



Samsung Electronics

The introduction of Informore's L2 for Samsung has had a major impact as an **accelerator** for implementing its **own Logistics Control Towers** throughout Europe. Implementation has **increased the efficiency of booking, planning and finance processes with up to 59%**, **increased the load factor with up to 56%** and **saved 10-25% on total transport costs** at each location.

The challenge

- Most DCs in Europe were managed by different 3PL s or 4PLs
- Uncertainty about level of efficiency
- 1 order = 1 shipment
- No full visibility or control

The solution

Ahead of many other companies, which are currently doing the same, such as Nike, Wal-Mart and Amazon¹, Samsung started to insource its supply chain activities in 2008. The full L2 suite was implemented for 14 business units of Samsung so far. Thus better controlling cost levels, loading factor and providing full visibility of all distribution processes.

The results

Average shipment size: + 40%

- Consolidation
- Minimum shipment size
- Fixed delivery days
- 1 cut off per day
- L2 sends packing instructions to WMS:
 - Full pallets per item
 - Mixed pallets

Loading factor: +56%

- Consolidation until maximal shipment size (use loading meters instead of volume)
- Combine network shipments in a line haul truck

¹ <http://www.logistiek.nl/supply-chain/blog/2016/9/waarom-amazon-nike-en-walmart-hun-supply-chain-insourcen-101147324>

Reduction FTE: -59%

- Control Tower concept eliminates duplicate jobs & many of the reporting needs
- Automatic consolidation
- Automatic customer booking
- Automatic carrier allocation and instruction
- Real-time automatic feedback carriers
- Automated Freight Bill auditing

Wim Smedts, Logistics Innovation Manager, Samsung SDS, Global SCL Netherlands:

“Informore does not only provide a tailor made IT solution, but also in depth process knowledge to build the best fit solution per operation together. As development will be in house the maintenance / upgrade of the solution can be done easily at a competitive rate.”

Solution Details

Customer Service

L2 for Delivery Appointment process:

- Fixed multilingual format per email or fax, auto created

After customer confirmation:

- Automatic update of planned departure/ arrival in ERP
- Pro-active event/tracking alerting system

=> Real time visibility in all relevant Samsung systems & visibility at order level for customers.

Planning & control Transport

Automated consolidation & carrier selection:

- Real time consolidation of delivery orders (also from different BU's)
- Real time selection appropriate carrier

Different Business Units at 1 location:

For white goods and brown goods different customer requirements are taken into account by L2:

- Plans separate shipments
- Financial consolidation=> several shipments in 1 drop

Planning & control Warehouse

Optimized transport plan is leading:

- Warehouse process based on transport planning
- Pre-work WMS supported
- Automated prioritization in the warehouse based on transport plan
- Give clear instructions to warehouse
- Planned departure date/time
- Packing instructions for both full pallets and mixed pallets

Progress of warehouse process

- Packing
- Yard visibility
- Loading / close load

Carrier interaction

L2 sends several updates to carrier (EDI or email):

- Pre/ Updated transport order => to receive confirmation from carrier when shipment will be collected
- Final transport order => confirmation which goods actually left the warehouse

Carrier can log into own module to see shipments allocated, propose additional costs, accept or reject a transport request and book a time slot for pick-up

L2 is able to receive the carrier feedback via EDI or email and provides real-time visibility:

- In transit events
- Delivered status
- Link to Electronic Proof of Delivery (EPOD)

Invoicing

Samsung calculates rates via L2 and uses self-billing principle:

- Contractual costs based on contracts in L2
- Additional costs reported by carrier within x days after delivery

Allocate freight cost per order line (for ERP)

Pieter Kooi, CFO Informore:

“Informore is very pleased to facilitate a company like Samsung to increase customer satisfaction while optimizing processes across the supply chain. Usage of less trucks & CO2 is a nice bonus.”

About Samsung Electronics

For over 70 years, Samsung has been dedicated to making a better world through diverse businesses that today span advanced technology, semiconductors, skyscraper and plant construction, petrochemicals, fashion, medicine, finance, hotels, and more. Samsung's flagship company, Samsung Electronics, leads the global market in high-tech electronics manufacturing and digital media.

Through innovative, reliable products and services; talented people; a responsible approach to business and global citizenship; and collaboration with our partners and customers, Samsung is taking the world in imaginative new directions.