



Optimize and Orchestrate

the Overall Consumer Goods and Retail Value Chain

One Network Control Tower, Supply Chain,
and Logistics Solution Offerings

SUMMARY OF CHALLENGES

The Retail and Consumer Goods supply chain may have thousands of locations and even more supply chain professionals and partners, delivering thousands of SKUs to millions of customers, across countries around the world. This in itself is a major challenge. Thus, organizations are adopting digital initiatives to improve competitiveness and business performance, but are faced with some serious challenges:

- Current systems cannot keep up with the 'Now' paradigm: eCommerce and real-time responsiveness and collaboration
- Consumer-driven requirements are beyond understanding point-of-sales (POS) data
- Effectively competing with ecommerce giants
- Achieving a common data set and business view across multiple enterprise systems, including ERP, SCM and SRM systems
- Sharing of executional data to coordinate operations both internally and across their many suppliers and service providers are resource intensive and hard to scale
- Lengthy and costly data harmonization and ERP projects make deployment of new processes and business models difficult or even impossible

HOW A MULTI-ENTERPRISE AND AUTONOMOUS SUPPLY CHAIN CONTROL TOWER CAN HELP

One Network Enterprises (ONE) multi-enterprise network, the Digital Supply Chain Network™, powered by the NEO Platform, has proven successful across retail, CPG, healthcare, pharmaceutical, food service, manufacturing, automotive, high tech, aerospace, logistics, and government sectors while empowering partners to better serve their customers.

Retail and Consumer Goods companies leverage the Digital Supply Chain Network™ to **rapidly achieve accurate real-time information, optimization, and collaboration** across a diverse set of trading partners and their systems to improve on delivery performance. This enables them to reduce lead times of the entire supply chain, as well as attain world-class efficiencies and resiliencies.

For example, the platform optimizes, automates and tracks execution of the entire inbound and outbound logistics lifecycle, from order to delivery, for a global, multi-modal, multi-leg network of thousands of transportation providers.

KEY OPERATIONAL BENEFITS:

- A comprehensive supply chain and logistics model that represents all parties, the network and processes, from planning through execution, delivers real-time management of all supply chain activities
- Continuous and incremental supply-demand matching across supply chain network
- The ability to identify in real-time issues impacting performance and resolve them quickly
- Advanced analytics, reporting and insight, leveraging a single version of the truth to drive improved carrier, supplier, and personnel performance
- Improved supply reliability and reduced inventory risk
- Detailed tracking of transactional and resolution history for continuous improvement
- Detailed tracking and tracing of products ensures promises and commitments are met

KEY FINANCIAL BENEFITS:

- 1-8% improvement in inbound delivery performance and outbound customer service levels
- 20-30% improvement in forecast accuracy
- 1-2% increase in retail sell-through
- Reduced DC operating costs
- 30-50% reduction in premium freight costs
- 5-25% reduction in overall annual transportation costs
- 20-30% inventory reduction
- 20-60% reduction in manual planning, scheduling, and execution management overhead

Because the network operates in near real time, it takes out all system latency and reduces lead times. This brings unprecedented resiliency, efficiencies, and shared business benefits to the entire network of retail companies, CPG companies, suppliers, and logistics service providers.

ONE's intelligent Control Tower is also available on the network. The Control Tower has been recognized as a leader in the Gartner Magic Quadrant for Multi-Enterprise Supply Chain Business Networks; and rated as the leader in Nucleus Research's Control Tower Technology Value Matrix for the eighth straight year.

“One Network has successfully allowed Albertsons’ to streamline and centralize our transportation and appointment scheduling functions. We have benefited by reducing labor costs, improving our supply chain predictability and visibility, and reducing overall transportation costs.”

– VP OF TRANSPORTATION, ALBERTSONS

The Control Tower and the Digital Supply Chain Network™ coordinate business processes across multiple parties and systems, **increasingly leveraging new technology while empowering legacy systems**, to deliver optimal results as quickly as possible. This approach ensures that the daily, weekly, and monthly work investment is focused on your organization’s most strategic and tactical objectives and is done in the most efficient way.

The Control Tower solution synchronizes and coordinates all parties and systems around a Single Version of the Truth (SVOT), eliminating blind spots, and providing a solid foundation for optimization, decision-making, collaboration and automation. It includes functionality that complements One Network’s integrated and autonomous supply chain planning and execution.

