



## Dear customers, dear logistics fans,

Supply Chain Execution is an important subject. The great interest and high demand many Supply Chain partners are showing for inet-logistics solutions are proof of this. The challenge each one of them faces is the same: optimisation of cross-company processes for transport planning, execution and monitoring. This newsletter focuses on actual applications of the logistics-server® logistics suite. We would like to share with you how other companies are handling the problems which confront many of you every day. Let's use these examples as a starting point for discussion on how your company can improve established logistics processes and benefit from the next efficiency wave now and in the future. Which case to study? Read our lead article for an idea!

Warm regards,

Oswald Werle

### The next efficiency wave is rolling

The integration of all of the partners in the value chain still offers unused opportunity for improving efficiency. Some time will pass until we can automate supply chain processes in the same seamless way as ERP systems automate our internal processes. Not much time, however, because many companies are now realizing that there are significant gains to be made by using Internet-based and scalable software solutions.

Supply Chain partner integration will play a dominant role in the next efficiency wave. At its heart lie cross-company optimisation and automation of logistics processes. **Supply Chain Execution (SCE)** constitutes the majority of logistics costs. An overall planning and monitoring system for core SCE processes, however, can reduce these costs significantly. logistics-server® supports the integration of roles and tasks in transport-, procurement-, freight cost-, loading device-, and repair logistics management, incorporating all relevant Supply Chain partners. The close interaction of plants, suppliers and logistics

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service providers enables a high degree of automation.

The coalescence of tasks and partners is not only a technical challenge. A high degree of trust between supply chain partners and a strong project champion are essential success factors for cross-company integration of logistics processes. The presence of these factors can essentially eliminate the problems which occurred under proprietary systems. More and more companies are understanding this. They are seizing the opportunities provided by modern software solutions and a cross-platform, borderless IT infrastructure, and are enjoying the benefits of greater transparency and reliability in cross-company logistics process planning and monitoring. These companies want to profit early and lastingly from the next IT efficiency wave. You can read how some of these pioneers achieve this in this and upcoming issues of inet-News.

## **Schefenacker AG manages loading devices with the logistics-server® solution suite**

Schefenacker AG is an international supplier of automotive lighting, audio and mirror technology.

Complex material flows between the individual Schefenacker plants and those going to and coming from their customers and suppliers require efficient management of the loading device transactions within the company network. Schefenacker AG launched a project for the corporate-wide optimisation of loading device management. After an in-depth evaluation of various solutions, Schefenacker decided on the logistics-server® solution suite loading device management solution as the software platform for its new loading device processes.

By implementing inet-logistics' logistics-server®, loading device stocks and transactions will become much easier to track. The system will pare down loading device processes and improve process quality. In addition to the expected increase in process efficiency, another important benefit will be the reduction in capital lockup – the result of being able to optimise the quantities in circulation even while providing higher availability. Logistics-server®'s event management will also positively impact Schefenacker's capital lockup, enabling proactive response to shortages and surpluses. Additionally, costs for damages and loss can be appropriated to the actual source.

The solution's web-based architecture offers the best way to ensure low rollout costs and

high flexibility. Its ability to be fully extended as well as integrated with other process areas provides important strategic advantages. The solution is scheduled to go into production in February 2006.

### **Transport and freight cost management at Flextronics Nyiregyhaza Operations**

Headquartered in Singapore, Flextronics Nyiregyhaza Operations is a leading provider of Electronics Manufacturing Services (EMS) delivering innovative design and manufacturing services to automotive, industrial, medical and technology corporations.

Flextronics Nyiregyhaza's Hungarian operations was able to identify huge potential for cost savings and quality improvements for their logistics services by using Internet-based supply chain solutions. In order to tap this potential for outbound transports, Flextronics Nyiregyhaza Operations decided to evaluate, pilot, and implement the logistics-server® solution suite's solutions for transport and freight cost management. Among Flextronics Operations' project goals are:

- Reduce transport costs by optimising transport unit utilisation
- Automatic scheduling support for the transport scheduling process
- Improve transparency in the assignment of shipments to freight and logistics service providers

- „State of the art“ Internet-based integration and communication with logistics service providers
- Reduce transport costs by placing transport orders with the logistics service provider offering the most favourable terms
- Implement the credit note procedure for all transport cost clearing
- Minimize administrative expenses for checking invoices submitted by logistics providers
- Reduce transport costs by making clearance of logistics providers' extra costs more transparent
- Improve customer service by being able to report on the exact status of shipped goods

The solution will be integrated in the BaaN environment at Flextronics Nyiregyhaza Operations. A predefined EDIFACT framework will be filled with content by the BaaN system and logistics-server® and then be imported / exported into these systems.

The project was started in early August 2005, the project roll-out date scheduled for early December 2005. The framework's high scalability means Flextronics Nyiregyhaza Operations and inet-logistics can expect fast and efficient implementation, short-term ROI and significant long-term savings.

## Swiss Post: Repair Logistics

The Swiss Post's postal logistics business unit has significantly upgraded its Repair Logistics service. Using inet-logistics' logistics-server® as a base, several functional areas of the existing repair logistics solution from yellowworld were extended to fit Swiss Post's needs. The goal of the project was to optimise internal processes as well as those at the receiving offices and repair centre. This involved improvements to the transport order placement process and extended support for repair processing including a customer-defined cost limit. Additional enhancements included a powerful cost estimate procedure and call centre functions. Swiss Post can, thus, now provide top quality response in any area of its repair logistics service.

A new online master data module allows for on-site data entry. This lets the customer maintain his own data enabling faster reaction to market demands.

## Newsflash

**Migros Genossenschafts-Bund**, Switzerland's largest retailer, is enhancing the loading device management solution part of inet-logistics' logistics-server® solution suite by expanding the controlling and reporting functions. This joint development project will enable Migros to better identify and act on optimisation possibilities in the loading device pool.

Following several successful joint customer projects, **Studio Informatica SA (SISA)**, with headquarters in Reinach (CH), and inet-logistics are cementing their partnership with a cooperation agreement. The focus of their activities will be joint implementation of IT solutions and services in the Swiss logistics branch.

inet-logistics will be at this year's **Industry Summit** in Berlin meeting and exchanging experiences with some of the logistics industry's top decision makers. It will also be presenting its Supply Chain Execution solution portfolio. We would be pleased to welcome you at our Business Lounge! For further information please go to the website of the organiser, [www.tinidad.de](http://www.tinidad.de).