

Agenda

- Many Faces of Supply Chain Efficiency
- The Case for B2B Collaboration at All Levels
- Improved Inbound Logistics with TMS
- Multi-Channel Fulfillment Option with Drop Ship
- Total Supply Chain Visibility
- Rules and Requirements with Vendor Compliance
- Conclusions

Supply Chain Efficiency Can Be Addressed In Many Ways

- B2B Collaboration
 - Assuring that all suppliers are connected to their customers
- Inbound Logistics Planning
 - More effective planning of carrier fleet and delivery
- Multi-Channel Fulfillment Options
 - Fulfillment options from delivery to the warehouse, to deliver directly to customer (drop shipment order)
- Supply Chain Visibility and Alerting
 - Visibility into the status of all supply chain documents and alerts when an exception is raised
- Supplier Compliance to Customers' Requirements
 - Clear communication of business requirements and alerts with penalties when a supplier does not adhere to those requirements

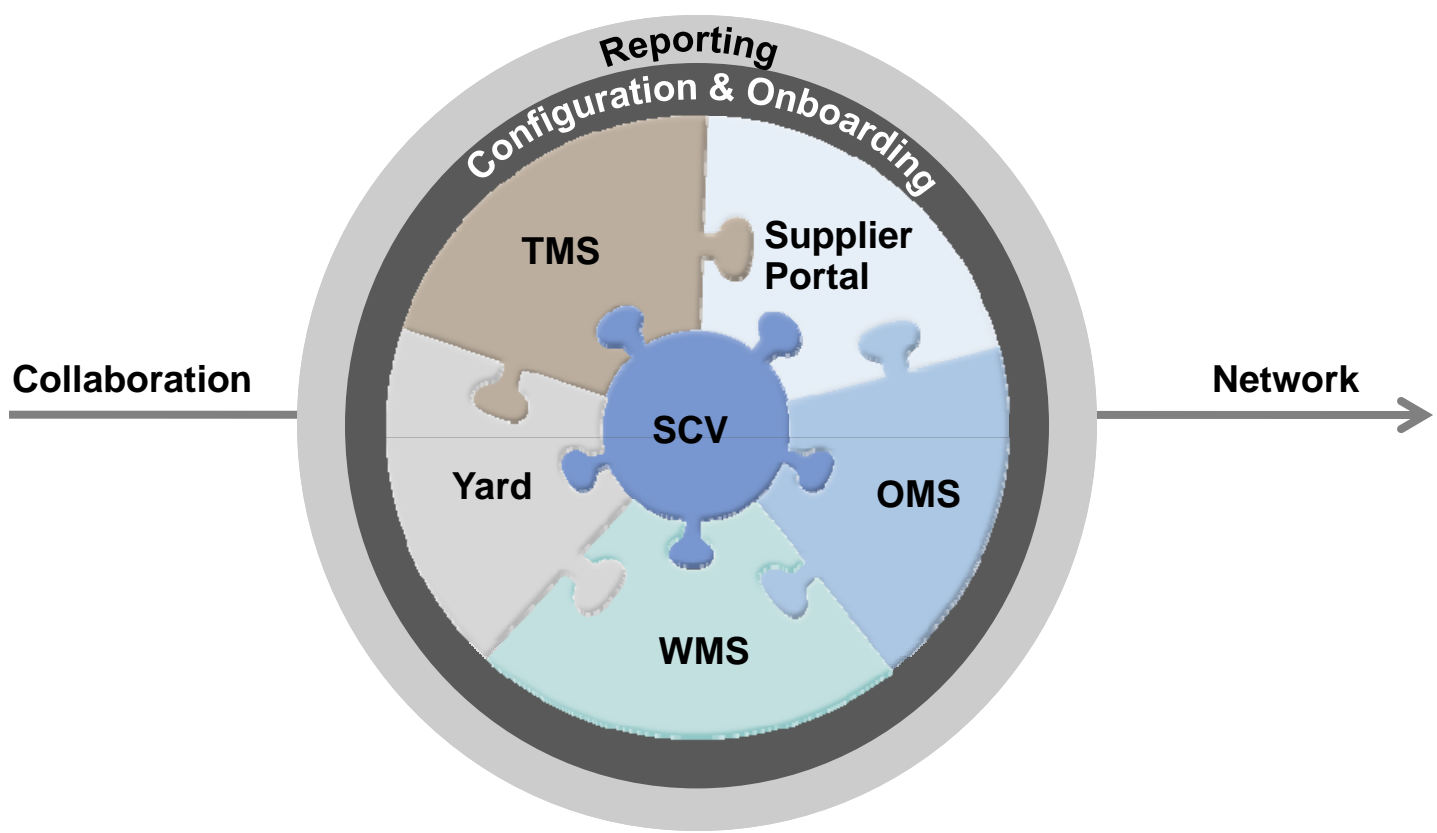
IBM Sterling Supplier Portal: Connecting Suppliers and Solutions

- B2B Collaboration
 - Supplier Portal and Collaboration Network
- Inbound Logistics Planning
 - Supplier Portal and Transportation Management System
- Multi-Channel Fulfillment Options
 - Supplier Portal and Order Management System
- Supply Chain Visibility and Alerting
 - Supplier Portal and Supply Chain Visibility
- Supplier Compliance to Customers' Requirements
 - Supplier Portal and Supply Chain Visibility with Vendor Compliance Module

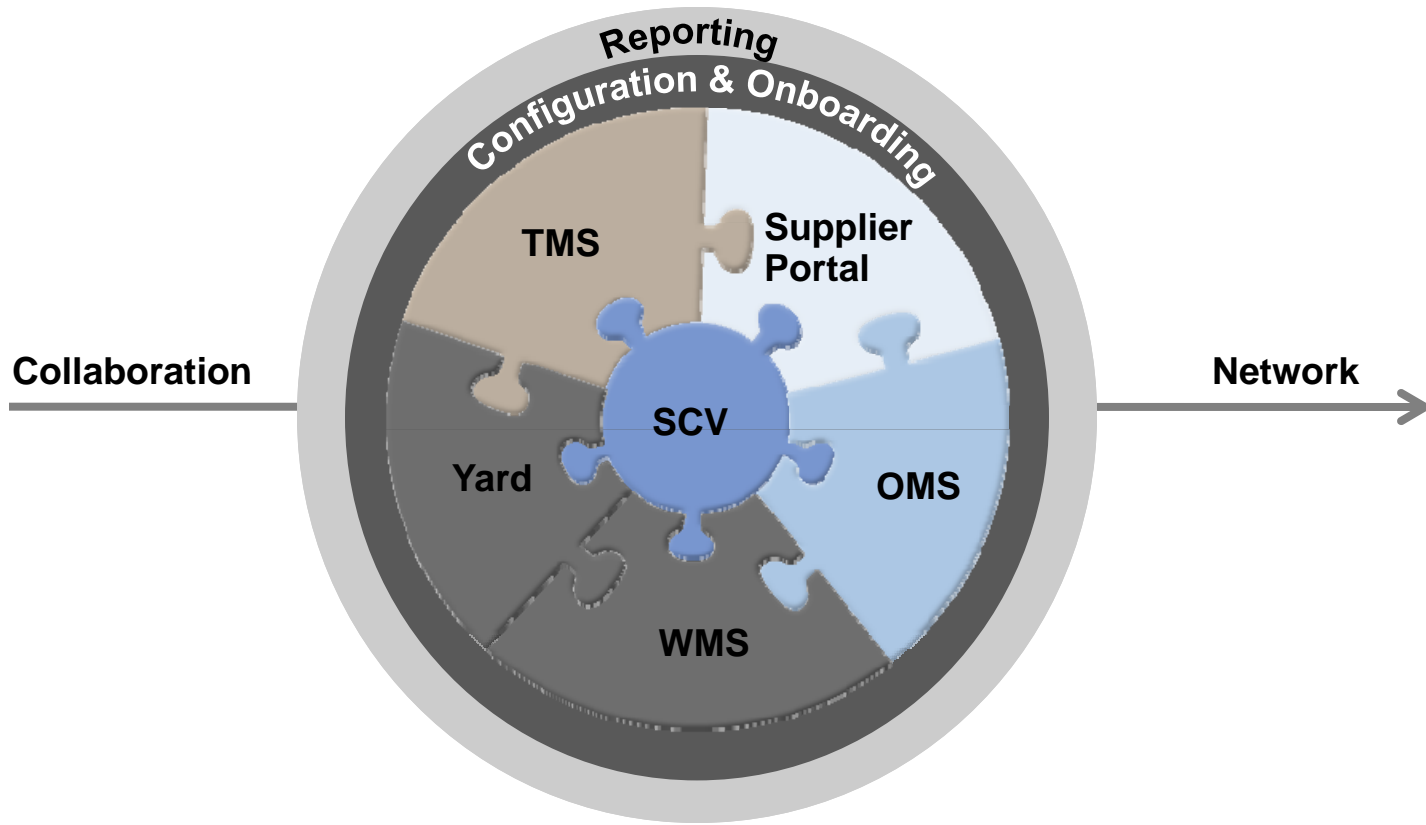
Regardless of the solution...