For example, the Control Tower enables customers to drive superior service and cost for both **domestic, intra-company, and international moves and supports all transport modes**: truckload, less than truckload (LTL), intermodal (e.g. ship, truck, and rail), air, parcel, and ocean. It intelligently determines the legs based on advance shipment notices (ASNs) provided by suppliers or based on Shipment Plans provided by a Freight Forwarder. If a shipment is delayed, the Control Tower predicts the effects on the following legs and impact on the customer and alerts managers.

NEO AGENTS AND THE AUTONOMOUS SUPPLY CHAIN

The traditional approach to planning limits the scope of plan creation strictly to sites owned by the Retail or Consumer Goods companies. The pitfall with this approach is the supply chain nervousness transmitted up the chain. ERP solutions in the market are not able to solve this problem because they are limited by the batching planning paradigm which causes

delays in actions and re-planning and does not minimize “bullwhip effects” entirely.

In contrast, One Network has the ability to model the end-to-end value chain (i.e. from stores to DCs all the way to n-tier suppliers). Supply chain practitioners no longer have to fight the “bullwhip effect.” One Network’s AI assistant, NEO, is continuously monitoring the network for any changes. Once changes are detected, NEO autonomously propagates applicable changes both upstream and downstream to balance the demand-supply equation.

With constant focus on demand-supply balancing across all nodes in the supply chain network, NEO is capable of running an autonomous supply chain with its decision-making algorithms. It proactively addresses pending problems, such as expediting orders to alleviate out-of-stock problems at distribution centers. Armed with an ever-growing library of autonomous algorithms, NEO has comprehensive abilities to sense, respond, and create smart solutions to supply chain planning and execution problems.

The true power of NEO is to act quickly and incrementally on the affected SKU and site, thereby dramatically reducing the response times and costs of fixing supply chain problems. NEO can autonomously execute these smart-decisions leveraging real-time SVOT. This helps customers rapidly adopt state of the art “fully autonomous and continuous optimization” technology across their whole value chain.

DEMAND SENSING AND AUTONOMOUS FORECASTING

The Digital Supply Chain Network™ utilizes Point of Sale (POS) data to create **an item and distribution center-level forecast** as often as needed. The results are then “exploded” back to

location level based on a smart pattern recognition agent that apportions forecast values based on the sales profile registered in the POS data for that location.

NEO has the **unique ability to automatically** monitor the demand signal (POS) for any anomalies, and continuously make autonomous demand and supply adjustments on an hourly or daily basis to ensure customer service levels are met.

PERPETUAL INVENTORY

Unlike most traditional planning systems, which rely on external data sources to update stock counts, NEO can **automatically keep count of stock on-hand for all current products**. This is vital for computing replenishment needs at different locations. Companies configure the presets once and the system monitors inventory levels (count increments and decrements) across millions of product-location combinations.

AUTONOMOUS STORE ORDER GENERATION

Because the NEO Platform works with the most accurate product requirements and current inventory positions (on-hand, on-order, etc.), it can accurately compute and generate store orders. This **autonomous, AI-driven Demand and Supply Management** empowers managers and operators to free up time to tackle non-supply chain related issues, such as managing the front of the store and taking care of customers.

BACKWARD PROPAGATION OF DEMAND TO UPSTREAM TIERS

The platform powers the Digital Supply Chain Network™, a real-time network incorporating the complete end-to-end supply chain. This unique foundation enables it to **effectively propagate demand from the stores all the way back to n-level vendor tier in near real-time**.

In each step of the process, the system can precisely compute net requirements based on stock on-hand, on-orders and generate accurate order forecasts (i.e. supply inbound requirements).

One Network offers distributors, vendors the ability to **view and operate on accurate long-term forecasts** so that they can plan their production and distribution plans accordingly. In traditional ERP suites, this is typically based on historical data,

which produces incorrect forecasts and creates confusion, and often results in excess inventory or shortages.

OPTIMIZED INBOUND EXECUTION (OIE)

It's a difficult challenge synchronizing the multiple tasks and organizations necessary to both generate a feasible schedule, track the physical execution, and dynamically adjust to inevitable deviations for orders that cross the enterprise boundary between Retailer and Supplier. ONE's OIE offers a templated set of network services that does just that.

