Ensure Customer On-Time Delivery

How to Gain Early Visibility into Delays of Outbound Customer Orders to Ensure On-time and In-full Delivery
The Challenge

It isn’t easy to be reliable and profitable while still fulfilling volatile global demand.

A crucial issue in the supply chain for manufacturers today is meeting increasingly varied and volatile demand in the global market. As their supply chains develop globally, companies are experiencing more difficulty in supporting sales, ensuring customer service, and tracking inventory.

Manufacturers are sourcing and selling across the world in established and emerging markets. They’re dealing with different product and customer segments with starkly contrasting needs. Decisions on producing and selling, communicating ETAs, and rerouting goods to meet real-time demand can only be made if quality data is available.

Factors that hinder visibility into customer orders include:
- Ever-expanding requirement to support sales globally
- Difficulty managing a diverse collection of transport options
- Inability to ensure on-time, in-full delivery to customers
- Difficulty predicting when a shipment will arrive at a customer site
- Insufficient tools to accurately track shipments, delays and associated updates to ETAs

The Root of the Problem

While there are many possible symptoms that can stifle a company’s ability to tell customers where their product is, there are a few common problems that infect most supply chains.

1. Loss of visibility and control after products have left a plant or distribution center

When a company relies extensively on external partners, operates over many modes and regions, and has several potential points of failure in the supply chain, they are set back by:
- Time-intensive manual data collection
- Too many people chasing shipments
- No clear picture of reality

2. Lack of tools for customer service

Without reliable information, lead times must be buffered as a “safety net” and management of the supply chain is largely reactive. This leads to:
- Fire-fighting in customer service
- Sub-optimal customer delivery metrics
- Inability to compete on service

Impact of Order Volatility

Global supply chains are complex and often present internal operational challenges. But when that complexity touches the customer, it becomes more than just an operational issue. Customers expect a reliable product, transparency, and excellent service throughout the purchase process.

Most companies have a hard time ensuring that customers have access to delivery data and accurate ETA information as goods move along the supply chain. Visibility into shipment and order status can greatly impact customer service.
The Solution

Companies with traditional software and EDI networks can tackle their visibility problems by extending their legacy systems into the cloud. By doing this they can give up outdated, manual processes and focus on great customer service.

Cloud platforms bring all of a company’s partners into one place and connect them to a single version of the truth — an informational replica of the physical supply chain. Manufacturers can use exception-based management, where a manager sees a list of possibly delayed orders as the goods move through the supply chain and the customer is alerted that the delivery date may be later. Everyone on the network is automatically on the same information page — and can plan accordingly.

Connect with suppliers on a cloud-based platform to gain visibility.

• Combine order, shipment, and event data from outside the four walls to provide an accurate view of outbound flows and dynamic ETAs
• Handle complex, multi-leg intercontinental flows (manufacturing plant, in-country DC, end delivery)

How to use it for customer order on-time delivery:
1. Identify “at-risk” orders and shipments
2. Evaluate transportation alternatives, expedite where needed
3. Proactively communicate on the platform with customer to ensure satisfaction

Value Propositions
The value potential of improved customer service is significant by itself, but there are also measurable benefits into inventory management, logistics and fee mitigation. Core benefits of order on-time delivery improvements include:

1. Reduce finished goods inventory levels at stocking locations worldwide
   • Count in-transit inventory as on-hand in a virtual warehouse with advanced visibility
2. Improve customer satisfaction levels and protect revenue
   • Increase on-time, in full (OTIF) shipments
   • Gain visibility and control to enable "early warning detection ability"
   • Track on-time delivery not just on-time shipment
3. Avoid customer-driven penalties, fees and fines
   • Use visibility to proactively monitor and manage trouble orders and shipments
4. Reduce administrative and FTE costs
   • Enable customer self-service portal
   • Allow expeditors to focus on deliveries that will be late to find alternatives

Order On-time Delivery Innovation and the Networked Company
To maximize the customer experience, companies must transform themselves from silo-based, inward-facing corporate operators to interconnected, highly agile business network orchestrators.

Making the Customer Happy
If the past metric of success was on-time shipping, the new metric is on-time delivery — so how do you know what’s happening after you ship?
GT Nexus provides the cloud-based collaboration platform that leaders in nearly every sector rely on to automate hundreds of supply chain processes on a global scale, across entire trade communities.