The supplier's view to the IBM Sterling Supplier Portal remains unchanged.

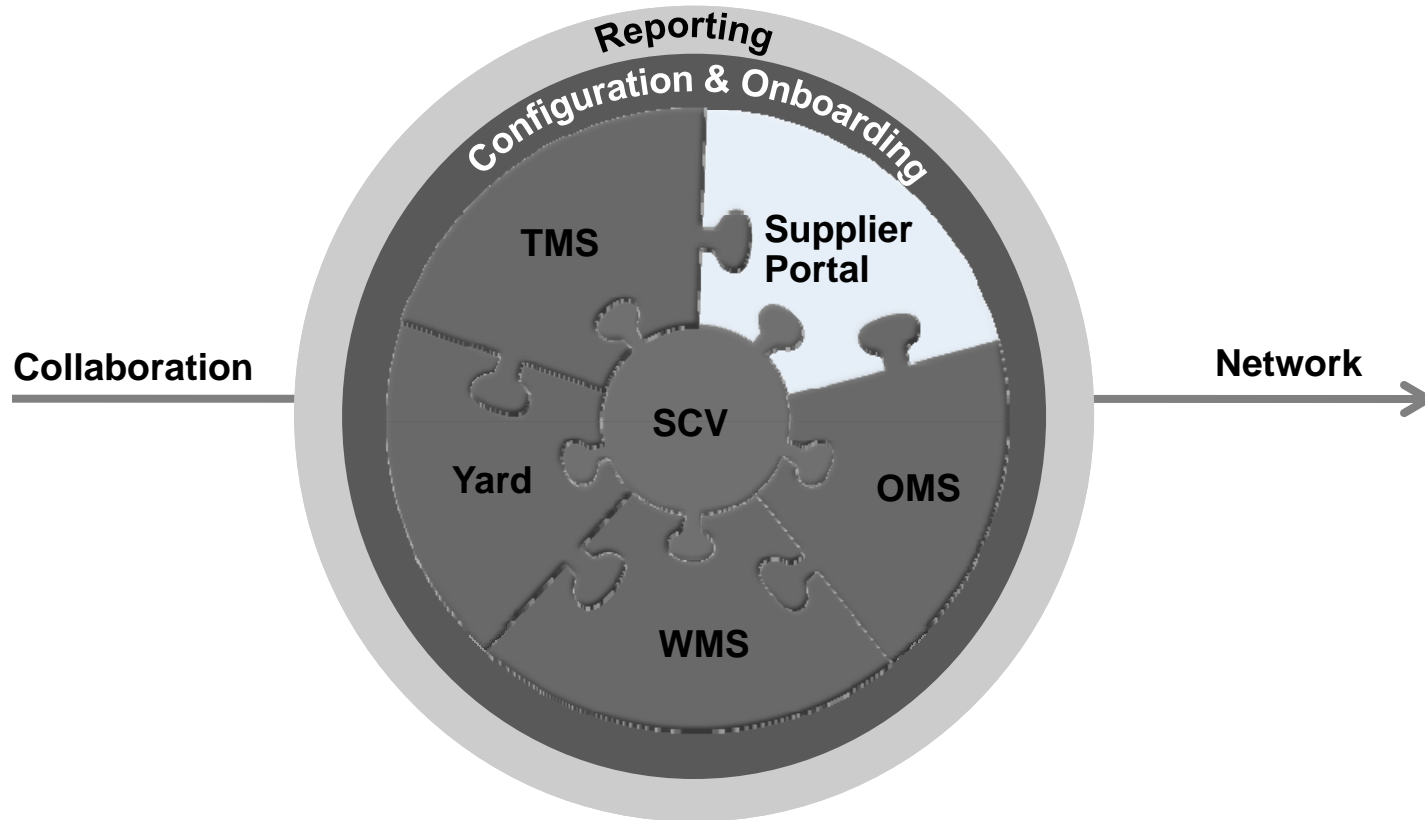
How the Products Work Together



Focus on Four Products



B2B Collaboration: Connecting All Suppliers



IBM Sterling Supplier Portal: Access to B2B Collaboration and Supply Chain Efficiency

- Web portal designed to connect suppliers and allow a customer to expand their electronic reach to their entire supplier base
- Configurable by the customer to comply with document, EDI format, and business rule needs
- Provides suppliers with a task-based interface and high-level visibility to more efficiently meet their customer's supply chain requirements
- First step into greater supply chain efficiency by also providing a portal to satisfy:
 - General Supply Chain Visibility and Exception Alerting Needs
 - Supply Chain Visibility
 - Inbound Logistics Issues
 - Transportation Management System
 - Vendor Compliance Enforcement
 - Vendor Compliance Module
 - Multi-Channel Fulfillment Issues
 - Drop Ship Module

B2B Collaboration Has Recognized Business Benefits But Often a Partial Solution

- Administrative savings:
 - Lower transaction costs
 - Fewer data errors
 - Fewer invoice discrepancies
- Improvements in key performance metrics:
 - Reduced out-of-stocks at customer/retail location
 - Increase in perfect order percentage
 - Reduced inventory holding costs/lower safety stock requirements
 - Faster order-to-cash cycle time
 - Increased customer satisfaction

Unfortunately, many businesses may stop their B2B Collaboration with their largest trading partners...

Supplier Portal: Supplier View

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Home Related Tasks → [Configure Dashboard](#)

Overview ▾

16 Tasks Overdue **1** Tasks Next

1 Saved as Draft **8** New Communications

Order #

Message List ▾

Subject	From	Attachment	Date
Testing the Broadcast	ODCO00103100		10/31/2008

Overdue Tasks ▾

- [Order PO_5_006](#) not read for 290 hours
- [Order PO_5_007](#) not read for 290 hours
- [Order PO_5_008](#) not read for 290 hours
- [Order PO_5_009](#) not read for 290 hours
- [Order PO_5_011](#) not read for 290 hours

[More »](#)

Next Tasks ▾

- [Acknowledge PO_5_014](#) to [ODCO00103100](#) today.

Open Orders ▾

Order #	Customer	Community	Order Date	Order Total	Expected Delivery Date	Status				
						Created	Acknowledged	Shipped	Invoiced	Paid
PO_5_000	ODCO00103100	COMM01	10/23/2008	6,633.00	10/23/2008					
PO_5_001	ODCO00103100	COMM01	10/23/2008	13,667.00	10/23/2008					
PO_5_002	ODCO00103100	COMM01	10/23/2008	12,227.00	10/30/2008 - 11/01/2008					
PO_5_003	ODCO00103100	COMM01	10/23/2008	8,631.00	11/01/2008					
PO_5_004	ODCO00103100	COMM01	10/23/2008	7,101.00	After 10/31/2008					

Supplier Portal Order

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Order Detail Related Tasks → [Ack PO](#) | [Ship PO](#) | [View Acknowledgement](#) | [View Complete Order Details](#)


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Primary Information ▾ [Notes](#)


Order # supplier4	Customer's PO #	Order Date 09/28/2010
Req. Ship Date 09/29/2010 - 09/30/2010	Req. Delv. Date 10/01/2010	Req. Cancel Date
Customer Demo Sponsor9	Community Demo Comm9	Status Acknowledged
Freight Terms	Carrier Service Code	SCAC


Created


Acknowledged


Shipped


Invoiced


Paid

[Additional Information](#)

Event Log ▾

- ▶ 09/28/2010 17:18:29: Order Created
- ▶ 09/29/2010 09:43:37: **Acknowledgement Sent**

Ship To ▾

CRBL DC
Steve Logistics
900 Hutchinson Place
Lebanon TN 37090
US
PH : 847-445-5896 Fax : 847-445-5999
email : chicago@rdcc.com

Bill To ▾

CRBL
Mike Buyer
305 Hartmann Drive
Lebanon TN 37090
US
PH : 614-793-6000 Fax : 614-793-6500
email : mraccounting@SponsorCompany.com

Order Line(s) ▾ [Notes](#) | [View Schedules](#)

<input type="checkbox"/>	Notes	Line Identifier	Item	Ordered Qty.	UOM	Req. Ship Date	Req. Delv. Date	Unit Price (\$)	Status
<input type="checkbox"/>		0001	rocking chair natural (K1456)	80.00	EACH	09/29/2010 - 09/30/2010	10/01/2010	75.00	Acknowledged
<input type="checkbox"/>		0002	Rocking Chair White (K892)	110.00	EACH	09/29/2010 - 09/30/2010	10/01/2010	75.00	Acknowledged
<input type="checkbox"/>		0003	table (P7899)	190.00	EACH	09/29/2010 - 09/30/2010	10/01/2010	25.00	Acknowledged

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Supplier Portal Shipment

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Create Shipment

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Save Draft | Generate Packing Slip | **Send ASN** | Delete

Shipping Information ▾ Notes

Shipment # Customer Shipment On

Community Exp. Delv. Date

Weight Perishable Allowed?

