and increase transparency, is to change the paradigm you have been operating under for the last 20 years.

Simpler. Cheaper. Faster. Better. You can have it all if you are willing to shift to a new supply chain paradigm.

1. YOU NEED TO ADOPT A NEW SUPPLY CHAIN PARADIGM!

What is a paradigm shift? It is a “fundamental change in the basic concepts and experimental practices” of a specific discipline.¹ The long-held belief about supply chain is that companies could buy, sell and move products by relying on enterprise processes and solutions replicated over by each enterprise, and connected together by way of EDI, emails and spreadsheets. Doesn't this sound archaic, expensive and complicated?

Here is how it works today. Imagine a retailer buying products from many consumer goods companies and many distributors, and using many carriers to move the products to their stores. Millions of B2B transactions are completed via a complex fabric of point-to-point connections, each of them requiring its own setup and maintenance. Each company uses its own definitions of products and locations, with an uneven

use of global standards. Each company replicates within its four walls its own interpretation of consumer demand, and computes its own fulfillment calculations, from inventories to production to sourcing, procurement and logistics. Each company basically reinvents the wheel every single day for every single product across every single system. Data coming from the point of purchase or point of consumption (the consumer data that truly matter) get extracted from the execution systems, analyzed and interpreted – one enterprise at a time. That data gets lobbed over to the next company in the chain, and the exercise repeats itself. Have we ever thought about how insane that sounds?

Now imagine a world where the retailer, the consumer goods companies, the distributors and the carriers all operate on the same system, a system shared across all the partners for the benefit of all. In that world, everyone shares a common view of consumer demand, which enables all parties to synchronize demand and supply at every node, and respond profitably to demand, for every SKU, every store, every day. Everyone has visibility of the demand forecasts, orders and shipments on a common information backbone. Everyone shares a common definition of the metrics by which they measure their respective responsibilities. Any partner can get alerted in real time when something goes wrong, and leverage a social collaboration environment to resolve issues on the spot, with anyone else on the network.

Can you see the massive difference between these two worlds?

1. https://en.wikipedia.org/wiki/Paradigm_shift

There is a way to abandon the cost and complexity of this archaic way of managing your business, and to significantly improve your business performance at the same time.

It is common knowledge that a typical retail or consumer goods enterprise uses upwards of 20 different solutions to process the information from (a) sensing demand to (b) delivering a product. 20 different systems and processes that have to be maintained, connected and synchronized. 20 different systems with different states of maturity and fit, often surrounded by custom extensions, spreadsheets and manual activities – all leading to delays, inefficiencies and errors.

The good news is that there is a way to abandon the cost and complexity of this archaic way of managing your business... and to significantly improve your business performance at the same time – but only if we are willing to shift to a new paradigm!

2. THE NEW PARADIGM IS THE CONSUMER-DRIVEN NETWORK

That new paradigm is called the Consumer-Driven Network. The design principles of a Consumer-Driven Network are very simple:

1. Demand data has to flow in near real time from the point of purchase or point of consumption through the entire network of trading partners.
2. Each trading partner must have the ability to balance demand and supply in near real time at every node on the network.

3. Each trading partner on the network has to be able to respond to the demand signal in near real time to fulfill consumer demand at the right time, and at the lowest cost.

The only way these design principles can be implemented is by removing the constraints imposed on you by the four walls of your enterprise, and by adopting a network solution – a solution that allows all the trading partners to share common processes, common data and common metrics.

Is this utopian? Not at all. You can sign up today to a Consumer-Driven Network that will enable you to migrate your complex, manual, error prone and time consuming enterprise processes to an environment where transactions can be shared and executed amongst trading partners at greater speed and with greater efficiency.

