



THE **VITAL ROLE OF** **VISIBILITY** FOR CPG SECTOR SUPPLY CHAINS

SHIPPEO

INTRODUCTION

What is Real-Time visibility?

Real-time visibility into an organization's supply chain can provide commercial customers and consumers with the answer to their most important question:

Where is my order?

Instant insight into the status of orders is critical in every supply chain but even more so in the consumer packaged goods (CPG) sector (also known as the fast-moving consumer goods (FMCG) sector). Late and partial deliveries are customers' biggest complaints. Products must be delivered at times that suit retailers: not achieving on-time-in-full (OTIF) compliance can incur penalties. Sharing the expected time of arrival (ETA) with customers is vital. To deliver full visibility, every order must be tracked in real time.

New collaborative platforms that aggregate the data using the latest technology are being used to address this growing need for instant answers. Information can be shared, in real time, with customers and other external partners to provide a competitive advantage.



Real-time transportation visibility platforms (RTTVPs) provide commercial customers and consumers with real-time insights into their orders and shipments once they have left the brand owner's, supplier's or service provider's warehouse.

Gartner.



The benefits of transportation visibility

Real-time visibility of supply chain transportation has enabled CPG companies to:

- ✓ **Decrease penalties** from retailers related to late inventory arrivals by 20-30%
- ✓ **Reduce time spent** by transport and customer service teams to treat incidents related to tracking by 80-90%
- ✓ **Combat high logistics operating costs** in warehouses by increasing worker productivity by 10-20% through better resource allocation
- ✓ **Increase the turnaround rate of manufacturing machines** with a 5-10% decrease in inefficient use of materials (and trucks), by avoiding operational blind spots
- ✓ **Decrease labor hours** wasted at delivery sites by 10-30%
- ✓ **Reduce tariffs for dwell time** in transport contracts by 50-80%
- ✓ **Lower freight tariffs** by as much as 1% through better carrier management



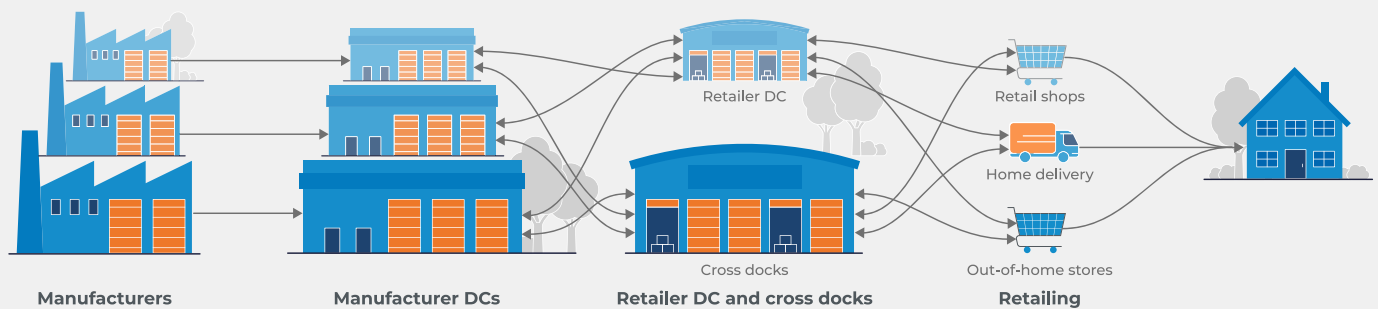
Landscape and challenges

CPG covers a wide range of consumer goods including food, beverages, clothing, household items and non-perishable packaged products. These products are sold in large quantities, at low prices, generally to the retail market, and are designed for mass consumption in a highly competitive market. Perishables that have a short shelf life including meat, dairy, vegetables and fruit have their own unique challenges. Cold chain logistics companies provide specialist temperature control solutions for the CPG industry: manufacturers, wholesalers, distributors and supermarkets. Perishable

food and beverage items must be delivered and unloaded in the shortest possible time to avoid spoilage and to satisfy consumer demand.

In response to increasing competition, globalization and evolving customer expectations, CPG supply chains have become increasingly complex and fragmented, as shown in the diagram below.

