



OVERVIEW

Consumer goods supply chains: On-time, in-full delivery management

Boost OTIF rates with a 360° view of the supply chain and proactive problem-solving

The challenge: deliver goods when customers want them and avoid hefty fines

Meeting on-time, in-full delivery targets is one of the biggest issues facing consumer packaged goods (CPG) companies today. Retailers are under pressure to reduce costs and shore up margins and they know that late deliveries and stock outs mean lost sales. To stay competitive, some large retailers are insisting that suppliers up their game when it comes to order fulfillment and on-time deliveries, imposing substantial fines for early, late, or incomplete deliveries.

The impact on CPG manufacturers' revenues and margins can be significant, but they face multiple challenges to meet OTIF targets. Production issues, late pickups, picking errors, stock outs, quality issues, and warehouse problems all negatively impact deliveries to retailers. Transportation issues such as damage in transit and early or late deliveries also add to the problem.

Our solution: identify and mitigate the root cause of delivery failures

To make sure CPG companies meet their OTIF targets, understanding and mitigating the cause of delivery failures is mission critical. Genpact's OTIF solution uses predictive analytics, root cause analysis, and real time visibility to proactively identify, address, and prevent the causes of OTIF failures before they impact customers.

It's an early warning system that identifies upstream events before they become downstream customer problems. For example, if a potential shortage is flagged five days before an order is scheduled to ship, alternative ways to fill the order can be put in place rather than learning of the cut after it's happened.

Here's how the solution works. We make an initial assessment of the upstream factors in supply chain performance such as production and fulfillment processes to identify why OTIF targets are being missed, then use this assessment to recommend an OTIF strategy and roadmap.

Next, we establish an OTIF control tower that sits on top of your existing technology framework and connects to your production, warehousing, and transport systems. This sends alerts based on inventory status, order fulfillment and expected delivery timelines so sales, order management, and transport planning teams can make proactive customer delivery decisions using predictive analytics, root cause analysis, and real time data. Upstream failures are quickly flagged and acted on before they impact OTIF targets.

Genpact's Cora SeQuence digitizes, automates, and manages workflows, coordinating multiple teams' activities through one system. This streamlines communications between the CPG company and retailers, reducing the need for emails and phone calls. It tracks orders in real time so retailers know where their orders are and when they will be delivered.

The system calculates the fastest way to ship inventory and adjusts where goods need to go to match demand. It also modifies orders based on the best sourcing location and arranges alternative carriers if needed, sends alerts to customers, and reschedules deliveries when necessary to prevent the causes of OTIF failures.

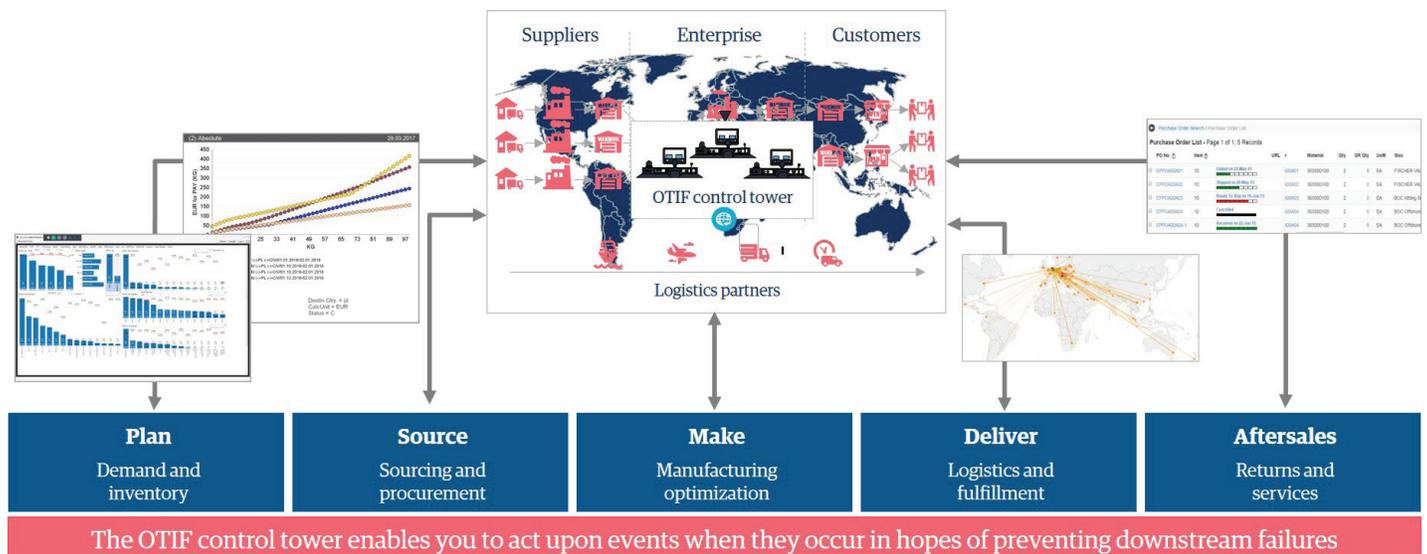


Figure 1: A holistic connected dealer and service solution

The impact: steep declines in OTIF failure fines. Big boosts to forecasting and productivity

Our OTIF solution improves our customers' forecasting, planning, and transportation usage. Fewer upstream failures means better OTIF performance.

In just 26 weeks, we helped a US food and beverage major cut its OTIF fines in half, saving \$5 million in fines by increasing visibility into the events that lead to OTIF fines.

By providing near real-time insights into supply chain performance, our OTIF strategy ensures the company is producing and delivering the right products at the right time.

Overstocking is down, the firm is responding to short orders faster, and its OTIF rate has jumped from 79% to over 85%.

Genpact Cora SeQuence has also improved resource utilization by up to 19%. Newly standardized processes mean the enterprise can quickly determine root causes of logjams and move to resolve them before they escalate. And this automation means workers are spending less time manually collating, preparing, and analyzing data.

About Genpact

Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes primarily for Global Fortune 500 companies. We think with design, dream in digital, and solve problems with data and analytics. Combining our expertise in end-to-end operations and our AI-based platform, Genpact Cora, we focus on the details - all 87,000+ of us. From New York to New Delhi and more than 25 countries in between, we connect every dot, reimagine every process, and reinvent companies' ways of working. We know that reimagining each step from start to finish creates better business outcomes. Whatever it is, we'll be there with you - accelerating digital transformation to create bold, lasting results - because [transformation happens here](#), at Genpact.com.

For additional information visit <https://www.genpact.com/procurement-supply-chain/supply-chain-management>

Get to know us at [Genpact.com](#) and on [LinkedIn](#), [Twitter](#), [YouTube](#), and [Facebook](#).