This service leverages native platform capabilities and public APIs to automate the creation of a feasible set of milestones for each shipment between enterprises. Telematics enabled tracking events then monitor execution against the schedule, providing a common status to all involved parties: retailer, shipper and carrier.

The service automatically triggers re-scheduling to maximize resource utilization and eliminate idle time.

Benefits include:

1. Significantly reduced order to ship lead times
2. Higher instocks and sell through
3. Substantially reduced management time spent "firefighting"
4. Improved asset utilization (Carriers and DC operations)

MULTI-ECHELON INVENTORY OPTIMIZATION

Retail and Consumer Goods companies have a complex and completely decentralized supply chain to support their operations. Often, carrying incorrect inventory levels across this multi-echelon network causes problems such as:

1. **Inventory Shortage:** Unable to meet target service levels at retail locations (out-of-stock, fill-rate problems)
2. **Inventory Surplus:** Larger than desired days of supply (DOS) resulting in increased cost of sales
3. **Increased Waste** (percentage) because of shorter product shelf life

The underlying theme for these problems is the inability to do inventory planning across the entire supply chain. Where current ERP solutions in the market fall short, and where One Network excels, is in its ability to perform multi-echelon

inventory planning using a single version of truth. This method of aligning inventory synchronously across multiple tiers offers enormous benefits to the customer.

INDUSTRY-LEADING LOGISTICS SOLUTION

One Network's Logistics Solution empowers customers to drive the complete lifecycle of transportation processes with precision, all on a single, cloud-based platform, including:

- Logistics planning, execution and management
- Procurement and contracting
- Appointment scheduling
- Yard management
- Global trade management
- Financial and claims settlement
- Carrier services

Prescriptive workflows go even further to seamlessly incorporate warehouse, yard activities, and dock scheduling operations into the end-to-end logistics process. Processes that are frequently managed across separate systems or via manual communication can be streamlined across all parties where specific roles, activities and performance metrics can be established to optimize operations.

CHAIN OF CUSTODY

One of the most important challenges plaguing companies today is the threat of safety issues and recalls. Aided by Chain of Custody and the ONE's AI assistant NEO, the Product QA teams across partner companies (Retailers, Consumer Goods companies, distributors, suppliers, and logistics service providers) can easily track higher risk products across the supply chain. Then if a recall is necessary, they can quickly identify and extract the compromised product from the supply chain, and ensure the safety of the general public.

Companies spend considerable resources in time and money to resolve problems related to product recalls and traceability. Now, it is easier than ever to tackle this problem. Companies can perform precise "targeted" recalls to minimize disruption and customer concern, and reduce the cost and time involved in a typical recall exercise. The solution also enables the rapid resupply of recall-affected locations with appropriate product quantities to preserve revenue opportunities.

TRANSFORM AND LEAD YOUR INDUSTRY WITH ONE NETWORK

ONE helps Retail and Consumer Goods organizations with complex supply chains attain world-class eCommerce performance and remove the many burdens of the current enterprise platforms that perform poorly, are expensive, and are difficult to maintain and upgrade.

