

Capgemini BPO Supply Chain Management

Striving for excellence



Cost cutting is the key objective of many supply chain organizations. This is no surprise, as it remains one of the fundamental requests made by companies supported by supply chain functions. In order to derive improvements to working capital, propagate innovation and lower operating costs, BPO enters the frame.

Challenges facing supply chain professionals

Supply chain professionals are faced with the main task of reducing costs. This issue is compounded by the fact that they must also tackle the classical business challenges:

- Continuous service and financial pressures;
- Cost volatility;
- Increasingly complex operating environments;
- Capacity volatility.

The responsibility to orchestrate new modes of operation while keeping best-in-class performance also lies with the supply chain professional. To succeed, the right people with the right level of skills and the right talent are needed, which in many cases represents the subsequent challenge. Is there a way that SCM leaders can resolve these challenges, continue to shave costs from the supply chain year after year, while contributing to more strategic goals? Goals such as growing the business, new product innovation and enhanced profitability, conducted in tandem with continuing to cut the costs of their own organization. The answer is no. Supply chain organizations can continue to deliver working capital improvement, bring innovation to the company, while decreasing operating costs by exploring new methods, such as Business Process Outsourcing (BPO).

People matter, results count.

Our Supply Chain Management offering

We are a leading innovator within the Supply Chain Management domain. More than 8,500 Capgemini SCM experts are dedicated to driving transformation projects for our clients; we design, build and operate SCM solutions within our application services operation and propagate innovative concepts like the Demand Driven Supply Chain within CPRD. Our proprietary Global Enterprise Model (GEM) covers best practice processes, controls, technology blueprints and benchmarks, to ensure a best-of-breed setup and the rapid, seamless establishment of our clients' BPO operations.

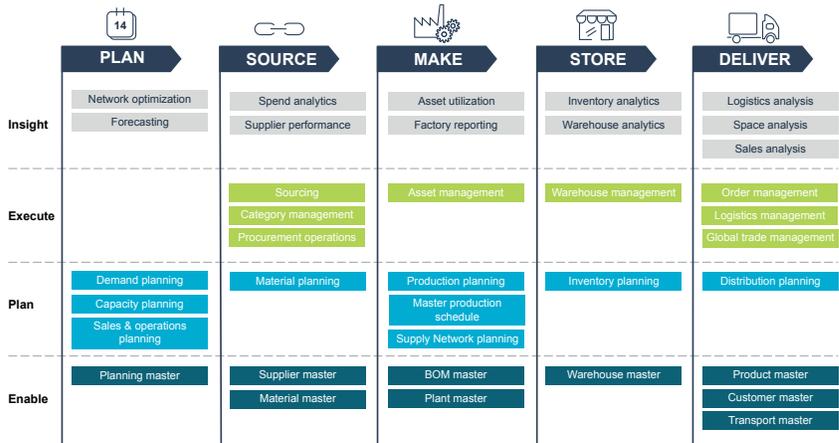
We offer a wide range of BPO Supply Chain Management services to help firms make significant improvements to their supply chain operations in the context of today's highly competitive business environment.



Our Supply Chain BPO operation can be broken down into four major building blocks:

- Supply Chain Master Data Management (MDM);
- Supply Chain Planning;
- Supply Chain Execution; and
- Supply Chain Insights to identify optimization and innovation potential.

Our offering is enabled by our Global Enterprise Model to ensure you have the right people with the right skills, delivering the right services from the right location.



Supply chain MDM – BPO

Improved master data management does not guarantee positive change within the supply chain, yet it is unlikely to be possible without it. The fastest way of getting a grip of the data and using it to drive instantaneous performance change is to achieve process excellence around master data. To do this we need to use ready-made technology, tools and platforms using a shared service model. That means BPO.

Supply chain planning and optimization

Embarking on the long-term path to transformation, optimization and advanced planning provides large organizations with a classic “quick win” scenario. It can be offered as a managed service to resolve pressing issues not just in strategic areas like supply chain design, but also in more tactical segments like daily optimization of routes and modes. Our Supply Chain Planning and Optimization offering can, potentially, make a tangible difference in a wide range of areas, including:

- Optimizing the entire supply chain network – this consists of manufacturing locations and distribution centers;
- Determining the optimum locations for these manufacturing and distribution centers;
- Enhancing routes and modes within the logistics network;
- Heightening inventory levels across the different nodes within the supply chain.

Supply chain execution: Order and Logistics Management

Our offering covers the end-to-end process, including Order and Logistics Management.

Order Management:

Order Management requires collaboration with an extensive number of processes and stakeholders, external as well as internal. Our offering covers:

- Order processing;
- Order validation (e.g. credit management, product specification, customer discounts and shipment rules);
- Order fulfillment (returns management, dispute resolution, complaints handling and customer satisfaction reports);
- Financial reporting including ROI and margin calculation.

Logistics Management:

Logistics Management consists of coordination and shared services support for optimized and independent road, rail, ocean and airfreight management. Efficient Logistics Management comprises four basic stages, all of which are founded upon accurate data and supported by analytics and reporting:

- Master Data Management: transport vendors to routes, modes and dispatching locations to enable accurate planning and execution;
- Sourcing: logistics spend analysis, identifying opportunities to reduce logistics costs, quotes and tenders management, and freight contract management;
- Planning: determining the best routes and modes, identifying preferred logistics partners; includes load building and route/mode optimization for individual freight movements;



Capgemini's excellent reputation and proven track record of maximizing efficiency in business processes, along with its global delivery model, were major factors in our decision to select it as our partner and future employer of our logistics experts."

Johannes Giloth,
Global Head of Supply Chain,
Nokia Solutions and Networks

- Processing: concerned with managing payments, reconciling orders and proof of delivery, and auditing performance; also covers compliance documentation and managing claims as they arise.

Supply Chain Insights

Supply Chain Insights is leveraged in order to help enhance operational efficiencies and effectiveness by using data-driven decisions at strategic, operational and tactical levels. It encompasses reporting on the entire BPO delivery as well as analytics covering the complete value chain, starting from sourcing, manufacturing and distribution through to logistics.

The key deliverables cover:

- Devising inventory norms for all nodes within the supply chain;
- Conducting root cause analysis for excess inventory or stock-outs at the nodes;
- Optimizing freight utilization by improving loading levels and routing;
- Forecasting demand at product category and SKU level along with risk cover;
- Evaluation of service levels with current and revised forecasts;
- Network reconfiguration through design of all feasible network scenarios, evaluation of transition costs, and risks and returns linkage;
- Provision of optimum customer scenario based on critical success parameters.

What are the benefits attained by our clients?

We have a proven track record in managing complex logistical challenges. By providing end-to-end process support services that address each step of the supply chain, we help our customers reduce costs, improve service levels, cut waste, lower their carbon footprint and increase accuracy and agility.

Typical customer outcomes:

- Forecast accuracy improved by 10%;
- Order lead time (responsiveness) enhanced by 12%;
- Identified savings via throughput and asset replenishment analysis;
- Identification of savings opportunities using Spend Analytics;
- Evaluation of different scenarios for distribution network and channel optimization across the supply chain;
- Benchmarking and research for distribution cost reductions.

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About Capgemini

With more than 130,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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