A typical distribution network in the CPG sector



Current supply chain challenges

CPG supply chains have become increasingly complex and fragmented creating many challenges:

- Tracking and organizing activities between the many active partners involved in every supply chain takes time and effort. Upstream partners (suppliers of raw materials, packaging, etc) and downstream service providers (distributors, transporters and customers) may be geographically dispersed nationally, regionally, and even globally.
- The complexity of multimodal supply chains is aggravated by ocean transport that has become highly volatile due to the COVID-19 pandemic, geo-political considerations, port congestions, etc., leading to container scarcity and unpredictable price hikes.
- Data must be shared by connecting existing disparate systems before it can be used. Systems that range from large-scale ERPs to smaller telematic and mobile-driven solutions must be harmonized.
- Companies need to fully understand and optimize their physical flows to reduce costs and risks. Better collaboration is needed between supply chain partners, both internal and external.
- The desire to reduce stock levels for retailers by cutting the time between order and delivery creates further stress on the supply chain. Optimized transport is more crucial than ever to ensure product availability on the shelf.
- Historical sales are no longer a reliable predictor of future sales. Consumer habits are ever-changing. Poor forecasting and lack of resource planning are costly, especially in the omnichannel environment.

Why is data visibility important in CPG?

Understanding what is happening at each stage in the CPG supply chain is vital for speedy and accurate decision-making. Data visibility is the key. If you can see who is buying your products you can improve forecasting. Retailers' orders will be more accurate, inventory control will be streamlined and customer satisfaction will increase.

Data visibility drives superior performance in the CPG supply chains by:

- **Optimizing existing scarce resources** e.g. drivers through better planning
- Managing the **performance of transporters** e.g. reducing freight costs using real-time data
- **Measuring the OTIF accurately** with time-stamped data thereby avoiding retailer penalties, waiting times and empty runs

- Promoting sustainability goals including **reducing CO₂ emissions**
- **Increasing agility and resilience** thanks to fewer reactionary decisions
- **Automating processes** with reliable, live data

Implementing a real-time visibility solution across supply chain transportation can unlock major benefits. It provides one true source of information provided it is real-time, accurate, and complete.



How to achieve real-time visibility

CPG manufacturers, distributors and retailers need to invest in innovative solutions to address constantly changing customer expectations. The ability to predict shipment ETAs has increasingly become a must-have, critical capability. Fortunately, the benefits of real-time transportation visibility (RTTV) solutions for supply chains are becoming more widely understood and appreciated across the CPG sector. Cloud-based RTTV solutions simplify data collection, validation and aggregation. They integrate data via API or EDI from transport management systems (TMS) using a range of tools including telematics, GPS and mobile communications. Global tracking has become simpler due to faster and more reliable connectivity.

What Shippeo can do for you

Shippeo provides accurate, real-time operational visibility and perfect workflow orchestration, to help major shippers and logistics service providers operate more collaborative, automated, sustainable, profitable and customer-centric supply chains.

- Our high-performance data and AI/ML engines, built on cutting-edge infrastructure with a team of world-class data scientists and engineers, help shippers track shipments in real-time with higher quality shipment data, providing accurate time-stamped data on departure and arrival times, in addition to other key milestones
- Our Carbon Visibility dashboard offers accurate measurement of carbon and greenhouse gas emissions across all transport modes
- Our proprietary and industry-leading machine learning algorithm offers unmatched ETA accuracy, allowing supply chain companies to quickly anticipate problems, proactively alert customers and efficiently manage exceptions.

Shippeo's multimodal Visibility Network integrates with more than 875 transport management systems (TMS), telematics and electronic logging device (ELD) systems, breaking information silos by connecting your existing systems and vendors. This

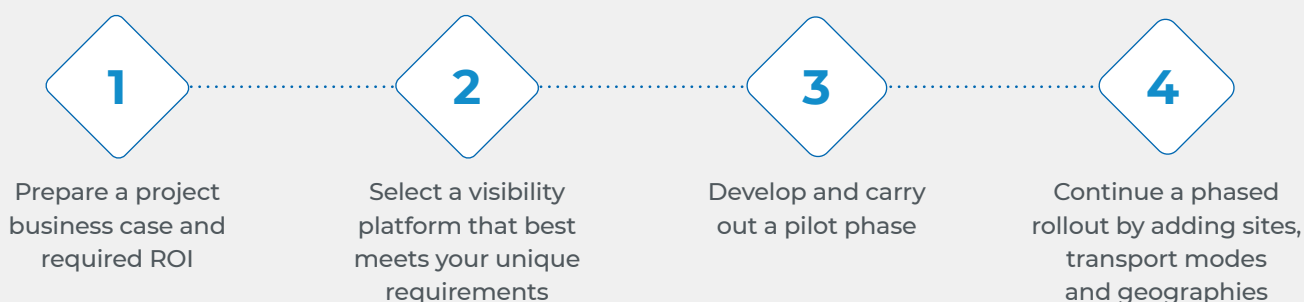
enables our platform to provide instant access to real-time shipment tracking across all transport modes, in a single portal, through an intuitive user experience.