3. WHY IS IT MORE IMPORTANT THAN EVER TO TRANSFORM YOUR SUPPLY CHAIN WITH A SENSE OF URGENCY?

Consumer goods companies are operating on borrowed time. For many years, the performance of their supply chains has not improved. The industry is still suffering from high inventory levels and poor on-shelf performance. Why is this level of performance not sustainable anymore? Here are the 3 main reasons:

1. The Hyper-Connected Consumer

As we all know by now, the consumers are expecting seamless and personalized experiences across their entire shopping journeys. They have more options than ever before, and



they will punish brands which do not delight them every step of the way. The brands are now realizing that they are not really selling a product, they are selling an experience. Every touchpoint with the consumers reinforces or damages their loyalty to the brand. The delivery cycle times have steadily decreased, and the norm for direct-to-consumer deliveries is now 2-day (if not same day) deliveries, with free shipping.

They are expecting greater levels of service delivered at greater speed, and at no cost to them. Retailers need to offer new consumer services to stay competitive (such as home deliveries or click-and-collect) and face the reality that they cannot recover their expenses. They will need to find a way to reduce expenses across their entire supply chains in order to be able to offer these services and stay in business.

2. The Amazon Effect

Amazon and Walmart are engaged in a price war, which is impacting the entire retail sector. All retailers have to find a way to reduce their cost base, while having to innovate to keep their consumers engaged. By now, retailers will not be able to catch up to Amazon's fulfillment size and cost – at least not as long as they keep playing the game by themselves. They have two choices: (a) push on the consumer goods companies to reduce the cost of the products and services, or (b) intensify the collaboration with consumer goods companies to implement innovative solutions that will reduce the cost and improve the performance of their end-to-end supply chains. Option (a) is short sighted and will yield limited gains. With every crisis comes an opportunity – and this crisis must trigger a change of behavior and move the

retailers to start looking at their supply chains as an interconnected network of relationships that need to be optimized together in order to improve their performance. You cannot fight Amazon alone. You need to turn your eco-system into a Consumer-Driven Network, and leverage that network to take your business performance to the next level.

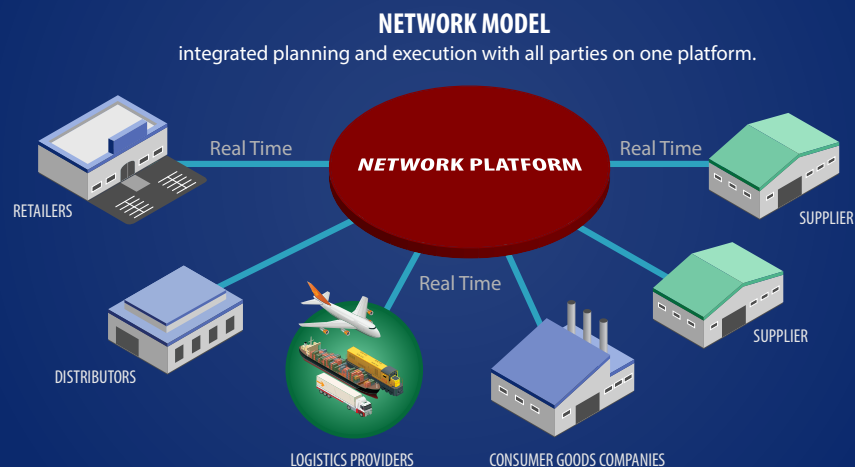
3. Impact of digitization

The good news is that digitization is now available to help retailers and consumer goods companies work together to deliver new services to their joint consumers – and do so profitably.

What is “digitization”? While you will find many definitions, the one I will use is that digitization is the use of technology to enable real time “high fidelity” information to flow seamlessly across all parties involved, and to allow them to use that information to make optimized decisions in real time.

What is very compelling is that the digitization of the consumers (their ability to consume real time high fidelity information from all their trusted sources) is what created the problem in the first place. Retailers and consumer goods companies have to realize that they need to digitize their supply chains in order to deliver on their consumers' expectations.

Digitizing your supply chain is not an option anymore. It is an imperative if you want to win – or even survive.



