

You are what you see

Upstream visibility means new power to procurement managers



As every procurement manager knows, you can't fix what you can't see. With global supply chains becoming more complex, lead times blowing out and landing costs increasing, the pressure is on procurement managers to better understand performance of individual nodes in their inbound supply chains, reduce per unit cost, and increase market competitiveness.

But before the problems can be fixed, you first have to know where the problem is and what is causing it. This 'need to see more' has fueled demand for comprehensive upstream visibility that gives a deep and comprehensive picture of each stage in the life cycle of a purchase order.

The necessity

According to international research firm the Aberdeen Group, improving supply chain visibility is a strategic necessity that is growing in importance. Aberdeen's recent study into supply chain visibility makes a compelling case for the use of technology as the way to reduce costs, drive down excessive inventory and avoid disruptions. As the Aberdeen report states these issues are 'critical for companies in today's economy.'

While technology presents an answer, the Aberdeen Group found that many supply chain professionals are struggling to develop the capabilities to achieve greater visibility: 'Lack of the right technology tool is a big part of the connectivity challenge,' the report states.

While some international shippers have systems in place to partially monitor internal order management systems as well as warehouse management, outbound transportation and tracking tools, the real challenge for procurement specialists is how to get a better look at what is going on with suppliers on both the outbound and inbound sides of the equation.

The control

So where does the answer lie for procurement and inbound logistics managers seeking greater visibility and control over their international orders? One service provider has been working on an answer. BDP International, a mid-market, privately-owned global logistics and transport management

company, has developed a new technology platform – BDPSmart Vū® – which gives procurement and inbound logistics managers a new level of visibility and control over every stage in the life-cycle of a purchase order.

According to Bernie Erlanger, Vice President Global Retail and Consumer Products, "What we have created with BDPSmart Vū is a groundbreaking web-based product that delivers unprecedented upstream visibility and access to the deepest and most comprehensive array of PO process data ever, from origin supplier to final inbound delivery.

"With this technology, procurement specialists can globally manage their vendors and suppliers upstream from one central, configurable site. All of the shippers' internal organizations can now participate in the management of the order including buying agents and personnel in sales, finance, logistics and regulatory affairs."

The value

The implications of this technology for procurement professionals and inbound logistics managers as well as all parties involved in the purchase order are far-reaching. Many companies have traditionally treated procurement activity as a tactical function. With the power of BDPSmart Vū, procurement is now able to deliver both tactical as well strategic visibility to the planning and management of supply chains.

As Mr Erlanger explains, "BDP Vū provides access to information on the critical initial stages of a purchase which can often contain inaccurate data with regard to handling, shipment contents and classification, breaches in the specifications of purchase order agreements and inefficient use of transport equipment.

"A lack of visibility and early warnings of exceptions can lead to missed deadlines and lost revenue. And in today's market, poor visibility is something no company can afford if it wishes to sustain the speed and competitiveness of its product supply chains," Mr Erlanger said.

The flexibility

BDP Vū features a personally configurable dashboard and intuitive navigation to real-time data. The data choices include products ordered/remaining volumes, case quantities and container utilization. Through a series of alerts and exceptions to the specifications of purchase order agreements, BDP's customers get early warnings of when problems arise. And with a set of fully configurable milestone

confirmations, each user can monitor their own key performance indicators and operating procedures.

This new offering builds on BDP's already impressive suite of technology products, the core of which is its BDPSmart® – a customer service portal the company launched in 2008. BDPSmart provides strategic information as well as tactical frontline information enabling supply chain managers to access the data they need all in one place. It allows customers to visualize the logistics process and provides a suite of performance measurement reports.

The results

So how has BDPSmart Vū been received by BDP's global customer base? In 2010, Beta testing conducted with BDP customers and some 1,300 vendors resulted in a broad-based adoption of the technology platform.

"Our clients have confirmed that BDPSmart Vū's efficiency and ease of navigation sets a new standard for decision-support. At the end of the day what all procurement managers are looking for is the ability to avoid delays, make better decisions and reduce costs. And that is exactly what we have delivered with BDPSmart Vū," Mr Erlanger said.

Seeing is believing

BDPSmart Vū gives a powerful set of tools in the hands of purchasing and inbound logistics officers including:

- Upstream visibility
- Control through the entire purchase order management process including
- Origin supplier / vendor management
- Better container / equipment utilization
- Dates and times
 - Ease of use
 - Increased efficiencies and cost savings through one portal for PO management.
 - Accountability to supplier / vendors
 - Management reporting abilities including graphs and exception/alert charts
 - Customizable alerts for each vendor
 - Ease of information reporting for government import regulation such as the US Import Security Filing program (or 10+2 program) which goes into effect this year.