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How To Prepare Your Logistics Network to Adapt to Disruptions

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Position for adaptability

Today's organisations are contending with a global business environment in a state of constant disruption. Geopolitical instabilities, health crises, climate change, cyber threats, and rapid technological advancement are always affecting demand and supply, as well as labour and capacity. PwC refers to this constant global uncertainty as a state of "permacrisis."

Resilience in the face of disruption is now a top business strategy for manufacturers. Yet existing systems are unable to model risk-based scenarios, making it difficult for companies to put contingency plans in place. To stay on top of potential issues, it is critical to have full visibility, modeling, and planning capabilities across your logistics network.

Managing an end-to-end logistics network requires collaborative orchestration. Companies that rely on fragmented logistics and distribution systems just can't keep up. Today, you need a digitally integrated logistics network to ensure resiliency to rise above any type of uncertainty.

Did you know?

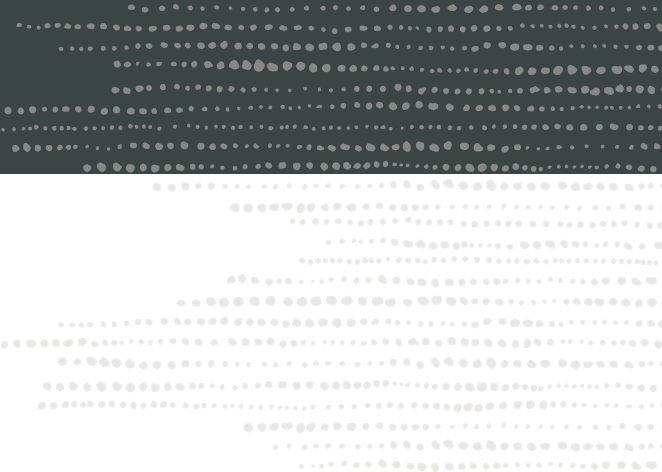**96%** of organisations have experienced disruption in the past two years.

93% of organisations with a resilience programme in place have established a C-level sponsor, with one-third naming the CEO as their executive sponsor for resilience.

89% noted that resilience is one of their most important strategic organisational priorities.

Source: According to PwC's 2023 Global Crisis Survey

Does your manufacturing business face any of these challenges?

- Lack of real-time visibility into inbound shipments and inventory, resulting indelayed production and out-of-stock situations due to unforeseen disruptions

- Difficulty in making quick and actionable decisions because of lack of scenario modeling and planning

- Increase in logistics costs because of high volumes of expedited shipments and safety stock

- Difficulty calculating "cost-to-serve" with lack of visibility into current transportation assets, capacity utilization, and warehouse space availability

- Inability of current systems to manage all necessary transportation and distribution needs

- Inability to integrate with freight and distribution partners and other business processes

What could your manufacturing business accomplish with resilient logistics?

1. **Quickly adjust to disruptions**
   Maintain an integrated and centralized platform to manage transportation, global trade, and warehouse activities, with real-time collaboration between suppliers and partners, especially during disruptive situations.

2. **Gain real-time visibility and control**
   Perform "what-if" scenarios to determine the best transportation option and make changes immediately.

3. **Reduce operating costs and improve customer service**
   Deliver exceptional service by providing accurate lead times and identifying potential delays that can arise from route changes and unforeseen events.

How can Oracle Logistics help you improve your resilience?

- Optimise shipments across transportation networks, maximise productivity and capacity usage, reduce transportation and expedite costs, and improve decision making by simulating transportation options.

- Support omnichannel fulfillment through complete inventory visibility across yard locations and distribution centers, reducing stock-outs and improving warehouse efficiency.

- Unify transportation, trade, and warehouse capabilities to deliver best-in-class in-transit, cross-border, and distribution visibility and control over shipments and inventory. Reduce overall logistics and distribution costs while maintaining service levels and increasing customer satisfaction.

"Oracle Transportation Management's automated transport planning algorithms yield insight into our transport and logistics planning and decision-making. It is a globally recognized solution that has the flexible functionality needed to support a global enterprise."

Wendy Herrick
Vice President, Digital Supply Chain,
Unilever United States

What steps should you consider to better position for adaptability?

Step 1
Identify gaps and areas where your transportation networks and warehouse operations are most vulnerable whenever disruptions occur, such as carrier routes, capacity, fleet, manpower, inventory levels, and warehouse space utilization

Step 2
Review existing transportation planning capabilities. Determine whether you can model scenarios and forecast costs based on carrier and route options and develop contingency plans.

Step 3
Evaluate areas in your logistics process where you are incurring high transportation and distribution costs, such as expedited shipments, safety stock, customs-related penalties.

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To learn more about how you can optimize fulfillment for maximum business impact, visit our Perfect Delivery page or take a product tour.

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