4. HOW CAN YOU DIGITIZE YOUR SUPPLY CHAIN TODAY?

To digitize your supply chain, you will need to propagate real time “high fidelity” information across all parties involved, and allow them to use that information to optimize their decisions in real time. You will need to eliminate all delays, frictions and gaps between your company, your customers, your suppliers, your distributors and your carriers. You will need to implement a Consumer-Driven Network that supports three absolutely critical capabilities:

1. Multi-party System of Engagement

In order to share real time “high fidelity” information seamlessly across all trading partners, you will need to implement a multi-party “system of engagement” on top of your internal systems of record. The concept of “system of engagement” was first introduced by Geoffrey Moore in 2011.²

A system of engagement interacts with your systems of record to enable real time collaboration between users within and across enterprises in order to solve problems more efficiently and effectively. Their benefits are shorter cycle times, faster trouble shooting, greater agility and higher yields. In this day and age of social interaction across networks, you cannot ignore any longer the benefits of connecting your business with your trading partners on a multi-party platform that will enable you to share common data and common metrics,

2. https://www.kodakalaris.com/~media/files/di/uploadedfiles/aimwhitepaper-systems_of_engagement_and_the_future_of_enterprise%20_it.pdf

address issues in real time, accelerate the speed of your business, and eliminate all the inefficiencies that have been created by looking at the end-to-end supply chain through the lens of a single enterprise.

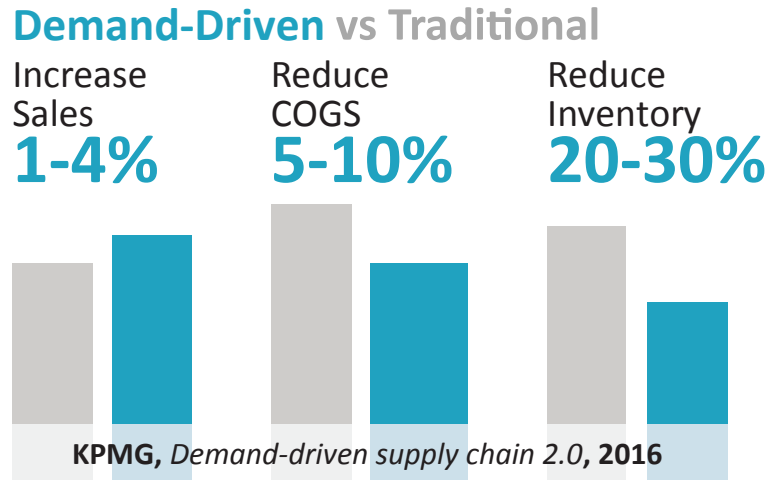
2. Single Version of the Truth

All the network participants will need to leverage a single version of the truth, starting with a single view of consumer demand. That means sharing common data and common metrics on the network, and working together to improve the overall performance of the network. Sharing common data and common metrics turns a zero-sum game into the Law of Abundance (see Brian Tracy’s seminal book on the subject).

Why? Because trading partners can work together to optimize the extended supply network, and reduce the overall cost structure needed to delight consumers, every single time. Sharing common data and common metrics on a single multi-party network creates more opportunities for all participants to reduce costs and improve margins!

3. Integrated Planning and Execution – and the Miracle of Artificial Intelligence and Machine Learning Agents

Traditionally, companies extract large data cubes from their execution systems, perform batch planning operations on the data using their planning engines, and re-inject the resulting plans back into the execution layer. The result is that the plans are built on stale data and deliver stale recommendations.



Why? Because, while this was happening, your operations kept moving forward and your execution data changed. This does not seem commonsensical, does it?

Is there a better way? Yes there is! The best way to optimize your operations is to leverage an agent technology to imbed intelligent agents right into your execution stream, and synchronize planning and execution continuously and incrementally.

Your plans will never be out of date again – guaranteed. Artificial Intelligence and Machine Learning agents imbedded into your execution stream can be tuned to optimize your business in real time in many different ways – improving the accuracy of your forecast, the allocation of scarce products across channels, the optimization of the transportation lane, you name it.

Your goal is to enable real time “high fidelity” information to flow seamlessly across your extended network of trading partners. You can achieve that goal by (1) adopting a “system of engagement” platform that will enable all participants to communicate, collaborate and coordinate in real time, (2) sharing a single version of the truth (common data and common metrics) over that system of engagement and (3) imbedding intelligent agents into your execution streams to optimize your supply chain in real time, from demand forecasting to product delivery.

