Infosys SAP S/4HANA – On-Time Delivery Prediction

Use Case

Business Overview

Across sectors, CPG companies today face daunting strategic and operational challenges. An efficient shipments model is imperative to provide a cutting edge cost optimized logistics chain to drive growth.

With expectations of higher on-shelf availability and lower inventory costs, the pressure on delivery performance has intensified. Retailers want to maintain ‘digital’ shelves stocked as and when needed, without any delay or wait-time. Thus, they allow narrow delivery windows to the shippers. Leading players have started imposing financial penalties to suppliers for late deliveries.

“One of our CPG Clients’, who is also industry leader, had to pay 5M USD penalty for not On-Time Shipments.”

Did you Know?

80%
Of CPG Companies consider shipments as their biggest Obstacle

60%
Of Companies fail to meet the Delivery Target Window

83%
Of Supply Chain Leaders rank logistics as their top concern

Current Scenario

Despite the Industry Demand, there is a glaring gap in any solution providing Predictive OTD

Lack of Prediction Solution at Market Place

By the time Logistics Managers come to know of an upcoming delay, its too late to react

No Reaction Time

In Traditional supply chains there is no scope to re-orient supply chain assets to cater to customer's need in real time or near real time.

No flexibility in Current Model

Reasons for Late Deliveries

1 - Supplier Caused Delay
- Lack of Goods in Inventory to be delivered
- Congestion at point of loading

2 - Carrier Caused Delay
- Traffic
- Bad Weather
- Shortage of space in Container
- Lack of proper coordination of Freights

3 - Receiving Stage Delay
- Congestion at the point of unloading goods
- Lack of Coordination between Customer central team and Warehouse Management Team

Infosys Solution

Leverages Digital technologies to optimize supply chain

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This Solution Predicts possibility of late/early vs On-time delivery at time of shipment creation

Real Time root cause Analysis: Based on real time data, identify possibilities of delay and their Cause

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Accelerated and Proactive Decisions/Actions

Solution Components

Data Collection

- Order Data
- Deliveries
- Transport Management System
- Historical Data from Data Warehouse

