Eliminate inefficiencies in finished vehicle logistics supply chain with digital solutions

ECG Academy Alumni Meeting - 11 February 2021

Track. Audit. Analyze. Improve.

Supply Chain Efficiency

- What is supply chain efficiency? Efficiency vs. Effectiveness

- Measurements: time – cost – quality – customer satisfaction

- Real-time supply chain assessment

Supply Chain Challenges

- Lack of visibility, accountability, coordination, collaboration and business intelligence – trust

- Costs: money – time – work quality – risk – strategy

- Cost-inefficiency calculator: inefficiency cost + lost opportunity cost

How to Improve Supply Chain Efficiency?

- Increase supply chain visibility, improve information sharing, automate where it counts

- Digitalization, data analytics, automation

- Run cleaner on the cloud, use tracking to streamline operations, standardize communication

Data Communication Standards

- Developed to simplify business-to-business communication

- EDI – API in general / industry relevant VDA-ODETTE-ECG

- Ideal world – everybody using the data standards, no need for data mapping and translation, but…

- Multiple data standards should not really be any issue as long as we use technology as a translator
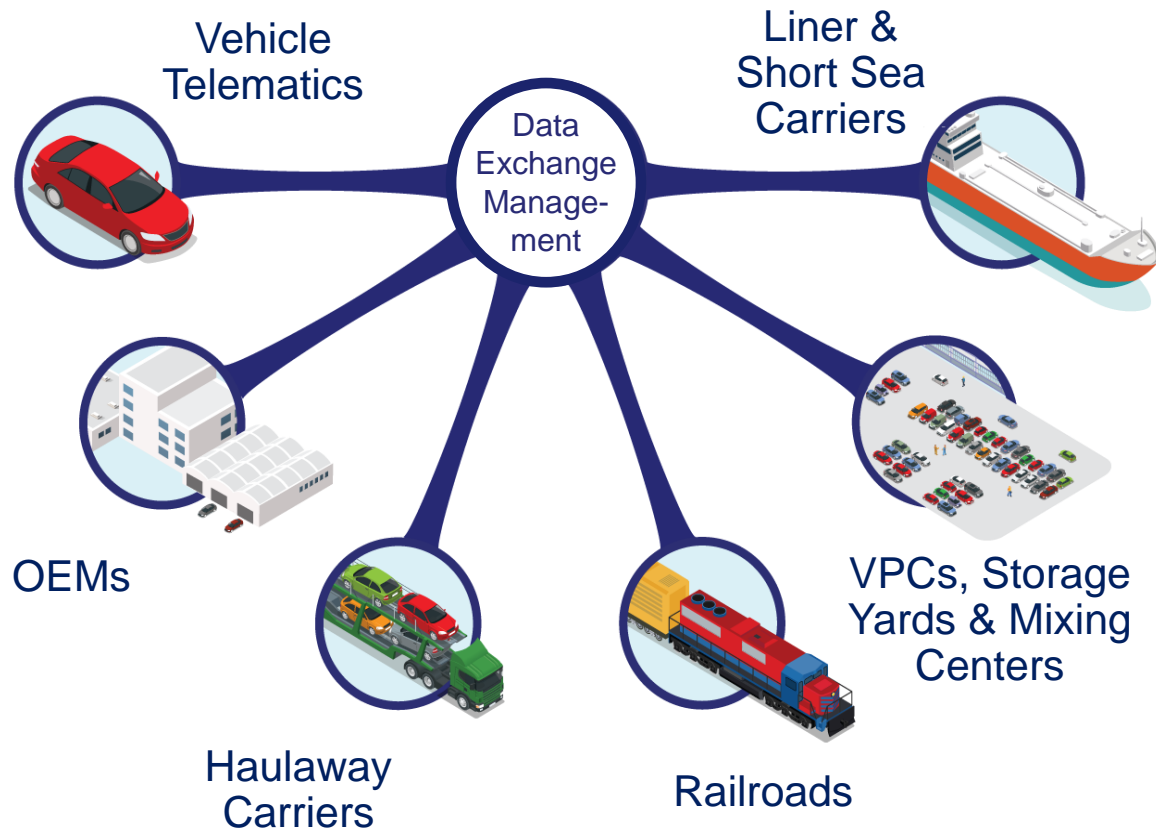
Data Integration – Data Cleansing

- Biggest challenge of standardization – the gap between old legacy technologies and new cloud-based applications

Data Integration – Data Cleansing

Manufacturer Data
Ocean Data
Yard Tracking Data
Rail Data
Truck Data

Translated, Clean Data

Solution Provider Database

- Dedicated support team should manage the systems to ensure clean and accurate information by validating data and resolving issues

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Data Communication Data Integration Hub

Vehicle Telematics

Liner & Short Sea Carriers

Data Exchange Management

OEMs

VPCs, Storage Yards & Mixing Centers

Haulaway Carriers

Railroads

A proper Solution Provider serves parties as communications hub between OEMs and LSPs, providing end-to-end visibility all in one place.

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Event Based End-to-End Visibility

- Only 6% of companies have full supply chain visibility

- Extensive data for planning and execution of logistics with real-time information – the game changer

- B2B – B2C – impact of changes in sales patterns

- Transparency from customer order to customer delivery, including physical movements as well as administration / invoicing

Freight Audit & Payment

- Much more than a simple invoice inaccuracy check

- 25-30% of freight invoices contain errors, which can lead to 3-5% overcharging in average

- Some companies report as much as 1-2% on outbound shipments and 2-4% on inbound shipments being miscalculated

- Options – In-house FAP vs. Outsourced FAP

Automated Freight Audit & Payment

- Tracking information is utilized as foundation of invoice audit

- Numerous automated audit validations are performed – VIN, shipment / work order, correct rate / service, double-payment check, etc.

- OEMs are secured to pay only for services properly performed, LSPs are secured to get paid correctly in timely manner, both parties are secured to proceed completely in line with agreed terms and conditions

Automated Freight Audit & Payment – Benefits

- Preventing overcharges, improving productivity, gaining increased visibility, achieving strong business compliance

- Better data and analytics, reduced expenses, integration, instant and insightful analysis, improved resource allocation

- Savings opportunity – manual invoices have ca. 5 to 9 €/invoice cost associated

  - up to 7-10% savings by outsourced FAP through internal process improvements, better resource allocation
  - up to another 4-8% with avoiding costly reconciliation
  - additional 15-20% through better control and visibility on freight spend, improved supplier management

Digital Solutions with Value

Increased source of revenue

Increased control and collaboration

Improved customer service and satisfaction

Improved access to real-time data

Greater innovation

Digital Logistics

Analytics to assess decision-making

Enhanced responsive-ness

Faster and more dynamic planning

Moving on from legacy systems with sometimes paper-based manual processes, holding also significant risk of human error, provides

Efficiency

Reliability

Visibility

Cost Savings

EXPERTS IN FINISHED VEHICLE LOGISTICS

Thank you very much for your attention!

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