Doesn’t that sound more agile than your traditional enterprise-centric view of supply chain?

5. WHAT ARE THE BENEFITS OF DIGITIZING YOUR SUPPLY CHAIN?

As stated by KPMG, “companies adopting demand-driven supply chains typically enjoy increased sales, reduced operating expenses and improved working capital.”³ KPMG quantified the benefits as a 1-4% improvement in sales, a 5-10% reduction in operating expense, and a 20-30% reduction in inventory.

KPMG also added the following benefits:

- Improved fill rates and reduced out-of-stocks drive **increased revenue and recoverable sales.**
- With greater certainty over demand, organizations can **carry less stock.**
- Better visibility of supply and demand should lead to **fewer disruptions to supplies.**
- Process automation **reduces operating expenses**, allowing buyer/planners to manage by exception.

Let’s translate these improvements into financial terms. A typical consumer goods company engaged in food manufacturing carries a COGS of 65% and a DIO (Days of Inventory Outstanding) of 60 days. For every \$1 Billion in sales, if you increase revenues by 1%, reduce COGS by 5% and shrink inventories by 20%, that consumer goods company would generate **\$47 Million of additional margins** with **\$29 Million less inventory.**

3. KPMG, Demand-driven supply chain 2.0, 2016

“To run today’s extended supply chains, companies must look outside their four walls to the new reality of multienterprise, multitier, end-to-end value chains.”

GARTNER

On top of that, we cannot ignore the impact on customer service. One of the biggest problems in the industry is the elongated delivery cycle times to the retail stores. Traditionally, the lag time between observing demand at a retail store and delivering to that retail store is 10-14 days.

Why? Because of the combination of 2 factors:

1. Planning is disconnected from execution. A typical consumer goods company runs its planning engines weekly, based on demand data that could be up to a week old.

2. Order processing and shipping takes too long. A typical consumer goods company takes a day to confirm incoming customer orders, and 3 days to ship them.

This 10-14 day lag time between observing demand at the shelf and replenishing the shelf creates all sorts of inefficiencies. Variability of demand becomes more unpredictable, and causes demand forecast accuracy to go down.

Variability of supply increases as lead times expand. As a result, retailers and consumer goods companies maintain high safety stocks to compensate for that variability, and yet face issues of poor on shelf availability.

What if you could replenish the shelf in 3-4 days between observing demand and delivering product to the store? What impact would that have on your operating costs, inventory levels on out-of-stock performance?

6. DON'T JUST TAKE OUR WORD FOR IT ...

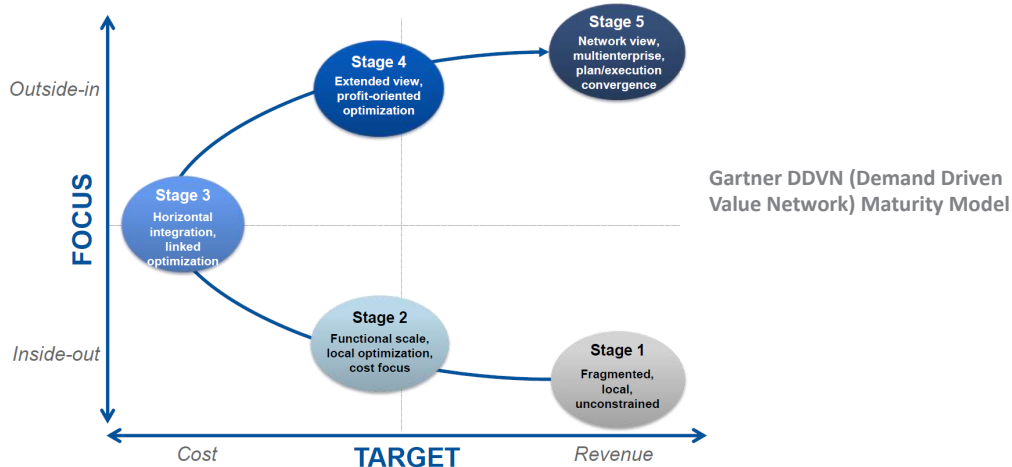
A number of supply chain analysts have already recognized the value of digitizing your supply chain and implementing Consumer-Driven Network solutions.

