

# Multinational Retailer Transforms Procurement and Logistics Processes to Lower Costs and Improve Service

## A Focus on Shoppers

This leading European multinational retailer's remarkable growth started with a single location and today spans thousands of storefronts and hundreds of thousands of employees worldwide. Measured by gross revenues, annual sales place it in the top ten retailers globally, serving millions of customers in stores and online.

## A Clear View Into Inbound Goods

This company places more than 100,000 purchase orders every year with over 800 suppliers spread across the world. Due to the large scale of these operations, it was a significant challenge to easily see and understand which goods were inbound to its distribution hubs at any given time. Inventory management and product availability are important to the corporate ethos of providing excellent service to shoppers. The existing transportation management system (TMS) lacked the sophistication to gather and organize shipment information from suppliers, and the retailer began to vet other providers for a replacement system that could handle this crucial level of collaboration. While addressing the shipment visibility issue, the company realized there was an opportunity to gain valuable visibility and additional efficiencies further upstream and downstream as well.

The supply chain team was not receiving timely and comprehensive updates from ocean carriers and freight forwarders regarding their ocean freight in transit, which averages more than 50,000 twenty-foot equivalent units

(TEUs) each year. The company's long-term plans were to reduce the cost of and reliance on freight forwarders, instead utilizing in-house logistics teams to manage inbound shipments and optimize decisions to reduce costs in many areas, including demurrage and detention fees, shipment consolidation and contract carrier rates.

By comprehensively linking the order details used in the procure-to-pay process with shipment details from suppliers and in-transit updates from carriers, the company aimed to streamline its overall procurement efforts and meaningfully reduce costs. In light of this, any new technology solution would need broad capabilities, including order and supplier collaboration, transportation planning and shipment execution capabilities on a single platform.

A centralized platform for all supplier and service provider communication would standardize processes across all the retailer's functional teams and also provide a repository for customs compliance and supplier quality documentation. This was important because these documents are necessary for fast border crossings. Finally, the retailer wanted the new system to handle shipment forecasting and reservations to secure capacity in bulk even before suppliers execute any specific booking request.

To meet their requirements, the decision was made to replace the company's legacy system — Oracle Transportation Management (OTM) — with a range of proven applications and capabilities from e2open®.

## Why e2open?

The company has relied on e2open's trade compliance applications since 2007. Based on this existing partnership, e2open participated in the selection process to replace the existing TMS and increase shipment visibility, with supplier collaboration and order management functionality on a unified platform.

One of the capabilities which made e2open the provider of choice is the breadth of its network ecosystems, which include hundreds of carriers and thousands of suppliers. E2open conducted a proof-of-concept project to measure the timeliness and completeness of ocean shipment data when received through e2open. After successfully providing accurate and timely tracking information for their shipments over several months, e2open had validated its robust capabilities, making it the retailer's ultimate pick.

## A Better Experience for Shoppers

E2open's applications proved ideal for helping the retailer save money, improve efficiency and provide the highest service levels to its customers.

### E2open Applications

Multiple applications were selected to help streamline inbound inventory management for this company with less friction:

- e2open Purchase Order Collaboration
- e2open Transportation Management
- e2open Bookings
- e2open Logistics Visibility

### One Place for Inbound Shipments

With these tightly integrated applications, this company has better control and visibility into inbound inventory. The solution captures sales order data and provides the company's logistics planners with options to optimize and consolidate shipments. This helps maximize container utilization and ensure access despite tight capacity. By enabling its internal teams to manage the booking activities, the retailer can make advanced booking reservations with its contract carriers, compare actual

freight costs to the quoted rates, execute vendor bookings and easily track inventory that is in transit. With a reliable, real-time status of goods on the move for all modes, regions and legs of a shipment, it's business leaders can make optimal decisions in any scenario.

## Transformative Improvements Ahead

The advancements from these technology investments will help the organization to serve customers better. The leadership believes the company will achieve great results and have set a goal of an estimated \$15 million of savings over three years, to accrue in the following ways:

- Improved visibility with reliable data, reducing manual work and time spent asking partners for updates
- Reduced time and resources spent managing operations and handling exceptions
- More cost-effective orchestration of the procure-to-pay process, with two-way supplier collaboration resulting in reduced product costs
- Lower costs for booking fees, detention and demurrage, freight forwarder fees and negotiated carrier rates

## About e2open

E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 400,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 12 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™ Learn More:

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