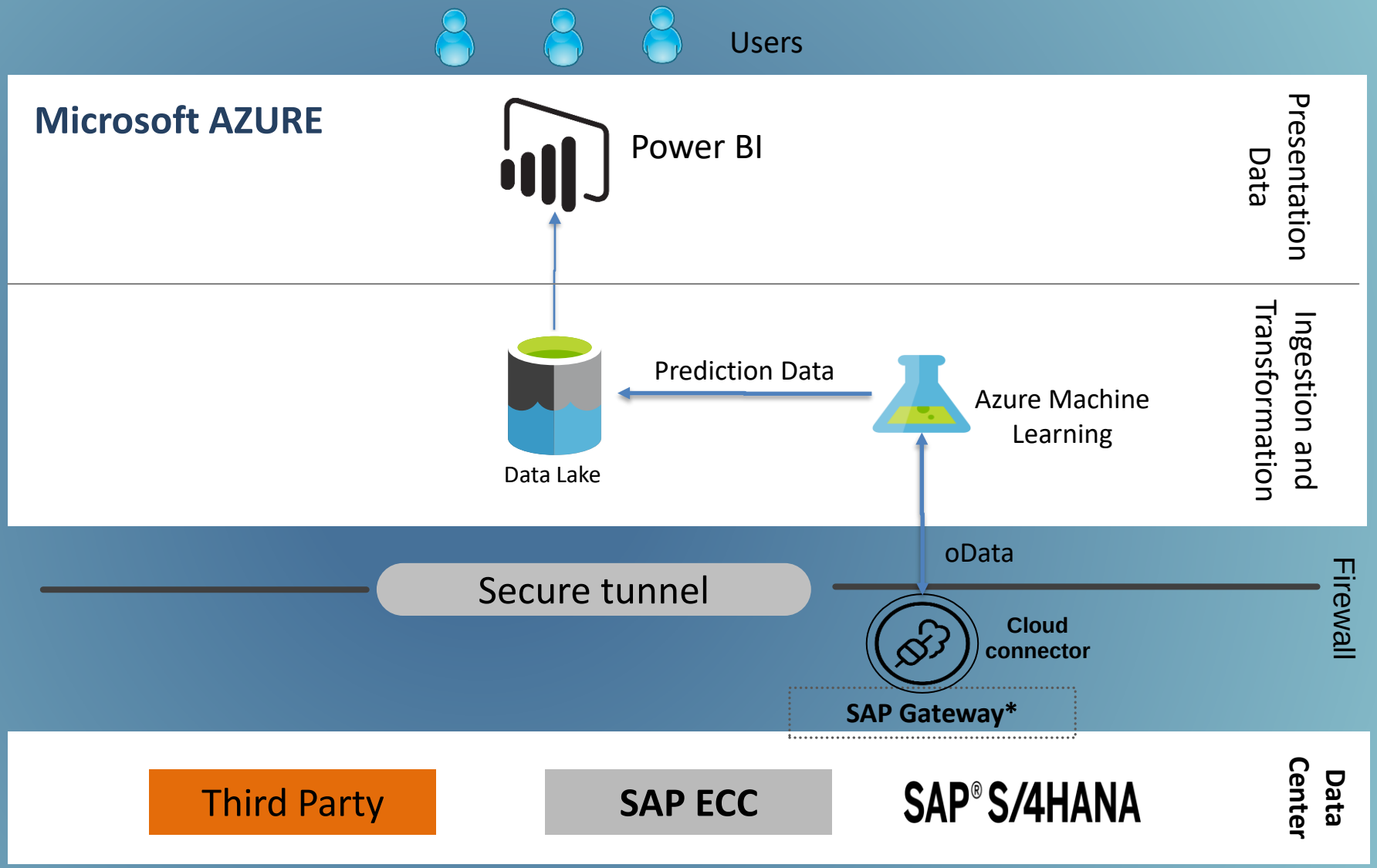
Components

- SAP S/4 HANA
- SAP ECC
- Azure ML
- Power BI

Visualization (Power BI)

- Actuals Reporting
- Prediction Reporting
- OTD Recommendations
- Key Insights of OTD