For example, Gartner makes the case that the best-in-class supply chains will need to adopt the following characteristics:

- Supply chains will need to become multi-enterprise – in order words they will need to be built on a network platform. In Gartner’s words, “To run today’s extended supply chains, companies must look outside their four walls to the new reality of multienterprise, multitier, end-to-end value chains”.⁴
- Supply chains will also need to integrate planning and execution and become what Gartner calls “algorithmic supply chains”. Gartner mentions that “in the digital world, the traditional planning approach will not work effectively because of a dramatic rise in events per second from the end-to-end ecosystems that potentially impact supply chains”. Gartner also states that “The planning approach when algorithmic actors are involved becomes continuous, concurrent, intelligent, self-learning and adapting, dynamic, risk-aware, event-driven, real-time and automatic”.⁵ In order words, it will become imperative to integrate intelligent agents in the execution

4. Gartner, *Supply Chain Brief: Define the Five Stages of Supply Chain Visibility Maturity*, Christian Titze and Tim Payne, October 20, 2016

5. Gartner, *Digital Business Requires Algorithmic Supply Chain Planning*, Tim Payne, September 22, 2016



layer in order to optimize operations in a continuous, intelligent and self-learning way. The days of large planning engines disconnected from the execution layer are counted!

In its DDVN (Demand-Driven Value Network) maturity model above, Gartner clearly identifies Stage 5 (the most advanced stage) as the stage at which supply chains adopt a network view, support a multienterprise model, and integrate planning and execution – the stage consumer goods companies can reach today by joining a Consumer-Driven Network.

Another example comes from Strategy&, which states the following: “The supply chain today is a series of largely discrete, siloed steps taken through marketing, product development, manufacturing, and distribution, and finally into the hands of the customer. Digitization brings down those walls, and the chain becomes a completely integrated ecosystem that is fully transparent to all the players involved — from the suppliers of raw materials, components, and parts, to the transporters of those supplies and finished goods, and finally to the customers demanding fulfillment”.⁶

Strategy& also declares that “Once built, the digital supply “network” will offer a new degree of resiliency and responsiveness enabling companies that get there first to beat the competition in the effort to provide customers with the most efficient and transparent service delivery”.⁷

Strategy& describes the characteristics of the integrated supply chain ecosystem as follows:

- Complete view of the supply chain (transparency);
- Information available to all supply chain members simultaneously (communication);
- Natural development of collaboration depth to capture intrinsic supply chain value (collaboration);
- End customer demand changes are rapidly assessed (flexibility);
- Real time response on planning and execution level across all tiers (responsiveness).

Strategy& concludes that “companies with highly digitized supply chains and operations can expect efficiency gains of 4.1 percent annually, while boosting revenue by 2.9 percent a year”.⁸

As this section titles implies, don’t just take our word for it. There is ample evidence that Consumer-Driven Networks represent the next revolution in supply chain management. The sooner you leverage a Consumer-Driven Network to digitize your supply chain, the more likely it is that you will emerge from this transformation as a market leader.

6. Strategy&, *How digitization makes the supply chain more efficient, agile, and customer-focused*, 2016

7. Ibid.

8. Ibid.

Given all the benefits of a Consumer-Driven Network, where do I start?

7. HOW CAN YOU GET STARTED?

By now, you may ask yourself the question: “Given all the benefits of a Consumer-Driven Network, where do I start”? Great question. Here is our recommendation:

1. Phase 1: Control Tower with end-to-end visibility and alerts

The simplest way to start digitizing your supply network is by implementing a “system of engagement” on top of your system of records, in the form of a Control Tower with end-to-end visibility into all the events and milestones that you want to track across your trading partner network. You can also tag all events and milestones with process SLAs and lead times in order to receive alerts when the events do not meet these SLAs and lead times.

