



Maximising supply chain throughput with existing infrastructure

Improve customer service
without capital outlay

the CHALLENGE



SUPPLY CHAIN AND LOGISTICS

Increasing global complexity and uncertainty is driving the need for clarity and greater use of existing investments. Supply chains face many challenges, particularly economic volatility and the need to be adaptable for potential growth or rationalisation in equal measure. Aligning this with ever-increasing costs of fuel, raw materials and labour, it is important to find a solution to improve supply chain effectiveness while keeping costs as low as possible.

From manufacturer to retailer, providing visibility of each stage in the supply chain highlights opportunities for delivering superior operational performance and customer satisfaction. The complex, multi-partner nature of long modern supply chains makes the search for the lowest cost sourcing model much more difficult.

Morphing global consumer demand patterns present a bigger challenge for logistics companies. The pressure to deliver a higher number of personalised products

that cater to every niche market increases, while rapidly shifting demand patterns require a quick and appropriate response in order to provide customers with the exact service they want, when they want it.

Macroeconomic changes come into play as more South/South, West/East trade increases, global supply chains become highly complex and thereby operational costs have a tendency to increase.

Supply chains need to be more agile, more visible and have better means of managing overall capacity. With optimised processes and movements through the network, expensive logistics assets can be better utilised to enable the supply chain to perform at its full potential. However, economic uncertainty leads to a reluctance to invest in new capital projects, and new methods of integrated logistics and financial management are needed to improve supply chains in a capital constrained environment.

our ANSWER

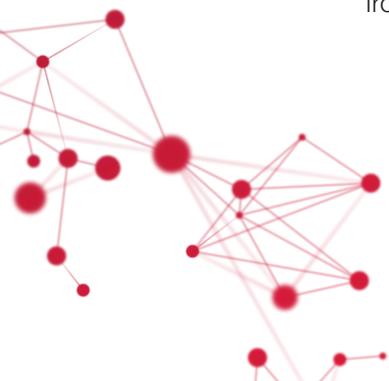


The answer lies in the provision and management of supply chain information. Accurate, timely, filtered information when delivered to the right person at the right time, and supported by proven algorithms, can deliver an optimal, future flexible network.

The key is to take a network-centric view, not try to solve point solutions individually. Dynamically balancing the network is key, from a central point to deliver flexibility.

Optimising and improving supply networks is one of our leading areas of expertise and we have been successful in the implementation of our methods. Our end-to-end, network-centric supply chain methodology is structured into six stages:

- **Discover** – First we need to know what drives a business and where it stands, so we consider its growth indicators and look at the goals for optimisation, such as cost reduction. From legislation to geography, we assess and prioritise the factors of greatest importance to the management team.