THE PATH FORWARD WITH A DUAL PLATFORM STRATEGY

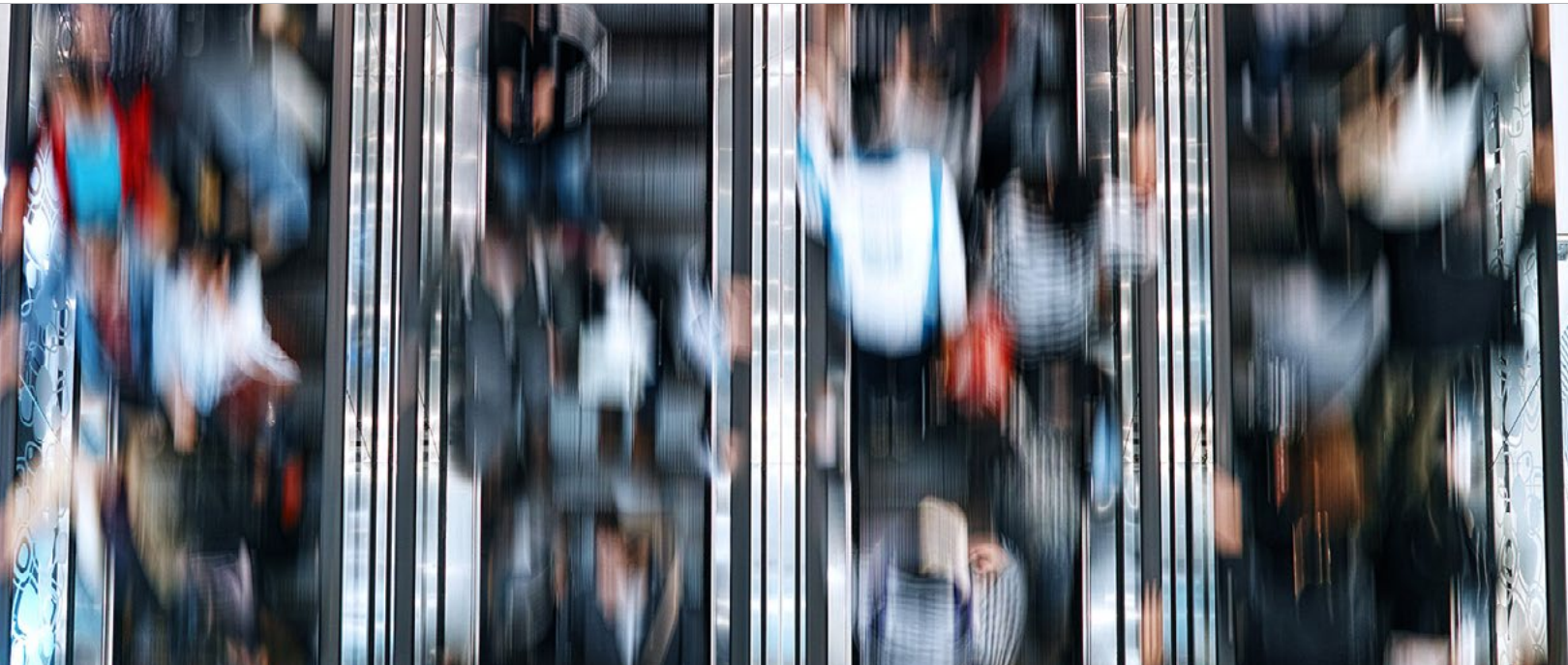
The platform provides a unique "Tunable System of Control" for business planning and execution across multiple parties and systems, leveraging new network technology while empowering legacy systems, to deliver optimal results fast. This enables your team to assign system-of-record responsibility to each state and action in the Network process — either to the NEO Platform or to a legacy application. The NEO Platform enables you to manage end-to-end processes while designated steps are processed by your legacy systems.

We call this a "dual platform strategy", where your business network platform actually becomes the primary platform for planning and operations, while the Network leverages the ERP systems for things like financial processing.

The financial-related inputs and outputs of transactions easily flow from the cloud to the financial modules of your ERP systems. Whether you are working to eliminate technology silos or collaborate more closely with suppliers, the dual platform approach ensures that your daily, weekly, and monthly effort is focused on your organization's most important execution objectives, and is done in the most efficient way. This approach solves four major problems:

- Eliminates the tremendous costs of maintaining and migrating the current legacy system landscape
- Achieves advanced business network performance across multiple enterprise-centric ERP silos
- Gain the flexibility required to take full advantage of new market opportunities and promotions
- Gain competitive advantage in today's marketplace

This strategy enables you to fully leverage legacy systems and prior investments, while dramatically advancing your capabilities and decision-making with a Network.



ABOUT ONE NETWORK ENTERPRISES

One Network is the leader in supply chain control towers and provider of the Digital Supply Chain Network™. It is the only solution that gives supply chain managers and executives end-to-end visibility and control with one data model and one truth, from raw material to last mile delivery. Powered by NEO, One Network's machine learning and intelligent agent technology, it enables seamless planning and execution, across inbound supply, outbound order fulfillment, and logistics, matching demand with available supply in real-time. Lead your industry by providing the highest service levels and product quality at the lowest possible cost. Visit: www.onenetwork.com.



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