The simple deployment steps include:

- The definition of the events and milestones across all the transactions (e.g. orders, shipments) you want to track;
- The scope of the network you want to map, including all the network participants;
- The overall process connecting all events and milestones across the network;
- The SLAs and lead times on all events and milestones;
- The configuration of the alerts (to be notified when SLAs and lead times are violated);

- The system integrations and portals required to capture all event and milestone updates;
- The chat system that will enable you to collaborate with your trading partners in real time in order to resolve issues.

Such a Control Tower will give you end-to-end monitoring, visibility and traceability, with zero latency. It will give you early warning of business disruptions, and will enable you to resolve these disruptions in real time, leveraging a built-in social collaboration tool. It will operate on a low-touch, exception basis, allowing the users to fix issues when they happen, rather than having to continuously monitor the entire system. It will enable you to track your supply network health, measure the density of alerts, assess the root causes, and prioritize what improvements you will need to implement to improve the overall performance of your extended network.

“Is my biggest performance leak coming from demand forecasting, order management, or inbound transportation? What is the impact on my overall service level and profitability?” Asking yourself these questions will enable you to pave the way for the next phase.

2. Phase 2: Optimized Execution

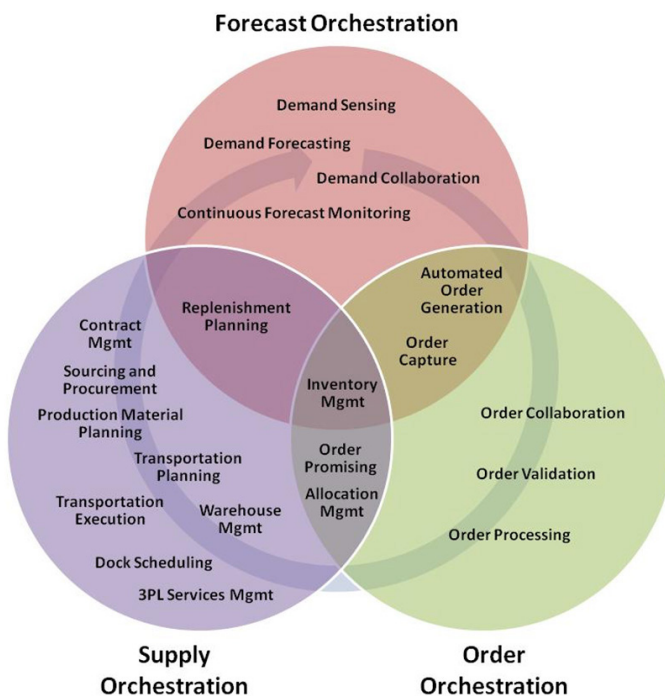
As you gain insights into the overall performance of your supply network, you can start looking at moving the execution processes from your underlying systems of record over to the network, and leverage the Optimized Execution capabilities that the network offers. We can segregate

You will be able to determine how to gradually replace your enterprise systems with the digital solutions available on the network in order to transform the process areas that have the greatest impact on your speed and cost to serve. This is all value-based – and managed at your speed of business.

Optimized Execution into three complementary orchestration components:

- Demand Orchestration
- Order Orchestration
- Supply Orchestration

All three orchestration components interact as shown below in order to optimize the end-to-end process across the entire network.



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If you have already identified specific issues that a Consumer-Driven Network could help resolve (see examples in section 9), you can deploy specific planning and execution capabilities on the network without first implementing a Control Tower. Migrating to the network's Optimized Execution capabilities will optimize the benefits you will get from the network.

Why? Because:

- You will maximize the use of the intelligent agents that optimize your operations within the execution layer, across the forecast, order and supply orchestration components.
- You will minimize the need for integration back to your enterprise systems.
- You will take full advantage of the single view of demand signal being back propagated across all the nodes in the network.
- You will be able to synchronize demand and supply through the entire network in near real time.
- You will achieve real time visibility of forecast, orders, shipments and inventories without depending on the batch nature of some of your systems of record.

