

HOW TO

Prepare your  
logistics network  
to adapt to  
disruptions





## Position for adaptability

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Constant disruptions that affect demand and supply, as well as labor and capacity, continue to impact logistics operations. Most transportation and warehouse systems operate in silos, leading to a lack of real-time visibility into in-transit shipments, as well as warehouse and store-shelf inventory. Existing systems are unable to model risk-based scenarios and put contingency plans in place, making it difficult for companies to be proactive and stay on top of potential issues.

To be resilient and adapt to any type of disruption, companies need speed and flexibility to quickly adjust to changing environments. It is critical to have full visibility across your logistics network, and the ability to model potential scenarios, so you can make fully informed decisions, minimizing shipment delays.

Managing an end-to-end logistics network requires collaborative orchestration. Companies that rely on fragmented logistics and distribution systems just can't keep up. Today, you need a digitally integrated logistics network to ensure resiliency to rise above any type of uncertainty.

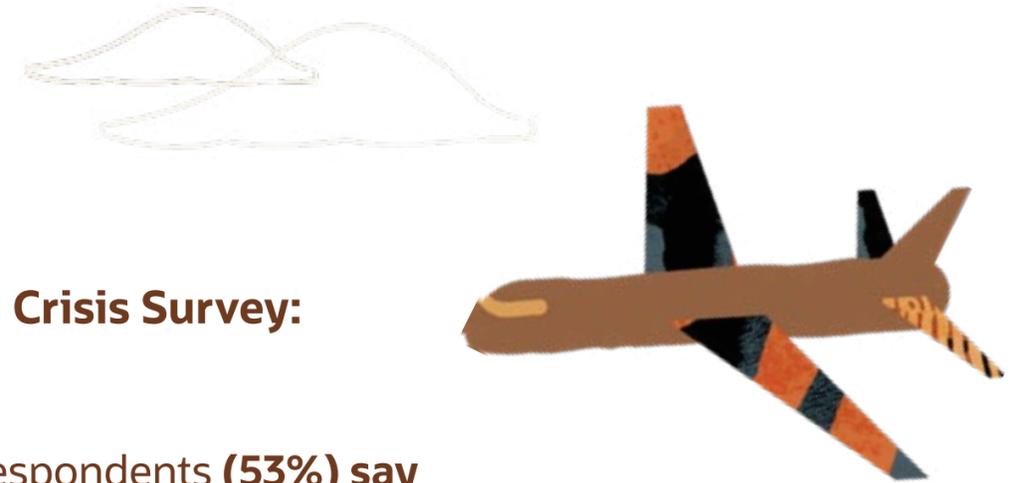
# Did you know?

According to the **PwC Global Crisis Survey**:

- More than half of survey respondents (**53%**) say **at least one of the crises they experienced was operational in nature**, including operational breakdowns, competitive disruption, supply chain issues, and various forms of product failure.<sup>1</sup>
- **A PwC follow-up survey** shows the majority of CEOs believe that COVID-19 pandemic-driven shifts toward remote collaboration (78%), automation (76%), and fewer people working from offices (61%) are here to stay. Overall, **61% say their business model will be more digital** in the future—a change accelerated by the pandemic.<sup>2</sup>
- **58% of CEOs say supply chain safety will remain a focus**, driving technology investments to enable tracking of products from production to delivery, and to ensure their suppliers and partners are resilient during crises.<sup>2</sup>

<sup>1</sup> “PwC’s Global Crisis Survey 2019,” PwC.

<sup>2</sup> “CEOs: Post-Covid changes are permanent and there are more to come,” PwC, 11 August 2020, Press release.



## Ask yourself if any of the following scenarios apply:

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- Lack of real-time visibility into in-transit shipments and inventory resulting in delayed shipments and out-of-stock situations due to unforeseen disruptions.
- Difficulty in making quick and actionable decisions because of lack of scenario planning and simulation.
- Increase in logistics costs because of high volumes of expedited shipments and safety stock.
- Difficulty in calculating “cost-to-serve” with lack of visibility into current transportation assets, capacity utilization, and warehouse space availability.
- Inability of current systems to manage all necessary transportation and distribution needs, and inability to integrate with freight and distribution partners and other business processes.

# What does success look like with an adaptive logistics network?

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## 1. Quickly adjust to disruptions

Maintain an integrated and centralized platform to manage transportation, global trade, and warehouse activities, with real-time collaboration between suppliers and partners, especially during disruptive situations.

## 2. Gain real-time visibility and control

Perform “what-if” scenarios to determine the best transportation option and have the ability to make changes immediately.

## 3. Reduce operating costs and improve customer service

Deliver exceptional service by providing accurate lead times, and identifying potential delays that can arise from route changes and unforeseen events.

## How Oracle can help you

- ✓ **Optimize shipments across transportation networks**, maximizing productivity and capacity usage, reducing transportation and expedite costs, while improving decision making by simulating transportation options.
- ✓ **Support omnichannel fulfillment** through complete inventory visibility across yard locations and distribution centers, reducing stock-outs and improving warehouse efficiency.
- ✓ **Unify transportation, trade, and warehouse capabilities** and deliver best-in-class in-transit, cross-border, and distribution visibility and control over shipments and inventory, reducing overall logistics and distribution costs while increasing customer satisfaction.

“Oracle Transportation Management’s automated transport planning algorithms yield insight into our transport and logistics planning and decision-making. It is a globally recognized solution that has the flexible functionality needed to support a global enterprise”.

— **Wendy Herrick**  
Vice President,  
Digital Supply Chain,  
Unilever United States



# What steps should you consider to better position for adaptability?

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Step 1.

**Identify gaps** and areas where your transportation networks and warehouse operations are most vulnerable whenever disruptions occur, such as carrier routes, capacity, fleet, manpower, warehouse space utilization.

Step 2.

**Review existing transportation planning capabilities** and determine whether you are able to model scenarios and determine costs based on carrier and route options, and develop contingency plans.

Step 3.

**Evaluate areas in your logistics process** where you are incurring high transportation and distribution costs, such as expedited shipments, safety stock, customs-related penalties.



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