Volume Drop Ship Shipment

Hazmat Allowed? Packing Status

Transportation Details ▾

of Cartons # of Pallets

SCAC Carrier Service Code

BOL # Pro #

Transportation Method Routing

Freight Terms

Containers ▾ Pack Shipment

<input type="checkbox"/>	Seal #	Height	Width	Length	Size UOM	Tracking #	Gross Weight	Weight UOM
<input type="checkbox"/>								

Ship To ▾

Company

Buyer ID

First Name

Last Name

Address Line 1

Address Line 2

City

State

Zip

Country

Phone

Ship From ▾

Company

Supplier ID

First Name

Last Name

Address Line 1

Address Line 2

City

State

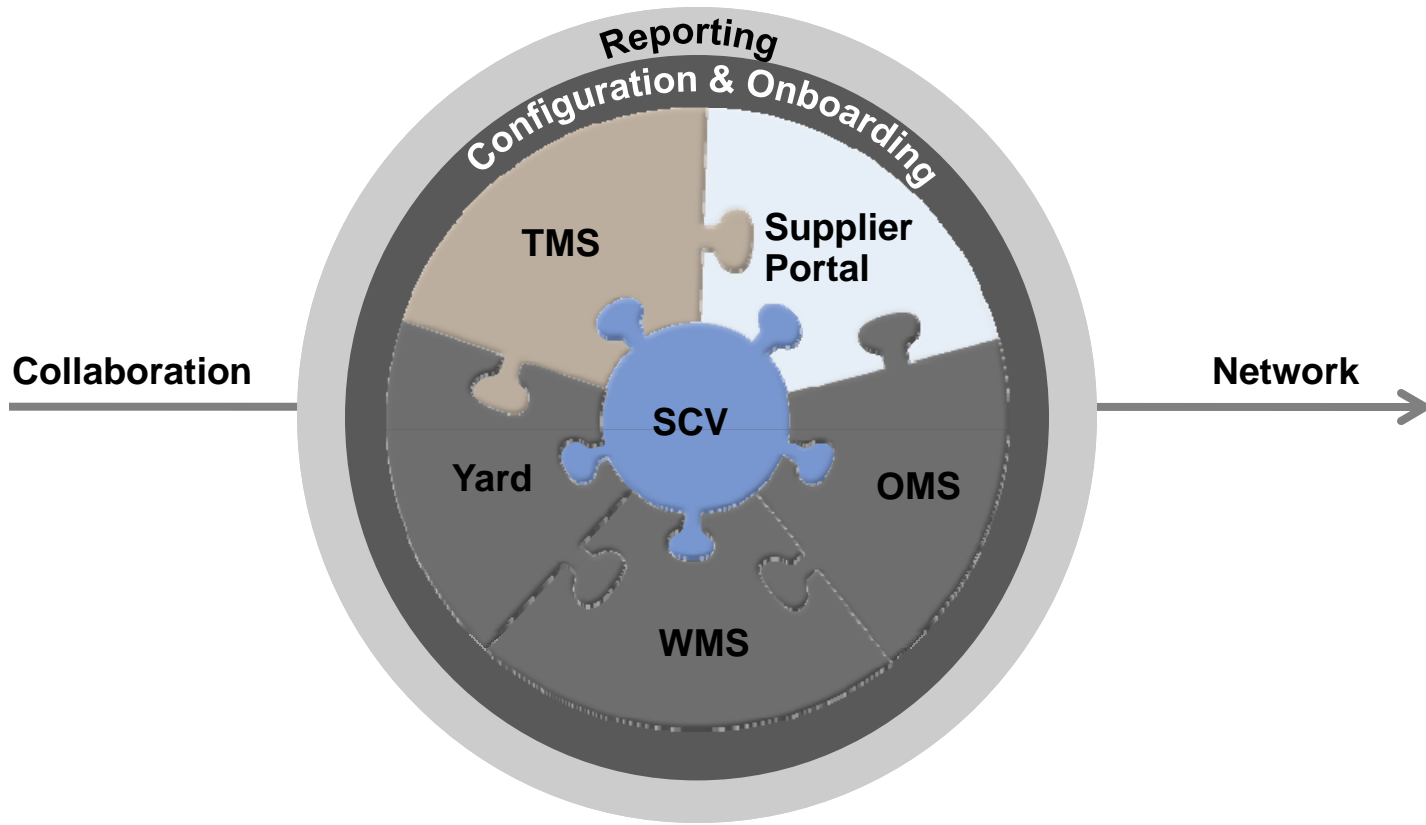
Zip

Country

Line Items ▾ [Add More Orders](#) | [Remove Lines](#) | [Notes](#)

<input type="checkbox"/>	#	Order #	Line Identifier	Item	Expected Ship Date	Ordered Qty.	Shipped Qty.	Qty. In Shipment	UOM
<input type="checkbox"/>	1	DIB1	0001	Floor Conditioner (79770)	11/03/2010	800.00	0.00	800.00	EACH

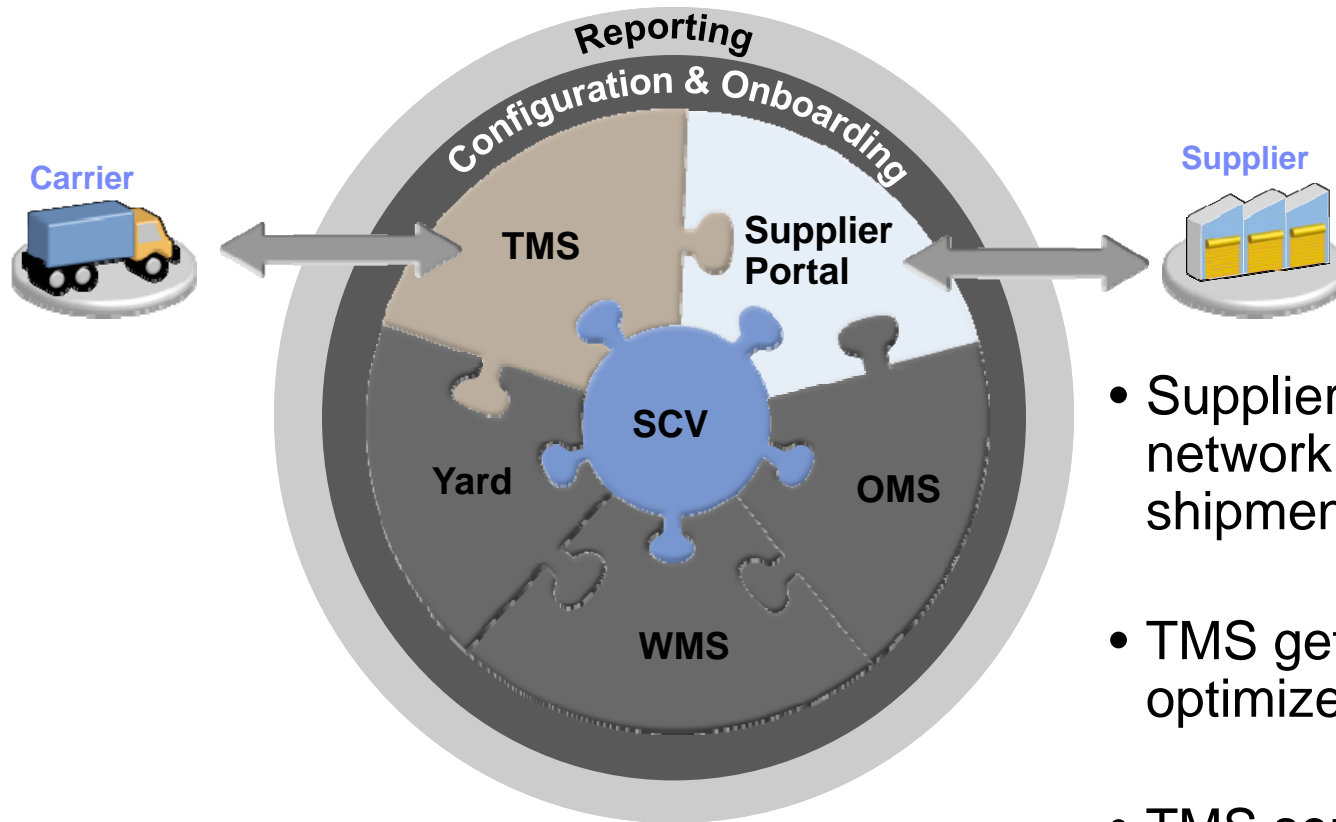
Sterling Transportation Management System: Improving Supply Chain Inbound Logistics



IBM Sterling Transportation Management System

- What it does:
 - Provides one source of truth for supply chain personnel by extending visibility into inbound planning activities
 - Reduces costs with proven freight, audit, and pay functionality to manage inbound and outbound transportation spend holistically
 - Ensures suppliers follow compliance guidelines around electronic document transmissions, labeling, and shipment routing
- What it enables you to do:
 - Improves customer service and reduces transportation costs by providing shippers with efficient planning and execution of inbound and outbound transportation processes
 - Improve customer service through increased shipment visibility and on-time delivery
 - Reduce transportation costs by optimizing your shipment planning and execution even when costs are rising
- How it is delivered:
 - Subscription based on demand solution that can include the Supplier Portal for inbound planning purposes
 - Includes Supply Chain Visibility for increased visibility into the entire supply chain process
- How you know you need it:
 - Transportation costs continue to increase without increased benefits
 - Current transportation planning is done manually
 - Have limited visibility and control of your logistics processes
 - Believe that you are totally reliant on your suppliers to deliver your products on time

Inbound Logistics Optimization for Collect Freight



- Suppliers use the portal or network to indicate when a shipment will be ready
- TMS gets the message and optimizes freight
- TMS sends shipping info to supplier via portal
- SCV monitors and reports on order lifecycle

Supplier Portal Order to Shipment: Enabled for Inbound Logistics Planning

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Create Shipment

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Save Draft **Send Routing Request** Generate Packing Slip Send ASN Delete

Shipping Information ▾ Notes

Shipment # Customer Community Shipment On

Weight Exp. Delv. Date

Volume Perishable Allowed?