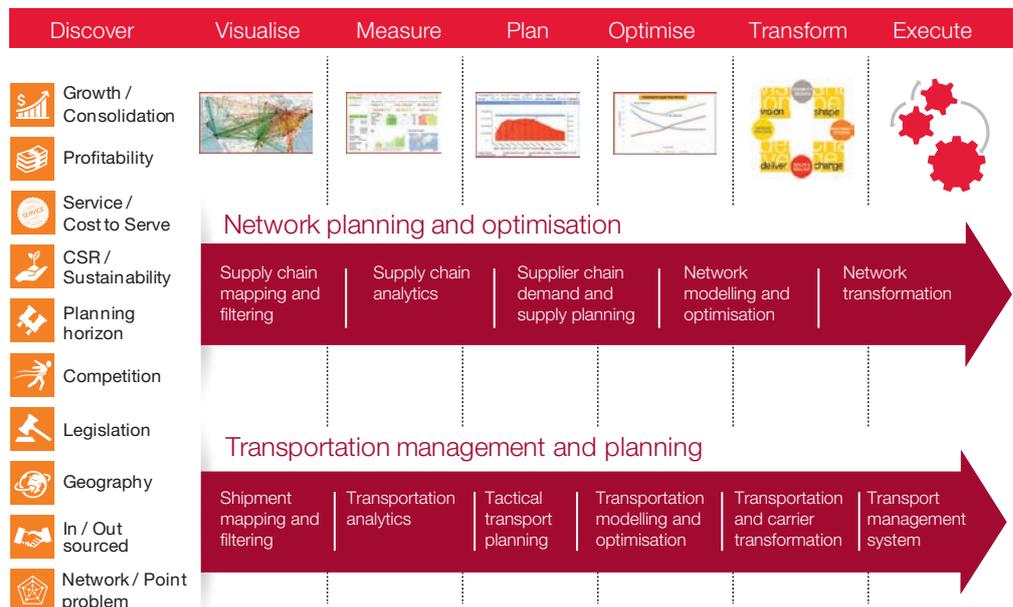


- **Visualise** – We generate a graphical view of the supply chain to facilitate understanding and clarity. Clear visualisation of the network can then be used to understand where goods are moving, identify high volume routes, pinch points and breakdown costs by route and location.
- **Measure** – We need to know how the business measures up using standard industry metrics for reliability, responsiveness, agility, cost and asset management. We can then identify areas where benefits can be delivered and assess operational performance.
- **Plan** – We look to plan the future of the supply chain operation over an appropriate planning horizon. The key here is to plan in the medium to long term but be flexible to allow for solutions to be made for any challenges that arise in the short term.
- **Optimise** – This step provides the real payoff when the optimum cost and service balance is achieved and an ideal warehouse, transport and inventory / asset deployment network has been defined.
- **Transform** – Up to this point, the process has been centred on identification and analysis but now we can transform the model into a target operating model. There will be costs to these changes that must be taken into account but these are soon offset by the resulting savings.

Did you know that CGI:

- has more than 30 years of transport and logistics experience
- is the largest service provider in the postal sector in Europe
- has over 30 years of manufacturing experience and over 1,300 dedicated manufacturing professionals
- is a service provider to over 25 retailers, including some of the world's largest retail brands.

Our approach to Supply Chain improvement



- **Network analysis** – Large, complex networks require a highly structured approach to supply chain analysis supported by suitable modelling tools. By mapping, analysing and optimising the supply chain, we can identify substantial opportunities to transform any inefficient elements, resulting in a more streamlined and efficient network.
- **Transportation management** – Transportation management optimisation is often overlooked but can deliver significant savings and increased customer service when delivered effectively. We help our clients by implementing the best in class transport solutions to enable high performing supply networks by maximising vehicle fill, with optimum routing, whilst maintaining tight financial control.

what it will **DELIVER**

Wherever our customers are in their journey to a high performance supply chain, we can identify benefit opportunities, provide appropriate measures and deliver efficiency improvements. We are committed to our one primary objective:

Helping our clients succeed.

NETWORK PLANNING

We strive to keep ahead in a constantly evolving sector and adapt accordingly, applying the best supply chain thinking to achieve optimal performance. With world class visualisation and business intelligence tools, we provide award-winning services for supply chain optimisation, typically cutting overall annual costs of supply chain operations by 10-15%.

Our network-centric approach achieves operational excellence by exploiting customers' existing network assets, maximising the capability of their infrastructure and determining how they can use their resources to the best effect.

We pay particular attention to the following business drivers:

- service delivery
- cost of service delivery
- capacity requirements
- sustainability
- qualitative factors.

Optimisation begins with an initial business review, from which we develop a new supply chain operating model and enhance it as we gather more data, before measuring, using industry standards, to determine areas of focus.

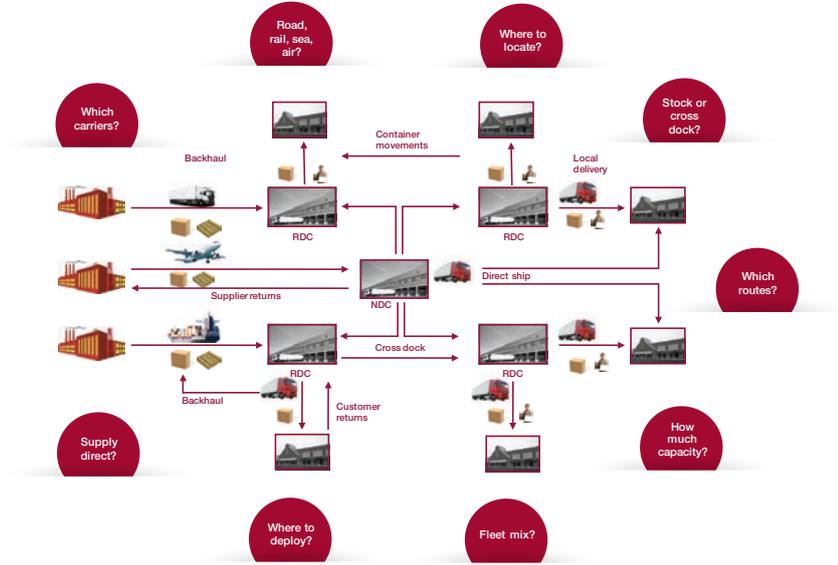
Return on investment is one of the critical factors we take into account during our evaluation and one of our priorities is to ensure that expenditure is justified by the benefits delivered. We look at the capacity to serve, as well as other key factors such as sustainability, before drawing it all together in a plan that transforms the chain for optimal performance at minimal cost.

Key benefits of network planning:

- global supply chain visibility, measurement and control
- optimum cost to deliver service
- agile, responsive and scalable supply chain
- efficient transportation networks
- customer service optimised for markets
- ideal plant and distribution centre locations
- optimum make / buy / source decisions.



A NETWORK-CENTRIC APPROACH TO HIGH PERFORMANCE SUPPLY CHAINS



TRANSPORT MANAGEMENT SYSTEMS (TMS)

The integration and streamlining of logistics planning, execution, shipping and process automation allows us to reduce the cost of transport and logistics by up to 30%.