As Lao Tzu wrote, “The journey of a thousand miles starts with a single step”. Similarly, the deployment of a Consumer-Driven Network should follow a simple “Think Big | Start Small | Scale Fast” strategy.

- You will optimize your velocity and minimize your variability of demand and supply, which will help you maximize service levels and on shelf availability with the minimum amount of inventory in the network.

3. Phase 3: Integrated Business Planning

Once you have started adopting the Optimized Execution capabilities of the network, you may also want to better understand the impact of your demand/supply synchronization performance on your financial results. This is where Integrated Business Planning comes in.

This solution will enable you to dollarize your demand and supply plans, and estimate what your P&L will look like at any time, over operational (hours and days), tactical (weeks) and strategic (months and years) planning horizons. Operationally, the solution alerts you when your current plans do not match your financial expectations. You can then take immediate action by altering your demand and supply plans to correct the issues, for example by adding another promotion, or by circumventing a supply disruption. Strategically, you can leverage the demand and supply data to optimize your strategic planning decisions in areas such as distribution capacity and commodity planning.

8. HOW ABOUT CHANGE MANAGEMENT?

As Lao Tzu wrote, “The journey of a thousand miles starts with a single step”. Similarly, the deployment of a Consumer-Driven Network should follow a simple “Think Big | Start Small | Scale Fast” strategy.

First, Think Big. Start by creating your Consumer-Driven Network vision. Understand what the end goal will look like and what the benefits will be when you get there, in terms of increased revenue, improved on-shelf availability, reduced landed costs, optimized inventories, better logistics performance and greater supply chain responsiveness. Fully comprehend how transformative deploying a Consumer-Driven Network will be on your business.

Second, Start Small. Deploy a limited scope pilot to solve a critical business problem (see section 9 for a list of use case examples). Understand how you will measure the success of the pilot (metrics with baseline and target). Collaborate with your supply chain partners (customers, suppliers, carriers, as the case may be) to ensure their participation in the pilot. Manage the pilot as a sprint to ensure success.

Third, Scale Fast. Expand the deployment quickly to increase the return on your investment. For example, if you were focused on on-shelf availability, you could start working on one category with one retailer, then expand to all categories for that retailer, then to other retailers.

As you can see, moving to a Consumer-Driven Network can be gradual and modular. And of course, as you invest more into the network, it will return the favor by delivering more optimized results.

9. WHICH PROBLEMS CAN YOU SOLVE BETTER WITH A CONSUMER-DRIVEN NETWORK?

Now that you have a better sense of how to adopt a Consumer-Driven Network, the final question we will discuss is: Which types of problem can I solve with it, and how can a network solution solve these problems better than my current enterprise systems?

Every facet of a consumer goods company's performance is influenced by the performance of its supply chain. All the inefficiencies in the supply chain translate to missed opportunities with channel partners and consumers. By joining a Consumer-Driven Network, you can take your business performance to the next level across a number of use cases. Here are a few examples:

Use Case (What)	Key Stakeholders (Who)	Value of a Consumer-Driven Network (Why)	Network Solution (How)
End-to-end traceability	<ul style="list-style-type: none"> - VP Supply Chain - VP Quality/Food Safety - VP Logistics 	Maintain end-to-end traceability of products throughout the entire supply network, from field to shelf	Network Visibility and Monitoring
Product labeling	<ul style="list-style-type: none"> - VP Innovation/R&D - VP Marketing 	Leverage traceability information to deliver origin information to consumers (e.g. which farm the produce came from)	Network Visibility and Monitoring
Food safety	<ul style="list-style-type: none"> - VP Supply Chain - VP Quality/Food Safety - VP Logistics 	Maintain the chain of custody across the entire supply network	Network Visibility and Monitoring
Supply chain agility	<ul style="list-style-type: none"> - VP Supply Chain - VP Customer Service 	Monitor your supply chain performance in real time, and collaborate in real time with your trading partners to resolve issues	Network Visibility and Monitoring
Supplier performance	<ul style="list-style-type: none"> - VP Supply Chain - VP Sourcing - VP Procurement 	Measure supplier performance based on agreed-upon metrics tracked on the network based on a single version of the truth	Optimized Execution
On-shelf availability	<ul style="list-style-type: none"> - VP Merchandising - VP Sales - VP Store Operations 	Improve on-shelf availability by improving short term forecast accuracy, increasing service levels between the nodes on the network, and optimizing inbound store deliveries	Optimized Execution
Cost to serve	<ul style="list-style-type: none"> - VP Supply Chain - VP Sales 	Optimize inventory and logistics costs across the entire network	Optimized Execution
Inventory optimization	<ul style="list-style-type: none"> - VP Inventory Mgmt 	Reduce inventory levels at every node on the network, while improving service levels	Optimized Execution

