ORACLE

INNOVATION GUIDE
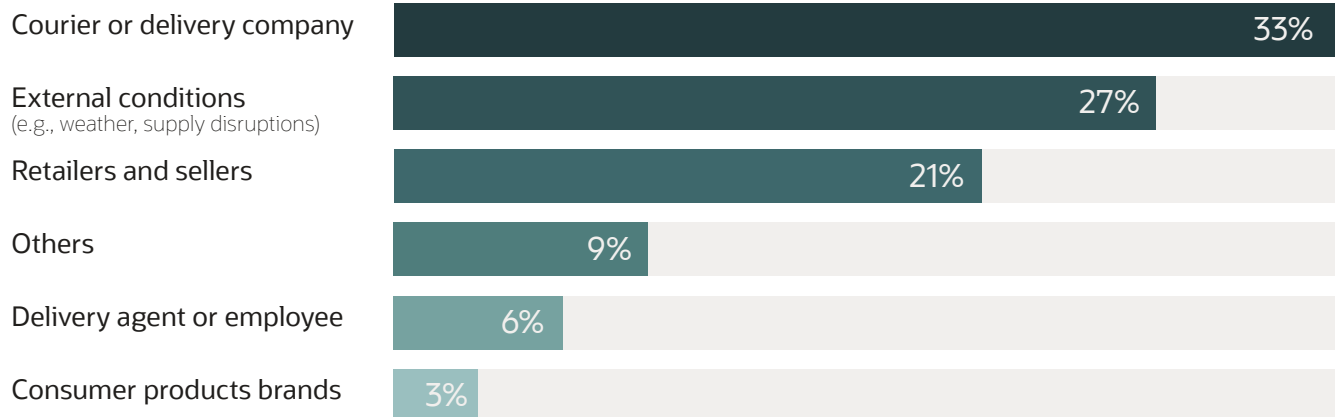
Connected Logistics

INTRODUCTION

While shopping for products and shipping goods directly to customers has gotten easier, customer expectations, combined with global disruptions and unforeseen events, have caused a strain on existing supply chain and logistics processes. In a recent survey from Deloitte, 33 percent of 3,820 respondents blame the courier or delivery company for delays, while 27% blame it on external factors such as the weather and supply disruptions.

WHO ARE CONSUMERS BLAMING FOR SHIPPING DELAYS?

Courier or delivery company	33%
External conditions (e.g., weather, supply disruptions)	27%
Retailers and sellers	21%
Others	9%
Delivery agent or employee	6%
Consumer products brands	3%

Source: 2021 Deloitte holiday retail survey

While only three percent of survey respondents blame delays on brands, 21 percent of consumers surveyed attribute delays to retailers and sellers. If the situation persists, retailers will lose out on customer loyalty. The pressure of delivering timely shipments, on-time in full (OTIF), has been placed on logistics. This adds to the pressure of delivering not just products without delays, but also delivering customer loyalty and happiness.

The risks of ignoring logistics issues

As consumers prioritize fast and on-time deliveries over brand loyalty, companies who ignore logistics and delivery issues will lose out to competitors. The risks include:

Higher operational costs – lack of real-time visibility into unforeseen events and in-transit shipments can lead to late deliveries, increased expedite costs and higher safety stock requirements.

Cost-to-serve challenges – difficulty in calculating "cost-to-serve" with lack of visibility into current transportation assets, capacity utilization, and warehouse space availability.

Lower customer satisfaction – inability to provide alerts and up-to-date information on in-transit shipments will affect product quality and service delivery levels.

Compliance violations – inaccurate and incomplete customs documentation and trade non-compliance can lead to delayed shipments at the port and high penalties.

According to a KPMG study, The connected experience in transport and logistics, while 80 percent of transport and logistics leaders say their companies are focused on improving customer experience, 85% do not know how, or have the ability to do it. This is why having a connected logistics system is becoming more crucial to organizations around the world.