Hazmat Allowed? Drop Ship Shipment Packing Status

Transportation Details ▾

of Cartons # of Pallets

SCAC Carrier Service Code

BOL # Pro #

Transportation Method Routing

Freight Terms

Containers ▾ Pack Shipment

<input type="checkbox"/> Seal #	Height	Width	Length	Size UOM	Tracking #	Gross Weight	Weight UOM

Ship To ▾

Company Buyer ID

First Name Last Name

Address Line 1 Address Line 2

City State Zip Country Phone

Ship From ▾

Company Supplier ID

First Name Last Name

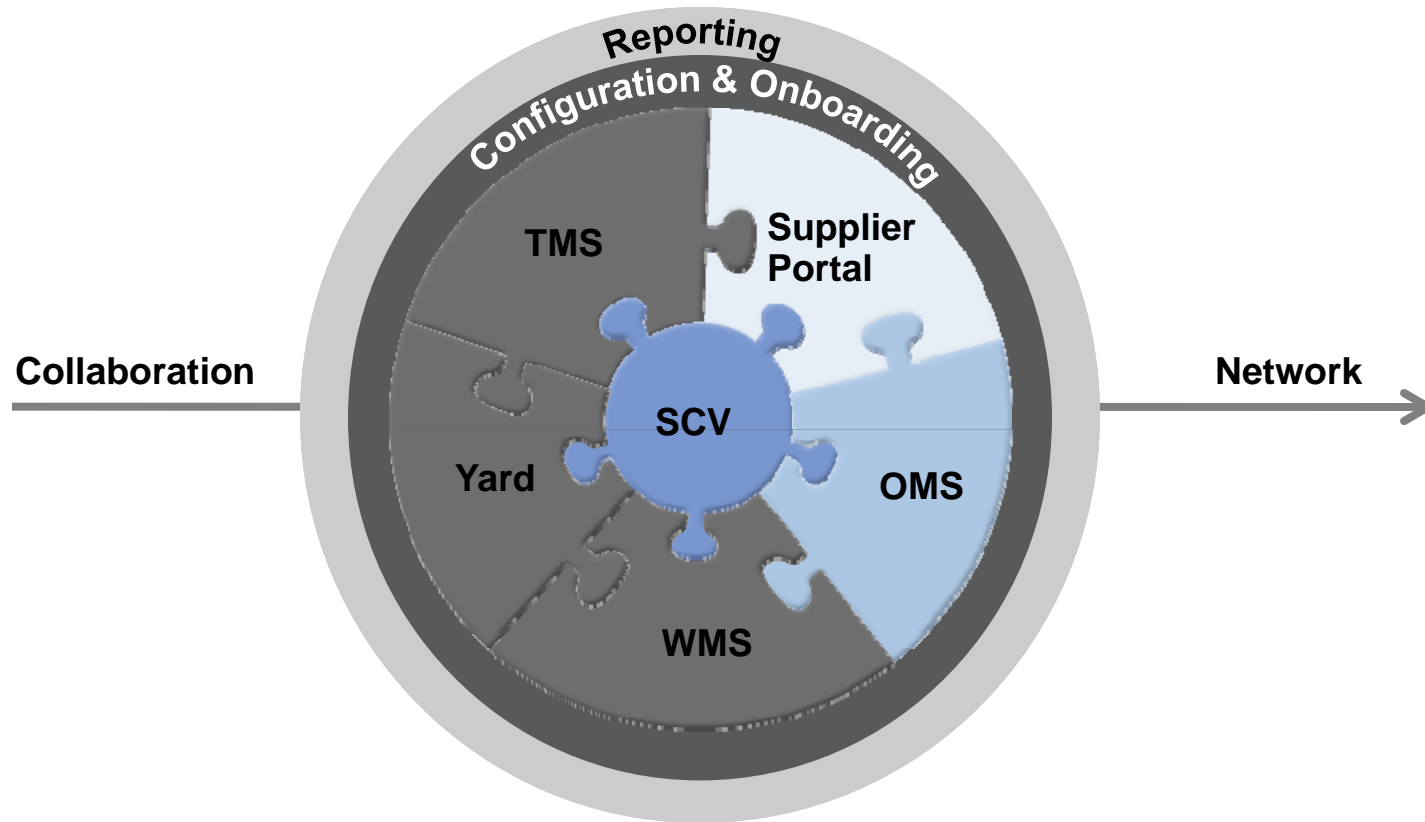
Address Line 1 Address Line 2

City State Zip Country

Line Items ▾ Add More Orders Remove Lines Notes

<input type="checkbox"/>	#	Order #	Line Identifier	Item	Expected Ship Date	Ordered Qty.	Shipped Qty.	Qty. In Shipment	UOM
<input type="checkbox"/>	1	DR1POS22R112	OD1	(ODITEM00001)	09/09/2010	15.00	0.00	15.00	EACH
<input type="checkbox"/>	2	DR1POS22R112	OD2	(ODITEM00002)	09/09/2010	20.00	0.00	20.00	EACH
<input type="checkbox"/>	3	DR1POS22R112	OD3	(ODITEM00003)	09/09/2010	25.00	0.00	25.00	EACH

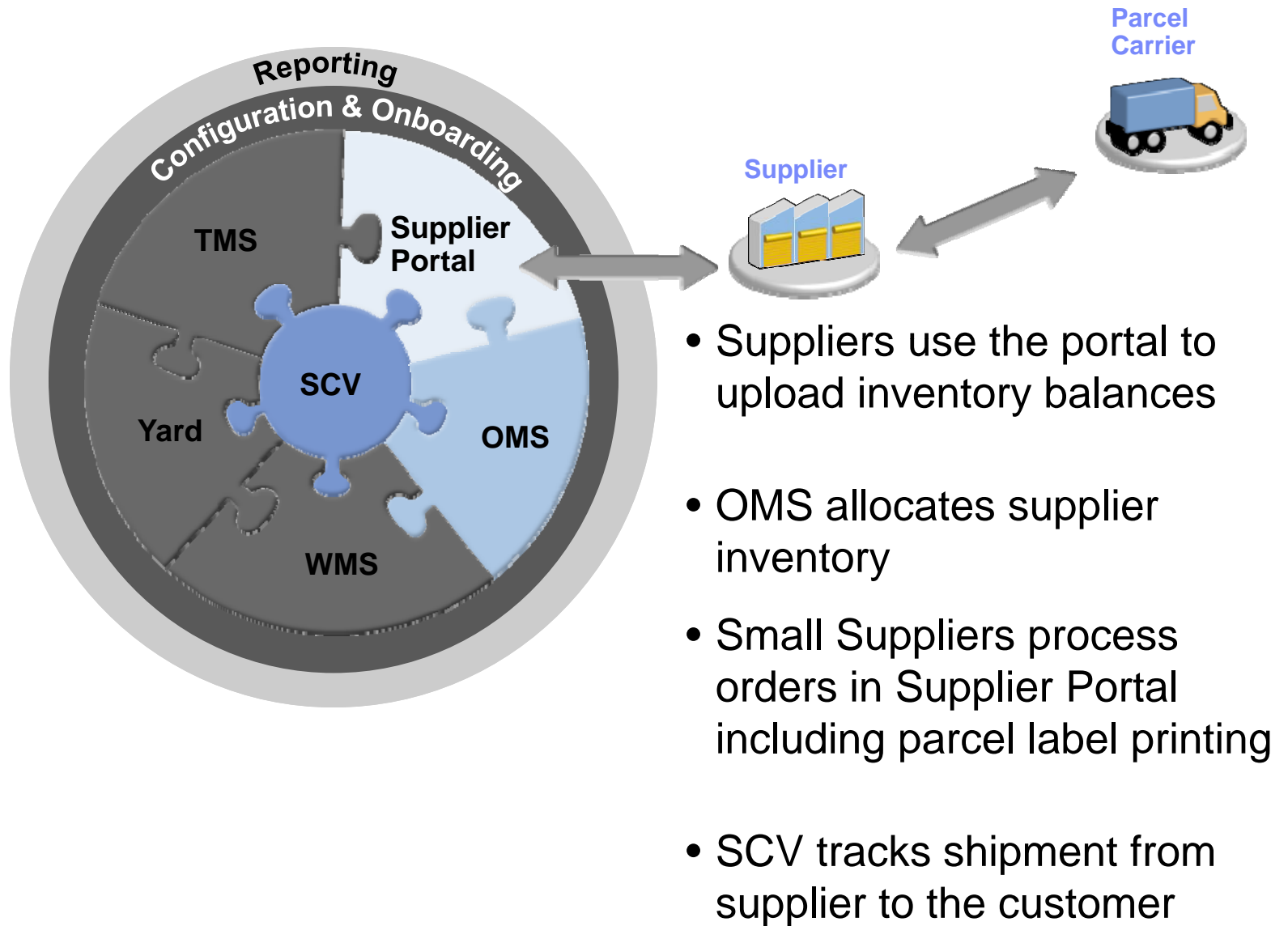
Sterling Drop Ship: Multiple Channel Fulfillment Options



