

The New Era of Supplier Collaboration

More powerful capabilities and lower risk on a digitized supply network

SUPPLIER COLLABORATION ON DSCN





Supplier collaboration is critical to establishing both demand and supply resiliency as part of the trading partner ecosystem. Planning synchronized with execution can orchestrate supply response across most variables to deliver the highest customer service levels at the least landed cost.

One Network's NEO Platform digitally represents the full trading partner ecosystem upstream across all tiers of supply, and downstream to the end consumer. Supplier risk and related weaknesses are continuously assessed as trading conditions change both domestically and globally. Risk variables are numerous including demand and supply variability, lead times, materials, capacity, geodemographic conditions, weather, fire, pandemics, etc.

Prescriptive actions called Smart Prescriptions, are offered or programmed to operate autonomously across the network. Planners and schedulers from the demand hub collaborate in real time with their suppliers in a role-based dynamic workflow to resolve both risks and

problems related to the sourcing and delivery of products to end consumers. The key to mitigating risk and resolving problems, are sequential Smart Prescriptions that completely resolve a problem. They are displayed in a graphical workbench as part of the scenario analysis.

REDUCING RISK

Every trading relationship across the network has the potential to create risk given delays or disruptions will impact customer service levels. Reducing risk across all time horizons, from plans two years out to schedules being executed today, is core to the One Network solution.

For example, during the COVID-19 pandemic, the ONE Food Network, which moves more than 35% of the food across the United States, was able to respond immediately to the lockdown's effect on demand. It was able to slow the flow of food to the restaurants on the network, while simultaneously increasing the flow by more than 30% to food retailers, all in real time.

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REAL RESILIENCY REQUIRES A NETWORK STRATEGY

The COVID-19 pandemic exposed most companies' lack of resiliency. Until the pandemic, their echelonto-echelon planning and scheduling were "good enough," given the plans buffered for risk throughout the network using excess capacity, inventory, lead time, premium freight, expediting, and overtime. Their ERP systems weren't capable of representing multiple tiers of suppliers and their planning systems weren't designed to take action on problems or issues. The lack of visibility and actionability was basically accepted.

Now most companies have realized that based on the complexities of a broad supplier network, and the fact that their business is dependent on the resiliency of the trading partner network, a much broader supplier network strategy must be developed and deployed. Risk in general must be assessed and mitigated across all time horizons and geographies.

Advanced procurement functionality has helped, but the workflow is limited and does not comprehend the simultaneous relationship between orders, logistics, and supply. Even with this limited approach some value was generated, signaling the tremendous benefits available by optimizing and executing across demand, supply, and logistics in a synchronized fashion.

ADVANCED COLLABORATION

One Network has delivered significant value for both buyers and suppliers through advanced collaboration, which increased revenues and profits for both parties. The dynamic workflow across the network takes an integrated approach to supply chain optimization, redesigning processes together with suppliers to reduce waste and labor. The collaboration workflow with trading partners extends across forecasting, planning, inventory, and capacity to improve service levels and mitigate risks.

Prior to the emergence of supply chain network platforms, supplier collaboration itself was challenging and generated little benefit. These projects were labor intensive and took a long time to generate value, leading most companies to prioritize simpler, faster initiatives, like implementing a visibility tool for logistics. Many are now realizing, that apart from some cool graphics, the visibility was not actionable, and thus ultimately, little value was created.

BULK ONBOARDING

One Network has mastered the art of supplier and carrier onboarding. Gone are the days of "one at a time" integration and the associated difficulties of master data. With bulk onboarding, ONE has brought hundreds and even thousands of suppliers onto the network in a single week. This includes well-defined scope and plans around partner engagement, bulk registration, partner training, and integration certification.

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RAPID TIME TO VALUE

Value is realized quickly, as the suppliers have immediate access to network-level services such as sourcing, master data management, projected inventory views across time horizons, order forecasts, commits, purchase orders, advanced shipping notices (ASN), shipments, receipts, appointments, invoicing, payment, tracking, and potential chargebacks.

In particular, suppliers benefit greatly from the reduction in variability, because they receive a real time demand signal and are able to provide a real time supply signal across all time horizons. **The network naturally displays information from the perspective of the trading partner viewing the data so that it is immediately actionable without translation.** With both a distributed bill of material (BOM) and a bill of distribution (BOD), all information required to make the right decision is at their fingertips. This makes suppliers eager to onboard and participate, because they see the joint value, and are not simply bearing the burden of a cost shift to suppliers.

THE VIRTUOUS VALUE CIRCLE

One Network engages with prospective organizations to help define their value propositions based on what they want to achieve from their collaboration efforts and to realize those goals. Often, companies will accelerate their network onboarding once they understand ONE's abilities in these areas, and they enhance their targeted process designs based on driving even more value for themselves, their customers, and their suppliers. The broad value propositions create internal alignment and drive commitment by executive leadership.

TRUST

Many of a company's strategic business relationships have achieved a level of trust over the years which can now be leveraged moving forward. Suppliers are becoming more motivated to participate in this more capable collaboration. It will continue to evolve, as trading partners appreciate that they can create joint value by understanding each other's businesses and making the right decisions for both parties.

The Platform's dynamic workflow across the optimizes and extends collaboration across the network and across forecasting, planning, inventory, and capacity, to improve service levels and mitigate risks.



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CLOSER COLLABORATION

Organizational structures will evolve based on these new processes and capabilities. Crosscompany, like cross-functional engagement, has been difficult to achieve in the past. Relationships between the buyers and supplier sales teams have traditionally been strong, but wider cross-functional engagement has been difficult to achieve. Expanding workflow dynamically to optimize decisionmaking across orders, logistics, and inventory simultaneously both opens up tremendous value but also increases the need for crossfunctional coordination and cooperation.

DIGITIZING THE SUPPLY CHAIN NETWORK ENABLES BETTER COLLABORATION AND HIGHER VALUE

It provides the ability to restructure work, leveraging automated workflows based on setting KPI guardrails, and structuring a centralized function to make critical decisions in a dynamic workflow across customers and trading partners.







ABOUT ONE NETWORK

One Network is the leader in intelligent control towers for autonomous supply chain management. From inbound supply to outbound order fulfilment and logistics, this multi-tier, multiparty digital platform helps optimize and automate planning and execution across the entire Digital Supply Chain[™] network and every trading partner. Powered by NEO, One Network's machine learning and intelligent agent technology, real time predictive and prescriptive analytics enable industry-leading performance for the highest services levels and product quality at the lowest possible cost. It's the industry's only solution with a fully integrated data model from the consumer to suppliers and all logistics partners, providing a network-wide, real-time single version of the truth. Leading global organizations have joined One Network, transforming industries like Retail, Food Service, Consumer Goods, Automotive, Healthcare, Public Sector, Telecom, Defense, and Logistics. Headquartered in Dallas, One Network has offices across the Americas, Europe, and APAC. For more information visit <u>www.onenetwork.com</u>

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