Best practices for connected logistics

Connected logistics does not just mean delivering shipments on-time. It means delivering the right products to the right customers, at the right time and place, and under the right conditions. Being able to track and detect any temperature changes to make sure products maintain quality standards is key, and providing tracking notifications when there are potential delays will allow customers to plan ahead and give them a satisfying product experience (Figure 1).

THE SEVEN RIGHTS OF LOGISTICS

Right time
Right place
Right conditions
Right customers
Right quantity
Right product
Right cost

Figure 1: Connected logistics requires a complete end-to-end solution

To successfully deliver to customers, you need to have both a complete 360-view of your end-to-end logistics network, as well as the ability to perform predictive analysis to be able to act and react quickly when disruptions occur. Best practices for connected logistics include:

- **Review** existing transportation, global trade, and logistics capabilities.

- **Identify** areas within your transportation and logistics network that are vulnerable to disruptions.

- **Evaluate** areas in your logistics process where you are incurring high operational costs.

- **Harness data** for end-to-end visibility and process improvement.

- **Gather feedback** from carriers and partners on collaboration methods.

Why is connected logistics so difficult?

Managing a large and complex logistics process comes with additional challenges because:

It's immediate
On-time fulfillment requires the need for real-time updates and streamlined communication channels that enable collaboration between shippers and carriers.

It's evolving
It requires continuous process improvement, finding more efficiencies around routes, driver conditions, global trade processes, and supporting sustainability efforts.

It's complex
Faster delivery times need automated, routine processes to improve accuracy, and the ability to collaborate with shippers, carriers, warehouses, and customers.

It's costly
Building a connected logistics network requires a shift from manual, disparate, siloed systems and investing in unified, automated digital applications that offer real-time visibility, ensure compliance, and provide predictive analysis.

It's customer-centric
Even with changing customer needs and demands, shippers and carriers must maintain high service levels and provide excellent service to keep customers happy.

TO GET CONNECTED LOGISTICS RIGHT, IT'S ALSO IMPORTANT TO ASK THE FOLLOWING QUESTIONS:

- How do you deliver on-time shipments while ensuring product quality and high levels of customer service?

- How can you be confident that you're complying with trade regulations and customs requirements?

- How do you plan, track, and collaborate with carriers and partners to keep all stakeholders notified of unforeseen situations?

How Oracle can help

Oracle has built complete, best-in-class capabilities for connected logistics within Oracle Fusion Cloud Logistics and Oracle Fusion Cloud Supply Chain Management (SCM).

Organizations can respond quickly to changing demand, supply, and market conditions by connecting their supply chain to create a resilient network. Oracle Cloud SCM provides a robust and complete platform, from sourcing and supplier management, to planning and manufacturing, and finally delivering finished goods to customers.