Use Case (What)	Key Stakeholders (Who)	Value of a Consumer-Driven Network (Why)	Network Solution (How)
Logistics operations	- VP Logistics - VP Transportation	Optimize both inbound and outbound transportation and DC operations by enabling all parties (buyer, seller, logistics provider) to transact and collaborate in real time on a network-based multi-party process	Optimized Execution
eCommerce fulfillment	- VP eCommerce	Improve forecast accuracy, accelerate order processing, improve order promising and improve logistics execution	Optimized Execution
DSD	- VP Sales - VP Supply Chain	Improve profitability of DSD programs, by increasing the accuracy and timeliness of store forecasts, replenishment orders and deliveries to the retail stores	Optimized Execution
Delivery cycle time performance	- VP Sales - VP Channels	Reduce cycle times from order capture to delivery by eliminating all the process delays and frictions between trading partners	Optimized Execution
Sales collaboration	- VP Sales	Leverage common data and common measures shared by trading partners on the network to improve collaboration between buyer and seller	Network Visibility and Monitoring
Joint business planning	- COO - VP Sales	Agree on joint metrics and business objectives, and measure performance against these objectives on the network based on a single version of the truth	Integrated Business Planning
Financial agility	- CFO	Monitor financial performance in real time, perform what if analyses to analyze the impact of demand and supply initiatives on the entire network, and execute in real time	Integrated Business Planning



You can indeed improve your supply chain cost, velocity, agility and transparency at the same time, but it will require that you change your view on how to operate your supply chain.

10. A FEW EXAMPLES

Consider the following, that by joining a Consumer-Driven Network:

- A large food manufacturer reduced its inventories and its retailers' inventories by 30%, improved on shelf availability to over 99%, and achieved case fill rates of over 99%.
- A global tobacco company achieved global visibility of orders and shipments, increased productivity with automated shipment creation from orders, and automated their landed cost calculations, over a massive number of suppliers, carriers and brokers.
- An international toy company improved their forecast accuracy by over 30%, reduced the headcount of their order operations by 75%, and optimized revenues by improving the quality of the customer orders through suggested ordering.
- A major restaurant operator increases its forecast accuracy (one week out) to 92-94% (best in the industry), and reduced their restaurant inventories by over 50%.
- A global tier 1 supplier of automotive parts reduced inventories by 31%, improved their on-time delivery performance and reduced their expedite costs.

These examples demonstrate the diversity and impact of the business results that can be achieved by adopting a network view to your supply chain. The sky is the limit ... You just need to get started.

11. CONCLUSION

You can indeed improve your supply chain cost, velocity, agility and transparency at the same time, but it will require that you change your view on how to operate your supply chain.

Instead of connecting to your many trading partners one-to-one, many times over, with all the delays, costs and frictions that it entails, you and your trading partners can join a Consumer-Driven Network with one single connection, and leverage a single version of consumer demand to synchronize demand and supply across all the nodes in the network – thereby improving the service you deliver to the end consumers, increasing your sales, reducing your operating costs and reducing the inventories across the network.

When you consider the challenges experienced by the industry today, leveraging a Consumer-Driven Network solution to improve your business performance is not a nice-to-have anymore, it is a business imperative.

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