Azure Architecture



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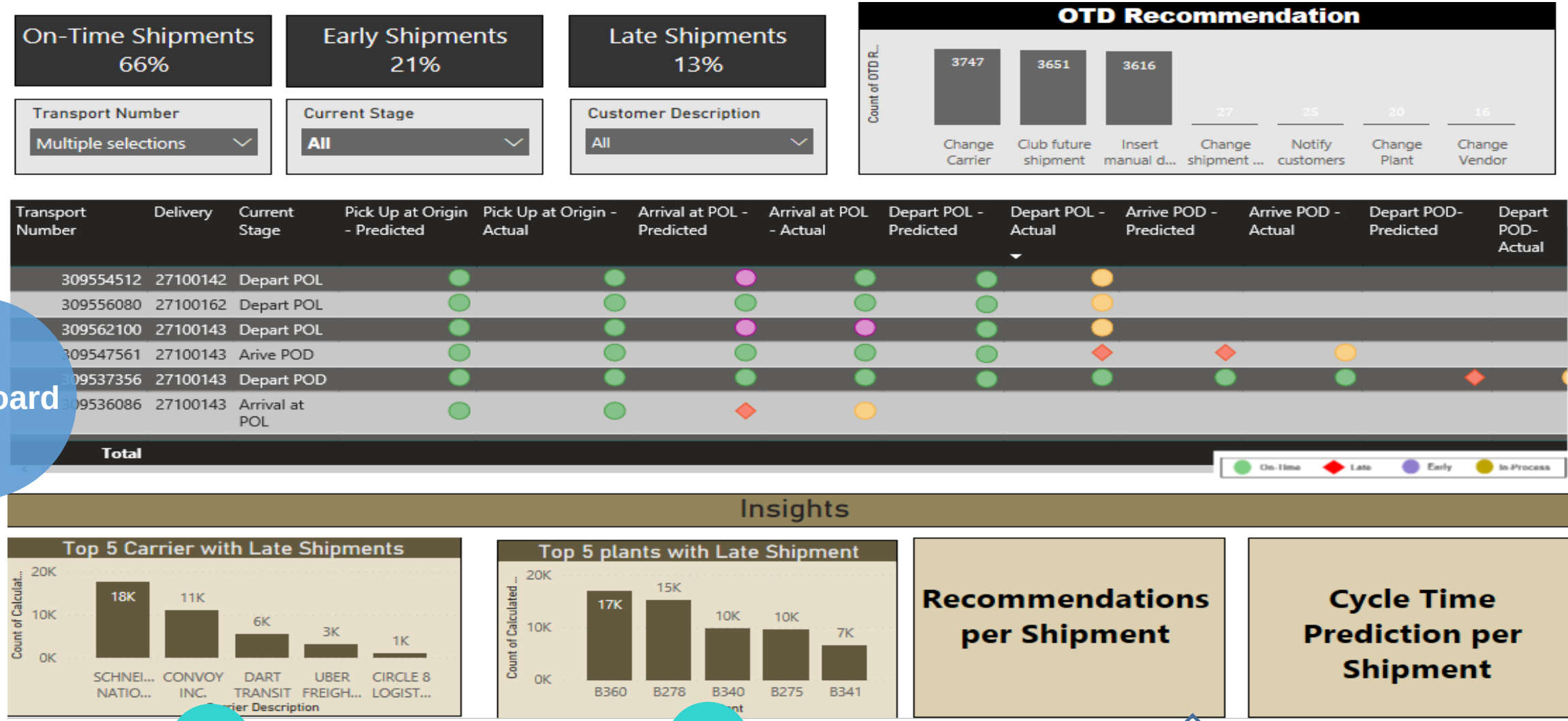
Dashboard



On Time Vs Late/Early Shipment Count

Recommendations for On-Time Deliveries .

Insights – Top five Carrier and plant with Late Shipment

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Sentience

Transport Number: All

Delivery: All

OTD Prediction

Transport Number	Delivery	Carrier Description	Plant	Vendor-M	Transport Type	Shipment Type	first_predictio n_status	OTD Recommend
309539490	27034803	CARRIER-007890	U018	15322444	US53	ZTMF	Late	Change Plant
309547561	27100091	CARRIER-002338	US10	23232506	US53	ZTMF	Late	Change Carrier
309556080	27100143	CARRIER-00700	UL01	10014027	US53	ZTMF	Late	Change Plant
309556080	27100143	CARRIER-00788	U8900	15270964	US53	ZTMF	Late	Change Carrier
309556080	27100143	CARRIER-00788	U8900	15270964	US53	ZTMF	Late	Notify customers
309556080	27100143	CARRIER-00788	UL00	15270964	US53	ZTMF	Late	Notify customers

Recommendations

Transport Number	Delivery	Plant	Carrier Description	Transport Type	Shipment Type
309539490	27034803	U100	CARRIER-007890	US53	ZTMF
309547561	27100091	US10	CARRIER-002100	US53	ZTMF
309551841	27089366	JK09	CARRIER-009090	US89	ZTMF
309556080	27100143	U8900	CARRIER-00100	US53	ZTMF
309556080	27100143	UM10	CARRIER-00700	US53	ZTMF
309556080	27100143	U8900	CARRIER-00788	US53	ZTMF