ORACLE CLOUD LOGISTICS HELPS YOU

- ✔ Optimize shipments across transportation networks

- ✔ Unify transportation, trade, and warehouse capabilities

- ✔ Deliver in-transit and cross-border visibility and control

- ✔ Understand data and analytics for continuous process improvement

- ✔ Improve efficiencies and attain sustainability goals
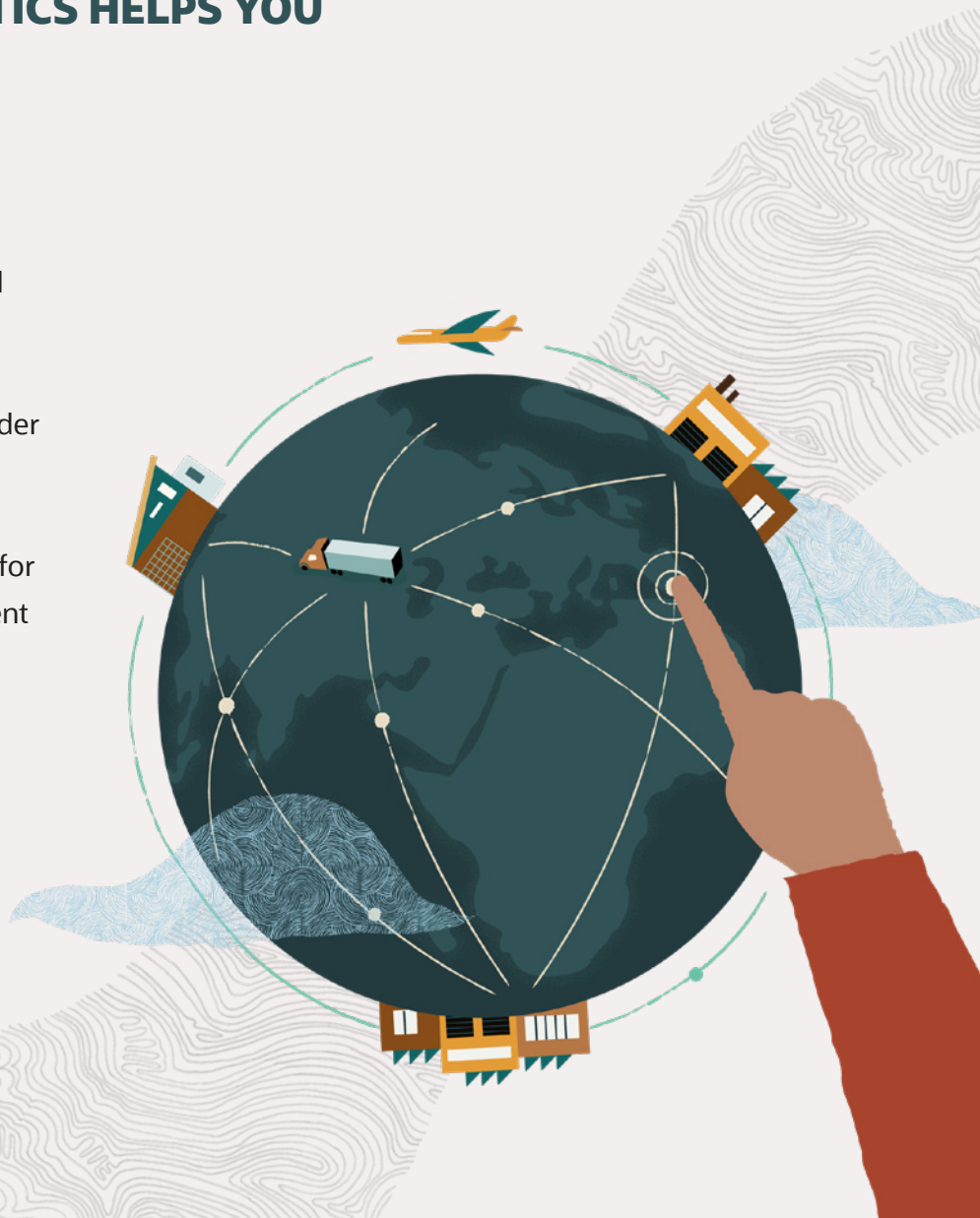
ORACLE CLOUD LOGISTICS HAS ALL THE CAPABILITIES TO HELP YOU MEET YOUR SUPPLY CHAIN AND OPERATIONS REQUIREMENTS

It's complete.
Respond quickly to changing demand, supply, and market conditions.

It's connected.
Create a resilient network and process built to outpace change.

It's intelligent.
Make decisions with confidence, optimize, and automate logistics execution.

It's best in class.
Trust your business to the recognized industry leader.

Getting started

Seamlessly manage sustainable transportation, global trade, and distribution processes to maximize perfect order fulfillment. Minimize logistics costs while adapting to business disruptions and changes in your supply chain. Oracle offers you a comprehensive, best-in-class solution that helps you manage your end-to-end logistics process, from planning to execution, while seamlessly collaborating with carriers and partners.

To learn more about Oracle's logistics solutions, visit oracle.com/logistics or contact us.

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