Drop Ship Module for Supplier Portal

- What it does:
 - Provides the customer with the ability to create orders that are destined to be drop shipped directly to the end-customer
 - Allows a supplier to report inventory levels for selected products to the customer
 - If customer is using an Order Management system, those inventory levels can then be allocated in the Order Management system
 - Enables a supplier to print parcel labels based on the customer's parcel rate levels and desired shipment parameters
- What it enables you to do:
 - Better control you parcel costs by using your parcel rates and desired shipment options
 - Provide the supplier with the same interface for warehouse and drop ship orders
- How it is delivered:
 - Drop ship module is selected
 - Customer parcel rates are configured and a connection to the Pierbridge server is established
 - Customer is able to track shipments from the supplier using SCV
- How you know you need it:
 - Currently support a multi-channel fulfillment model and have a number of orders that are shipped directly to the end customer
 - Find that your parcel costs are no longer in control and you are looking for a way to control and reduce your parcel costs

Drop Shipment Tracking



Drop Ship Module Shipment Screen: Enabling Supplier to Generate Carrier Labels and Packing Slips

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Create Shipment

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Save Draft **Generate Packing Slip** **Generate Carrier Label** Send ASN Delete

Shipping Information ▾

Shipment # Customer

Community Shipment On

Weight Exp. Delv. Date

Volume Perishable Allowed?

Hazmat Allowed? Drop Ship Shipment

Packing Status **Not Started**

Transportation Details ▾

of Cartons # of Pallets

SCAC Carrier Service Code

BOL # Pro #

Transportation Method Routing

Freight Terms

Containers ▾

Seal #	Height	Width	Length	Size UOM	Tracking #	Gross Weight	Weight UOM
<input type="checkbox"/>							

Ship To ▾

Company

Buyer ID

First Name

Last Name

Address Line 1

Address Line 2

City

State

Zip

Country

Phone

Ship From ▾

Company

Supplier ID

First Name

Last Name

Address Line 1

Address Line 2

City

State

Zip

Country

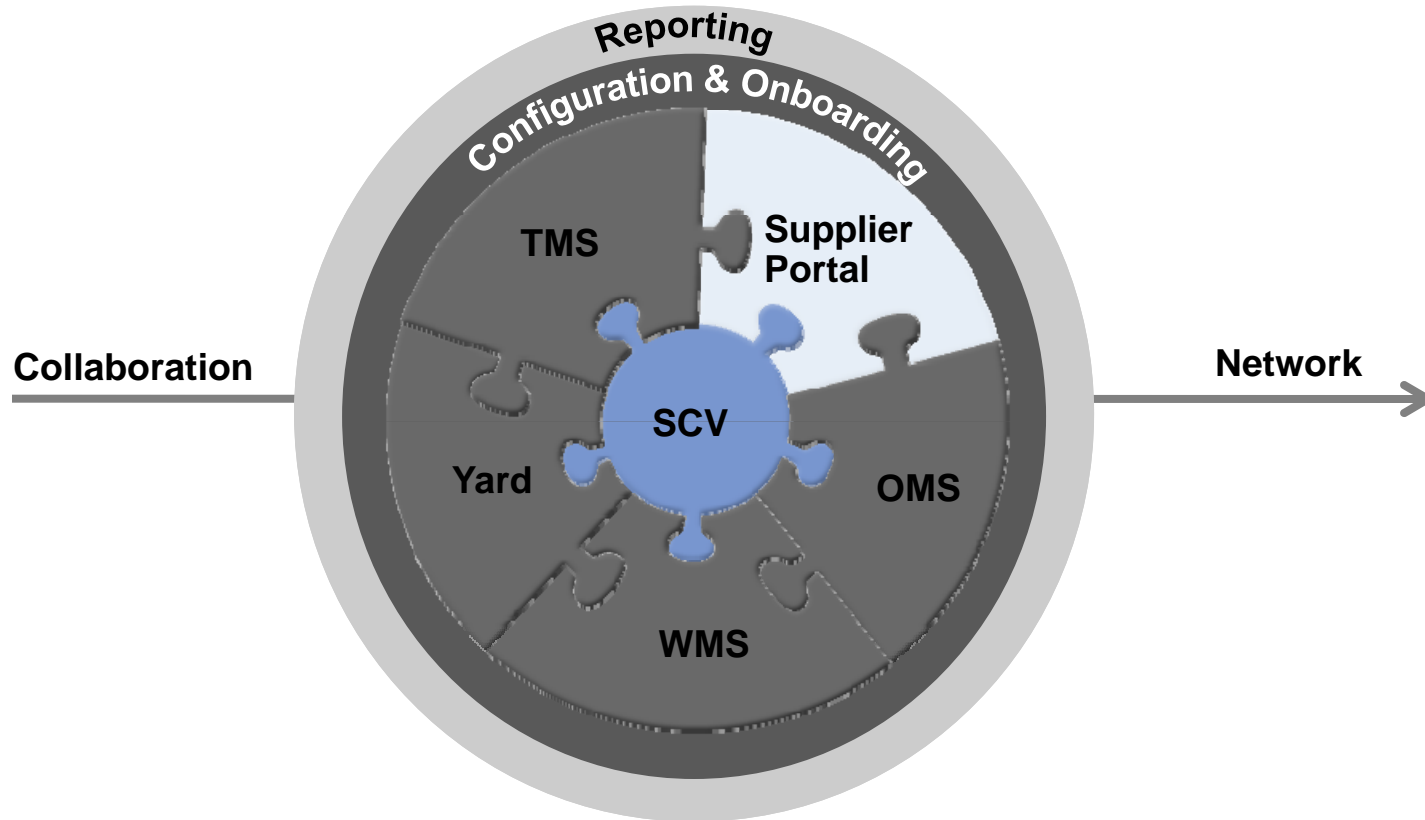
Line Items ▾

	#	Order #	Line Identifier	Item	Expected Ship Date	Ordered Qty.	Shipped Qty.	Qty. In Shipment	UOMs
<input type="checkbox"/>	1	IB2POS22R112	OD1	Top Soil 50lbs bag (K1456)	10/25/2010	15.00	0.00	<input type="text" value="15.00"/>	EACH
<input type="checkbox"/>	2	IB2POS22R112	OD2	Black Mulch 50lbs bag (K892)	10/25/2010	20.00	0.00	<input type="text" value="20.00"/>	EACH
<input type="checkbox"/>	3	IB2POS22R112	OD3	White Chip Marble 50lbs bag (P7899)	10/25/2010	25.00	0.00	<input type="text" value="25.00"/>	EACH

Parcel Label

From: (513) 889 9500 Cincinnati Supplier 8895 Industry Drive Cincinnati, OH 45245		Ship Date: 16APR10 ActWgt: 48 LB System#: 722571 Account#: S 001200011
SHIP TO: (847) 445 5896 STEVE LOGISTICS FAYETTEVILLE RDC 900 ENERGY PARK DR FAYETTEVILLE, NC 28301	Invoice # Reference # PO # PARCELPOS22RDCF Dept # HG Ship ID 10000108	
	 (9612019) 0122035 70100063 GND 019 Prepaid	

