genpact
Transformation Happens Here

Struggling to meet on-time, in-full delivery demands?

See how a consumer goods giant upped its performance and cut fines

WHO WE WORKED WITH

One of North America's largest consumer packaged goods (CPG) companies with a roster of household name food and beverage brands.

WHAT THE COMPANY NEEDED

The company had to improve on-time, in-full (OTIF) performance to avoid hefty fines from retailers if it missed order fulfillment and delivery targets. Its existing patchwork of transportation data silos just wasn't up to the task.

HOW WE HELPED

We supplied a platform that provides real-time updates and alerts on order and transportation problems that could dent OTIF performance so the client can take pre-emptive action. Plus, we changed organizational roles to give cross-functional support to its biggest accounts.

WHAT THE COMPANY GOT

Happier customers with on-time deliveries climbing from 78% to 90%, and a healthier bottom line with fines cut by over 50% within 12 months.

Adapt to the demanding reality of today's consumer goods industry

Today's shoppers expect to buy the goods they want, when they want, from the channel of their choice. Bricks-and-mortar retailers are feeling the pressure of these demands and face stiff competition from online players with more agile supply chains. To stay competitive, some large retailers are insisting that suppliers up their game when it comes to fulfillment and on-time deliveries, imposing substantial fines for early, late, or incomplete deliveries. The impact on revenue and margins can be significant.

This CPG company was missing OTIF targets because of delayed deliveries from distribution centers, too many stock-out situations, and a lack of data to track OTIF targets by customer, group of products, and network. Valuable working capital was tied up in buffer stocks and it incurred additional transportation costs to expedite shipments in attempts to meet retailers' delivery slots.

It needed a better view of its transportation system to know when and where problems were going to impact service levels.

An early heads-up on transportation issues across the supply chain

First, we took a deep dive into existing procurement, production, and fulfillment processes to identify the root causes of why the firm was missing its OTIF targets. We could then define the KPIs and events that needed to be flagged early on top of them from becoming a problem downstream.

Next up, we implemented a control tower that connects multiple data sources to the firm's transport system. This sits the firm's existing technology framework and sends alerts based on expected delivery timelines. It enables the

transport planning teams to make decisions using predictive analytics, root cause analysis, and real-time data. Problems such as late departures from pick-up locations and in-transit delays are flagged and actioned to prevent OTIF failures across the supply chain.

These are the technologies we bought into play:

- Genpact's Cora SeQuence automates 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
- Robotic process automation gathers data from the company's enterprise resource planning, warehouse management, and transportation management systems. The manual efforts in this data collection, preparation, and analysis are massively reduced, along with its dependence on planners' skills and experience
- A third-party logistics component that's compatible with all leading supply chain visibility platforms
- Intuitive order dashboards that track every step from order entry to delivery

This is a people as well as a technology solution. We trained dedicated transportation planners to become experts on how to deliver to a key retailer, analyzing service levels line by line and scheduling delivery slots and transportation. And weekly meetings between Genpact and the company identified how to improve OTIF deliveries to each retailer and the most appropriate carriers.

The client can now react to upstream events before they become downstream failures by proactively expediting inventory, moving deliveries to alternate locations, adjusting orders, and expediting shipments. All of this means that the client now fills its orders on time and in full, virtually without fail.

The client can now react to upstream events before they become downstream failures by proactively expediting inventory, moving deliveries to alternate locations, adjusting orders, and expediting shipments.

Near-perfect on-time delivery and a great customer experience

The CPG company can now align its OTIF delivery targets with retailers to avoid significant penalties. Its OTIF delivery record has improved from 78% to nearly 90% in less than 12 months, helping it avoid fines that would have exceeded $5 million. Other benefits include:

- A 20-40% productivity boost from automation
- Up to 20% improved resource utilization from productivity enhancement
- Enhanced retailer satisfaction with fewer delivery issues

Its OTIF delivery record has improved from 78% to nearly 90% in less than 12 months

The smooth transition of the transportation planning team meant that after the first quarter, service improved every week for the next 12 weeks. Now that OTIF metrics have improved, the focus between Genpact and the client has moved on from day-to-day performance to discussing projects that drive KPI improvements with retailers. Our vision is to connect the supply chain even further, implementing stock-out alerts and tracking orders end to end so that retailers know when they will be delivered.

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.

genpact
Transformation Happens Here