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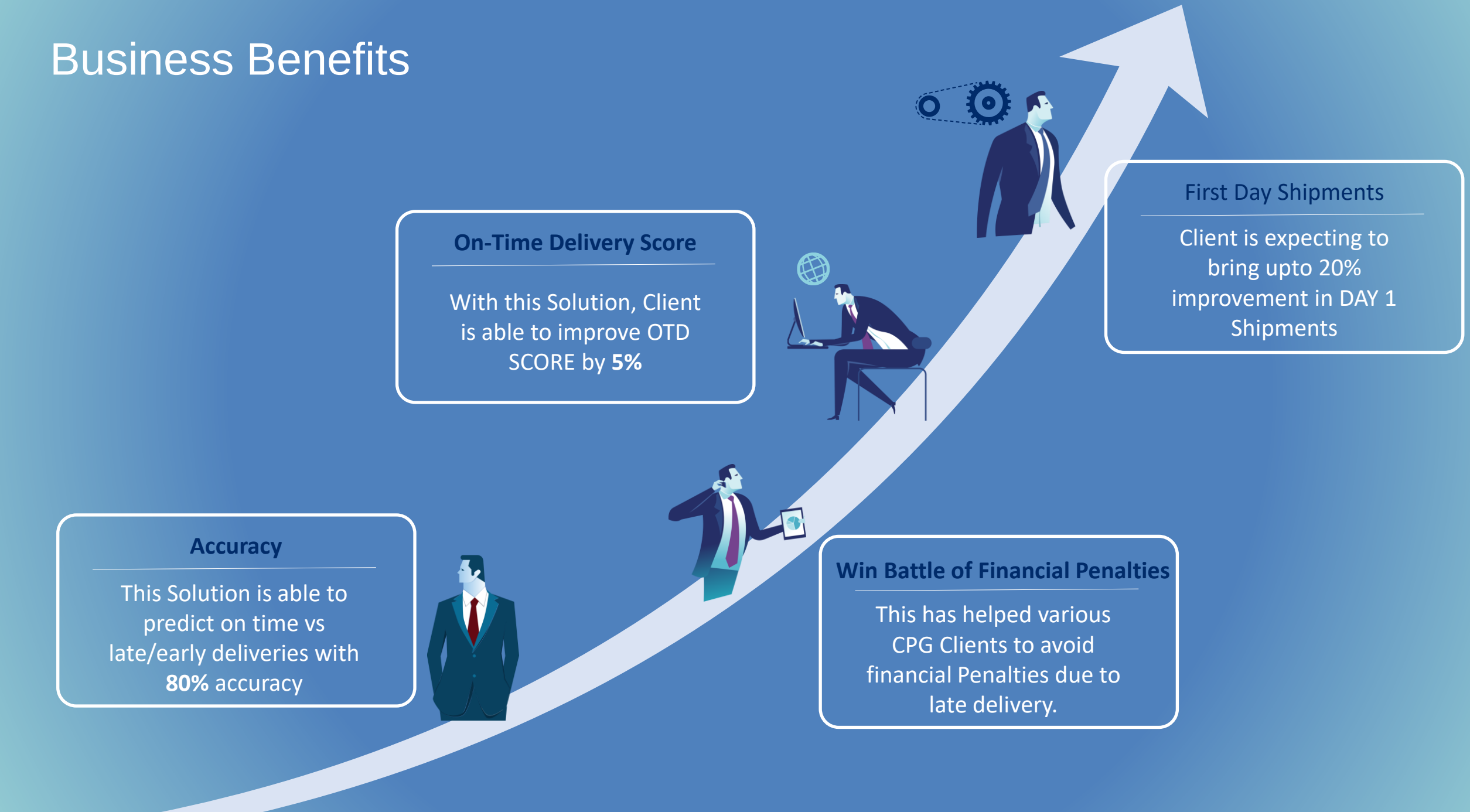
Business Benefits



Accuracy

This Solution is able to predict on time vs late/early deliveries with **80%** accuracy

On-Time Delivery Score

With this Solution, Client is able to improve OTD SCORE by **5%**

Win Battle of Financial Penalties

This has helped various CPG Clients to avoid financial Penalties due to late delivery.

First Day Shipments

Client is expecting to bring upto 20% improvement in DAY 1 Shipments

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THANK YOU

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