Supply Chain Visibility: Enhancing View of Supply Chain

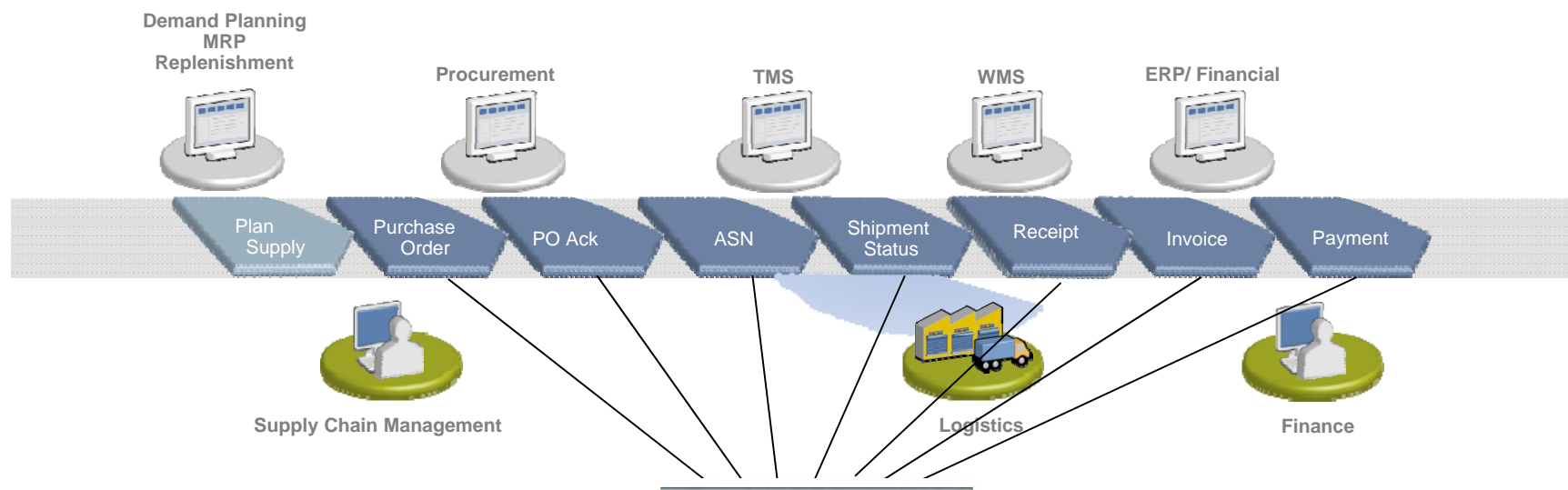


Supply Chain Visibility

- What it does:
 - Provides a complete view of supply chain activity in real-time
 - Monitors and reports on supply chain performance
 - Detects when potential exceptions occur and notifies the user
- What it enables you to do:
 - Procurement/fulfillment tracks potential order delays or shortages before the order has shipped
 - Transportation Department tracks shipment moves to identify and respond to supply exceptions
 - The Warehouse Receiving Department plans and executes the receipt of shipments
 - Finance department receives integrated chargeback information automatically
- How it is delivered:
 - Subscription based on demand solution that can be integrated into the Sterling Collaboration Network
 - Process modeler enables users to configure supply chain processes, define event milestones, and custom alerts
 - Supply chain performance monitoring and reporting against established performance metrics and scorecards
- How you know you need it:
 - Lack of visibility into the order lifecycle, from creation to payment
 - Unable to detect and resolve exceptions in real-time
 - Disparate systems and external trading partners create manual processes to collect supply chain data
 - Manually intensive vendor compliance program

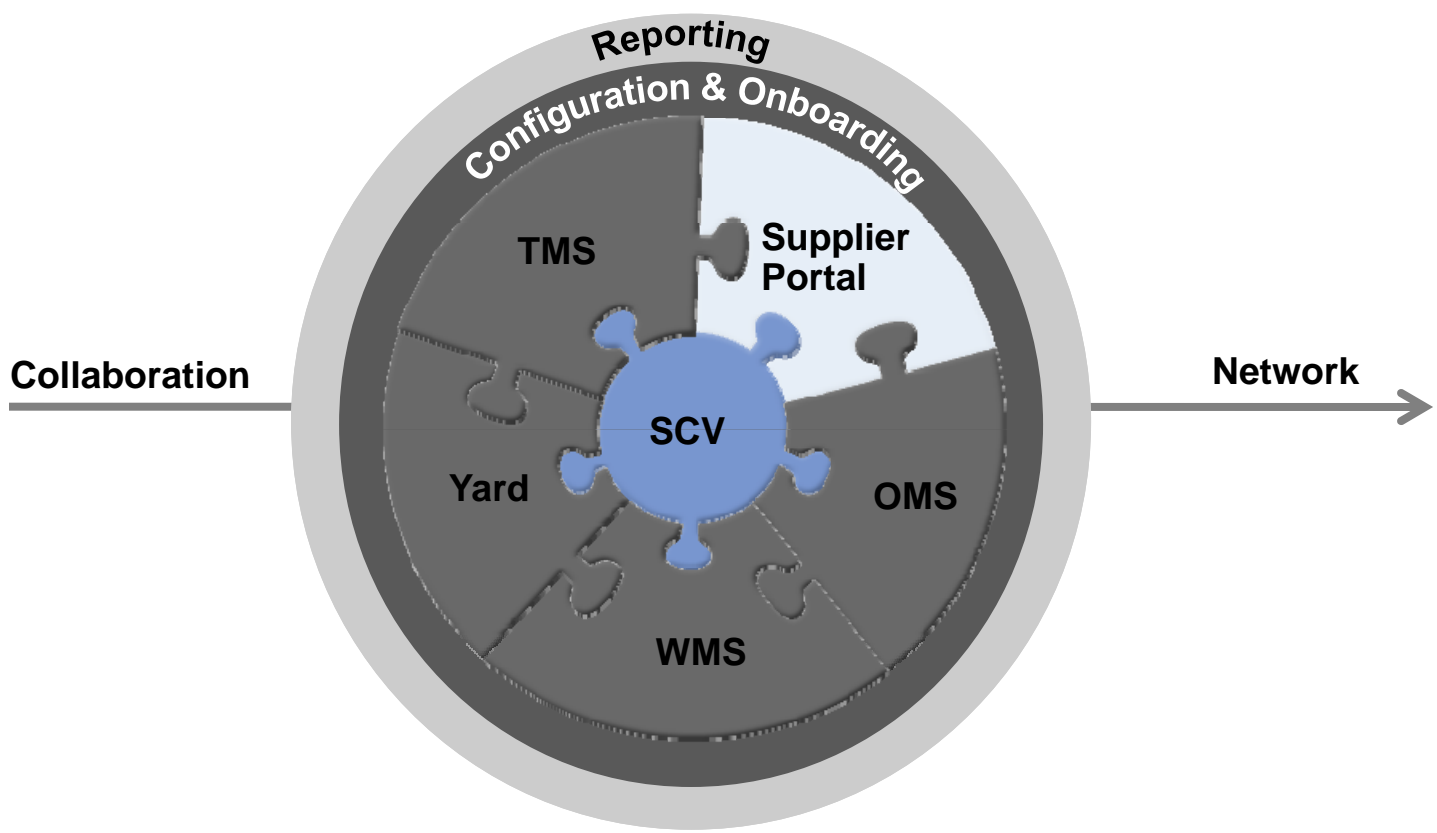
Supply Chain Visibility - Inbound

- Combines information from disparate sources
- Tracks and monitors the entire purchase-to-pay process
- Notifies out of tolerance conditions
- Calculates and reports the cost of non-compliance

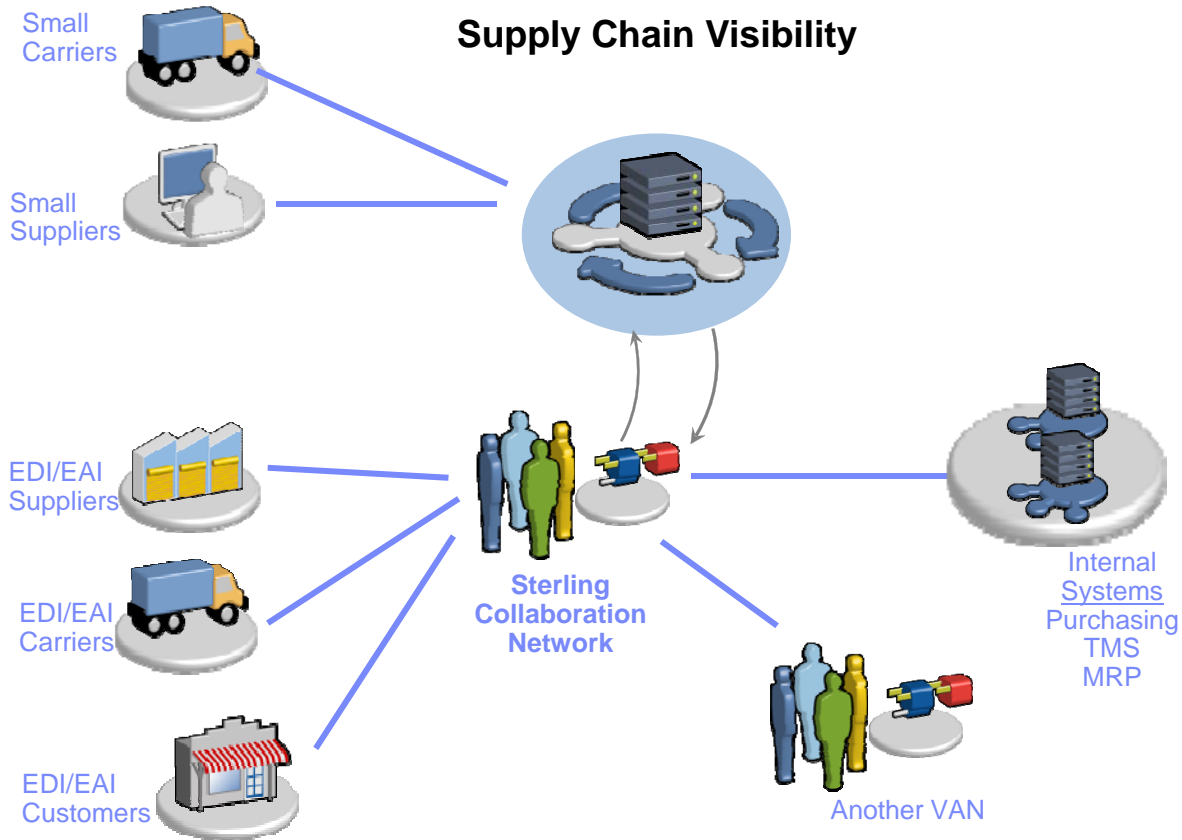


IBM Sterling Supply Chain Visibility enables companies to optimize their inbound and outbound supply chain processes through complete end-to-end visibility across global trading partner networks to minimize supply chain disruptions and improve supplier performance.