Significant savings can be made from effective transport transformation:

- Key benefits of TMS:**
- centralised logistics visibility
 - reduced freight costs
 - lower inventory levels
 - increased customer satisfaction/service levels
 - free up working capital
 - room for continuous improvement.

Area	Advantage	Impact on Costs
Contract management	<ul style="list-style-type: none"> • Use of contractual prices • Listing of additional costs • Reduction of pricing errors 	5-10% reduction
Vehicle loading and route selection	<ul style="list-style-type: none"> • Compliance with constraints • Selection of the lowest price • Lowering of dock congestion 	5-17% reduction
Mode and carrier selection	<ul style="list-style-type: none"> • Comparison between various options • Elimination of urgent shipping • Visibility into shipping progress 	2-7% reduction
Transport operations	<ul style="list-style-type: none"> • Automation of repetitive tasks • Management by exception • Visibility into shipping progress 	1-5% reduction
Performance and monitoring improvement	<ul style="list-style-type: none"> • Establishment of internal and external performance indicators • Management based on factual elements • Reliable management control 	1-3% reduction

WHAT ARE THE BENEFITS?

We have industry leading understanding of the challenges that face supply chains and work constantly with global retailers, manufacturers and distributors to find new and innovative ways to improve every aspect of the process.

Our expertise in logistics goes hand in hand with our class leading transport management solutions, allowing us to integrate and streamline every stage of transport management, from planning and execution to freight payment, across all modes of transportation.

Using our in-house transformation and delivery skills, we produce the finest supply chain solutions, delivering customers the high performance networks they deserve. The result is lower transportation costs, improved customer service and a smooth-running, efficient service overall. Our customers benefit from optimal supply chain performance and a high rate of return from their investment in our services.

why CGI

We are a leading business and technology service company with 69,000 professionals in 40 countries. We have been working for more than 30 years alongside leading global manufacturers and distributors to fully understand today's supply chain challenges. We have strong working relationships with our extensive portfolio of partners, including SAP and Oracle that enable us to provide complete end-end solutions to meet your business requirements.

We provide the responsiveness and accountability of a true local partner while offering the global scale, talent and services needed to meet your evolving needs.

Visit www.cgi-group.co.uk/supplychain to learn how our expertise can help your business.



OUR CASE STUDIES

GLOBAL LOGISTICS PROVIDER



Challenge: 20 years of incremental investment in IT had resulted in a highly complex systems landscape that was expensive to maintain and constrained the growth of the business.

Our answer: Working closely with stakeholders we delivered the Target Operating Model that acted as a basis for assessing the impact of different business scenarios, evaluating against the IT cost model to demonstrate reduced cost and defined the procurement strategy for delivery of the system.

The solution: The Target Operating Model produced a low risk road map that provides the flexible, low cost system landscape that the client needed; delivered in short timescale to meet business critical milestones.

CITY COUNCIL



Challenge: The client had 28 warehousing locations supporting logistically intensive councils services. Requirement of radically improving logistics efficiency was therefore needed.

Our answer: CGI worked with the council to determine the network of depots that would most effectively meet the needs of services. The approach balanced costs of operation with capacity to deliver services, investment requirements, and corporate and social responsibility (CSR) objectives to identify preferred solutions.

The solution: The initial high level business case we produced enabled the city council to initiate a transformation programme which included restructuring of the depot estate to achieve an optimal balance of operating costs (circa £3m), depot remedial costs (circa £7m), investment costs, sustainability and other CSR factors.

GLOBAL RETAILER



Challenge: Due to the nature of the business, the client had very high transport costs (6-10% of total revenue). With annual turnover being in excess of €20 billion a small percentage of reduction in transport costs would amount in multi-million cost savings. As a result there was a need to invest in a transport management system that would improve filling rate, reduce transport cost and increase availability to customers.

Our answer: CGI together with Mavenwire worked on implementing an Oracle Transport Management solution for the client. CGI brought Oracle Transportation management and Oracle WebCenter delivery capabilities, project management, test management and testing of integrations.

The solution: On 01 October 2012, the client went successfully live with Oracle Transport Management considering the go-live a success and business case KPIs will be monitored until summer 2013 in order to validate business case.



T: +44 845 070 7765
E-mail: enquiry.uk@cgi.com
Website: www.cgi-group.co.uk/supplychain

cgi.com

With 69,000 professionals operating in 400 offices across 40 countries, CGI fosters local accountability for client success while bringing global delivery capabilities to clients' front doors. Founded in 1976, CGI applies a disciplined delivery approach that has achieved an industry-leading track record of on-time, on-budget projects. Our high-quality business consulting, systems integration and outsourcing services help clients leverage current investments while adopting new technology and business strategies that achieve top and bottom line results. As a demonstration of our commitment, our average client satisfaction score for the past 10 years has measured consistently higher than 9 out of 10.

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