The platform also links different levels of subcontractors via TMS and telematics connections, meaning that Shippeo can connect all 4PLs and their subcontractors, for example, to ensure more comprehensive operational visibility. We at Shippeo firmly believe that the supply chain ecosystems of the future will exist within, and rely heavily on, a 'network of networks'. However, such networks require increased integration and collaboration amongst ecosystem players, which demands trust. By adopting practices that preserve neutrality between shippers, logistics service providers and carriers, we enable fluid and functional networks and ecosystems, which ultimately delivers the best outcomes for customers. For this reason, our platform can integrate openly with other visibility platforms, and we've pledged to never offer any kind of freight-matching service for carriers.

Our teams are dedicated to helping you kickstart your visibility project. Having worked on numerous visibility projects for global customers, we're able to help you quantify the many benefits of real-time shipment visibility for your business case and assist you in demonstrating their value to stakeholders. Get in touch with one of our experts today at shippeo.com.

Embarking on a real-time supply chain visibility implementation project

There are four high-level phases to implementing any real-time supply chain visibility solution:



Summary of CPG sector benefits of full visibility

1



Avoid penalties

2



Increase productivity of supply chain teams

3



Decrease work time spent by operators

4



Optimize resource allocation in distribution centers

5



Decrease operating costs and boost profitability

6



Improve logistics operations avoid empty runs

7



Enhance service levels and reputation



CUSTOMERS/BRANDS THAT TRUST US



“Coca-Cola HBC: “We wanted to accelerate our customer centric capabilities through a major leap in supply chain visibility. After a thorough evaluation of the solutions available on the market, we concluded that Shippeo could fit well for this purpose. Shippeo's platform provides both the flexibility and capabilities to meet our specific needs. A smooth integration with SAP and our existing systems was also an important factor for the final decision as we wanted to limit manual activities to the shortest possible time frame..”

ANTONIO VENTRIGLIA
Group Logistics Director at Coca-Cola HBC



“We chose Shippeo because of the quality of their approach, their thorough understanding of our organization's unique needs and their ability to provide clear business benefits. The Shippeo platform's ability to push shipment status updates to stakeholders and customers is a game-changer, automating workflows that were largely manual before and allowing our teams to focus on core tasks, adding more value to our operations. It's also capable of deep vertical integration, fully integrating into SAP's ecosystem, useful for things like store management systems and parcel integration.”

MATTHIAS WENZEL
Head of Supply Chain Management



“After initially working with Shippeo on the ECR award, we're now thrilled to be embarking on this long-term partnership. Our partnership with Shippeo is of strategic importance to us. In addition to increasing customer satisfaction, the collaboration will enable us to achieve our ambitious environment and economic goals. Furthermore, we strongly believe that the Shippeo partnership will also have a positive impact on the whole supply chain, especially with carriers and retailers”

STEFFEN RIEDEL
Head of Logistics



About the Author

Bastian Kuhn

Strategic Account Executive at Shippeo

Bastian Kuhn is the Strategic Account Executive for the sectors of Retail and FMCG for Shippeo in the Central and Eastern European regions.

Bastian is passionate about unlocking the potential to digitalize the supply chain, with an extensive SaaS sales and consulting background in Europe and North America



GET IN TOUCH WITH ONE OF OUR EXPERTS TODAY

Hundreds of Shippians are present in cities across the globe.

Email contact@shippeo.com

KEY



Shippeo offices



Shippeo team presence



Shippeo, a global leader and European specialist in real-time transportation visibility, helps major shippers and logistics service providers leverage transportation to deliver exceptional customer service and achieve operational excellence. Their Multimodal Visibility Network connects FTL, LTL, parcel, and container transport and integrates 850+ TMS, telematics and ELD systems using a unique API. The Shippeo platform provides instant access to real-time delivery tracking, automates customer processes and offers unmatched ETA accuracy thanks to a proprietary and industry-leading algorithm developed in-house. Over 100 customers, including global brands like Coca-Cola HBC, Carrefour, Schneider Electric, Total, Faurecia, Saint-Gobain and Eckes Granini, trust Shippeo to track more than 28 million shipments per year across 75 countries.

Learn more at www.shippeo.com



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