Supply Chain Visibility: Enhancing View of Supply Chain

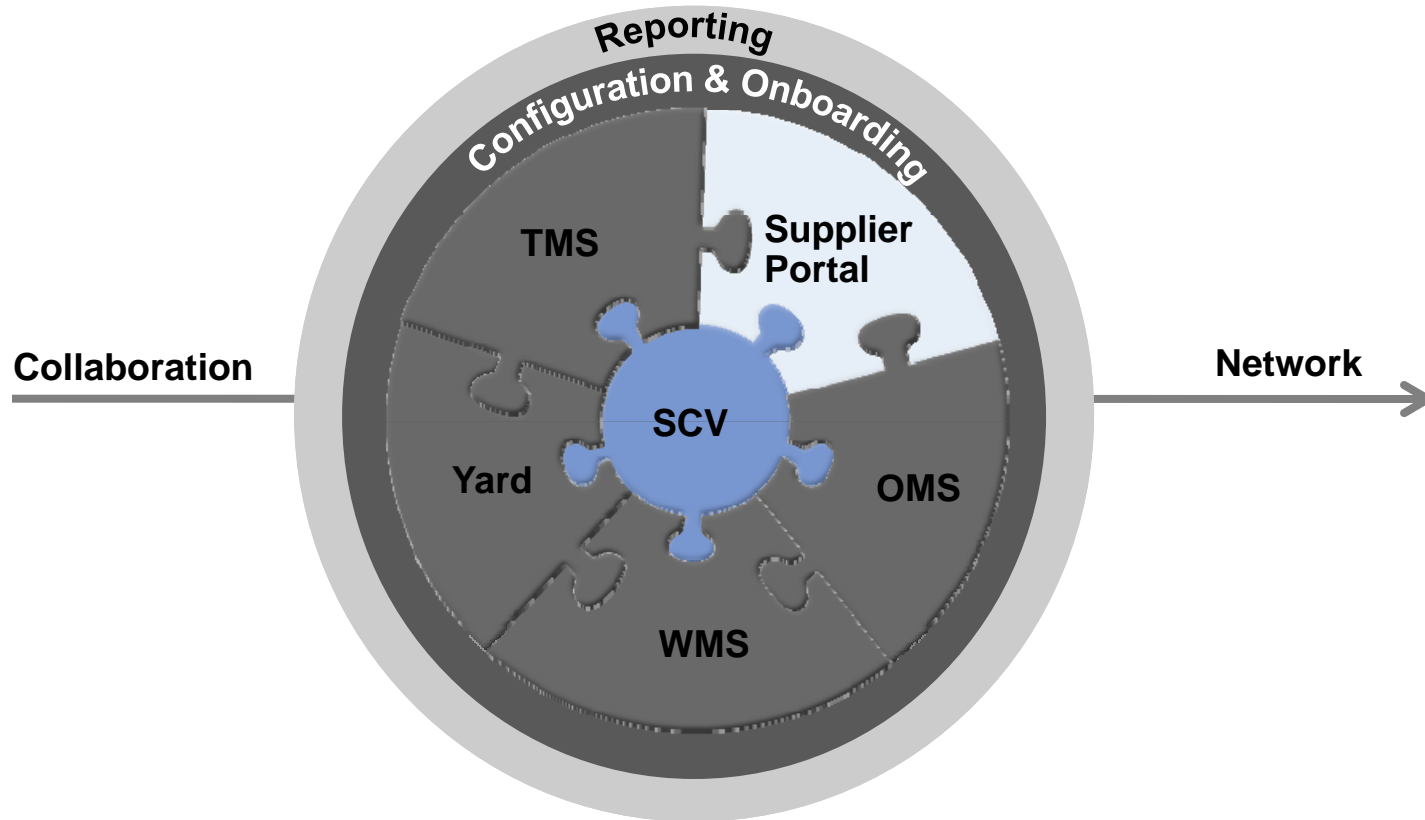


Getting Data Into SCV

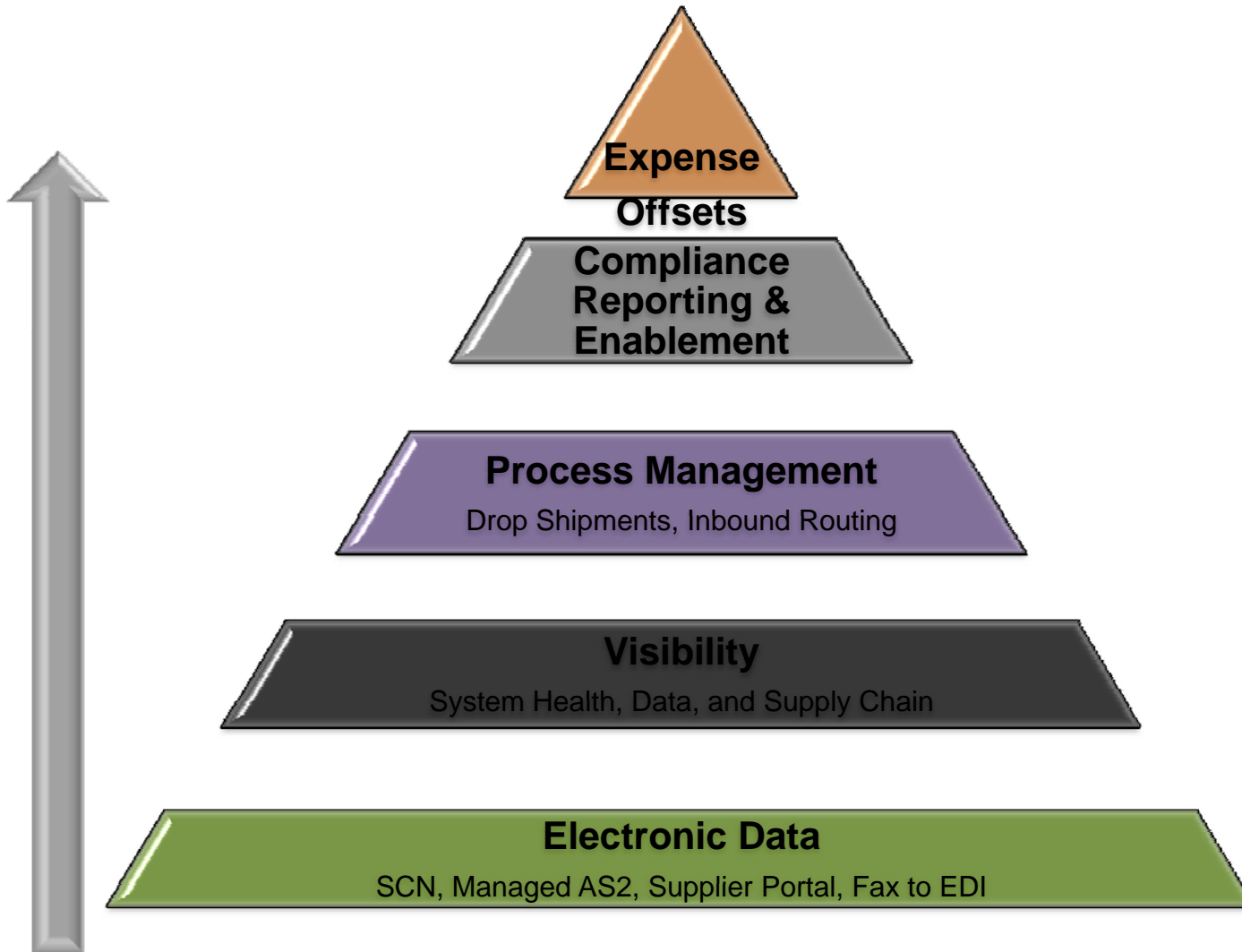


- SCN connectivity
- Direct connections with prospect
- Interconnects
- Fax-to-EDI
- Data in any format
- Carrier Portal
- Supplier Portal

Supply Chain Visibility: Providing Exception Alerting and Vendor Compliance



Direction of Supplier Management Offering



Vendor Compliance: Enforcing Better Supply Chain Efficiencies

- What it does:
 - Provides a flexible configuration framework to provide real-time action and supplier notification of violations to a customer's supply chain requirements
 - Provides shared performance reporting with dispute and grace period functions
 - Automated chargeback issuance
- What it enables you to do:
 - Build a believable ROI for improved supplier management
 - Take the burden off finance to calculate fines
 - Enable your suppliers to resolve non-compliance issues as they happen
 - Minimize disputes and their resolution by providing a common view
 - Save time and effort by automating the deduction process
- How it is delivered
 - Subscription based on demand solution that includes Supply Chain Visibility, the Supplier Portal, and the Vendor Compliance Module
- How you know you need it:
 - Currently lack visibility into the order lifecycle, from creation to payment
 - Unable to detect and resolve exceptions in real-time
 - Unable to get suppliers to comply with your published business requirements on a consistent basis
 - May currently operate a manually intensive vendor compliance program

Supplier Portal Features That Drive Compliance

- For small suppliers using the supplier portal, the buying company is able to dictate the following business rules through configuration:
 - Invoice charges and allowances permitted
 - Packing slip format
 - UCC-128 compliant label format
 - Parcel shipping account and modes allowed
 - Acceptable fill rates and delivery performance
 - Transaction documents expected (order, acknowledgement, routing request, ASN, invoice, remittance)
 - Maximum number of shipments allowed per order

Chargeback Details Are Immediately Shared with the Supplier

- The Chargeback Detail Screen shows the nature of the violation and its cost to the supplier
 - It can be modified or cancelled by the buyer until the dispute period expires
 - The supplier cannot edit the chargeback amount, but can enter their own private notes

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Charge Back Detail

Related Tasks → [View Non-Compliance Summary](#)

<p>Charge Back Amount ▾</p> <p>\$ 250.00</p> <p>PO Shipped Late (NC02) Pending Charge on 05/23/2010</p> <p><input type="button" value="Modify"/> <input type="button" value="Cancel"/></p>	<p>Primary Information ▾</p> <p>Transaction ID CB00012 Notification Date 04/22/2010 10:32:21 AM</p> <p>Order # OMP100021123 Supplier Computer Tech Inc (COMP TECH)</p> <p>Shipment # SHP100002101 Invoice #</p> <p>Detail Order OMP100021123 has not been shipped on expected ship date</p>	<p>Supplier Group (s) ▾</p> <ul style="list-style-type: none"> Laptop Suppliers Desktop Suppliers Flash Drive Suppliers Memory Stick Suppliers Portable Audio Suppliers
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Private Notes ▾

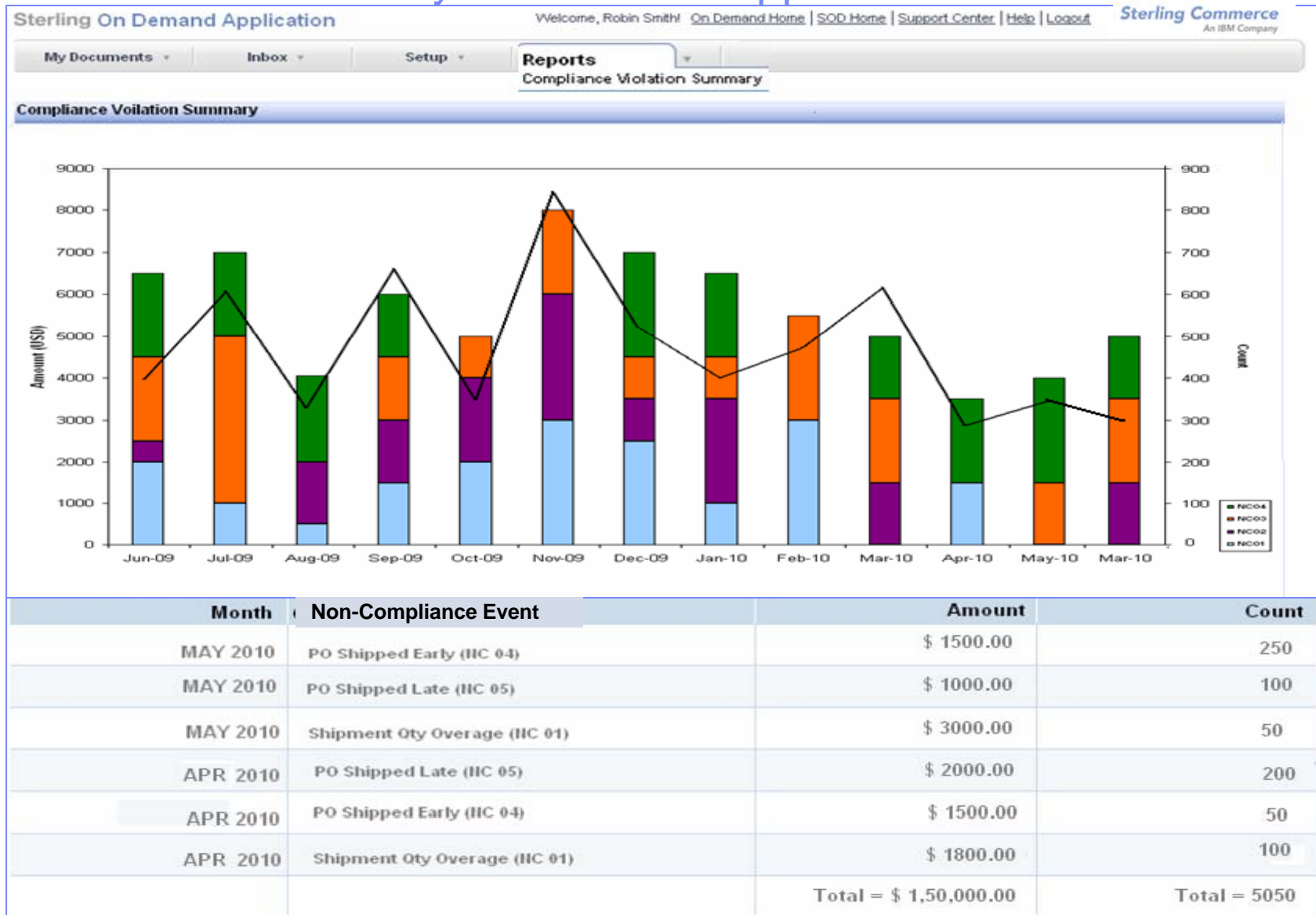
04/24/2010 07:24:55 – richard_brown@asd.com : Robin from Jn food called today and disputed on applied charge backs. After discussion we found that order has been modified around original shipment date and supplier didn't commit to ship with changes on original ship date. Charge Back need to be updated

04/24/2010 17:47:55 – richard_brown@asd.com : Updating Charge Back amount based on previous comments

Audit ▾

Modified On	Old Amount	New Amount	Reason Code	Reason Text	Modified By
04/28/2010 10:33:20	\$ 260.00	\$ 250.00	Incorrect Update	Charge amount was updated incorrectly in previous update	Richard Brown
04/26/2010 15:33:45	\$ 280.00	\$ 260.00	Incorrect Update	Charge amount was updated incorrectly in previous update	Tom Turner
04/24/2010 17:42:14	\$ 300.00	\$ 280.00	System Error	Charge Back rule was incorrectly configured in the system	Richard Brown

Performance Summary Shared via Supplier Portal



IBM Sterling Supplier Portal Helps to Connect Solutions that Address Supply Chain Efficiencies

- B2B Collaboration
 - Assuring that all suppliers are connected to their customers
 - Sterling Collaboration Network
- Supply Chain Visibility and Alerting
 - Visibility into the status of all supply chain documents and exception alerts
 - Supply Chain Visibility
- Inbound Logistics Planning
 - More effective planning of carrier fleet and delivery
 - Transportation Management System
- Multi-Channel Fulfillment Options
 - Fulfillment options from delivery to the warehouse to deliver directly to end-customer
 - Drop Ship Module
- Supplier Compliance to Customers' Requirements
 - Clear communication of business requirements and alerts with penalties
 - Vendor Compliance Module

Supplier Portal: One Consistent Interface to the Supplier

- Value to the Supplier Includes:
 - Greater visibility for the suppliers
 - Open Orders panel provides a process view
 - Provides the trading partner with a view of the entire supply chain process
 - Event Log displays the date and time for each action that has taken place on an order
 - Allows for better handling of order changes
 - Task-Based interface
 - Date-based alerting to assure suppliers respond in customer defined timeframes
 - Assures that the supplier is aware of tasks that are due and tasks that are overdue according to dates set by the customer
- Consistent Interface Regardless of Application:
 - One Portal for Suppliers to access to satisfy multiple processes
 - Consistent Order
 - Buttons and Related Tasks Change based on customer's purchased solutions and types of orders

Thank You!

