

SYSPRO U.S. Provides Critical Visibility with Voyage & Container Tracking

Mobile, Cloud or On-Premises Supply Chain Management

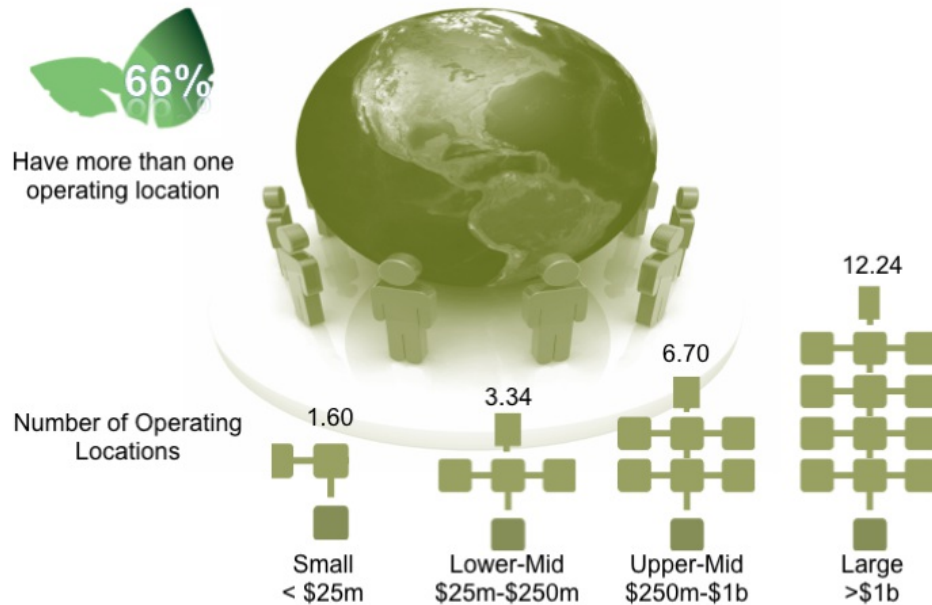
In a world where international shipments are so commonplace, it is amazing how many global manufacturers and distributors lack visibility of goods that are in transit, often for weeks at a time. Even though the ownership of purchased goods transfers as soon as a container is closed, for most, particularly for small to medium-size businesses (SMBs), materials simply disappear into a black hole, before they (hopefully) are received from half a continent or half a world away. To solve this problem, and also add visibility to shipped products, SYSPRO U.S. has added a new Voyage & Container Tracking solution to its portfolio and made sure it is fully integrated with its enterprise resource planning (SYSPRO ERP) software and complemented with useful analytics. This is perfectly consistent with its “Einstein” market positioning favoring “simply smarter” solutions for what the mid-market customer actually needs, versus simply succumbing to industry hype.

A Real Solution for a Real Problem

Once upon a time, in the not-so-distant past, globalization was the domain of large, multi-billion dollar enterprises. Yet today, almost every company, regardless of size, trades internationally. Low cost country sources have sent even small manufacturers and distributors in search of lower cost materials and small companies themselves have become more distributed. The 2014 Mint Justras ERP solution study found 66% of all manufacturers operate from more than one location and even small manufacturers (those with annual revenues less than \$25 million) have an average of 1.6 operating sites (Figure 1). These types of changes in the business environment have brought an unprecedented level of complexity to supply chains and those supply chains extend across the globe.

Long lead times add uncertainty, which is difficult for any company to deal with, but particularly so for small to medium-size companies that have fewer resources and less clout with their customers — customers which often are very large and demanding. Yet shipment tracking, accurate determination of true landed costs and visibility into where goods are and where they are coming from, have typically been features only available in specialized software packages that are well beyond the reach of an SMB.

Figure 1: Even small companies operate globally



Source: Mint Jutras 2014 ERP Solution Study

Note: Size is based on annual revenue

SYSPRO U.S. turned to its customer base to help define and design the features and functions required to close this gap in visibility and then it spent the last two years refining it with the assistance of one company in particular: Wormser Corporation, a privately held cosmetics manufacturer and distributor based in Englewood, New Jersey. Wormser's biggest challenge was in tracking shipments from its manufacturing location in Shanghai to its 40 warehouses in the United States.

Three Major Components

The embedded features of SYSPRO U.S.'s new Voyage & Container Tracking solution are delivered through three major components.

1. **Release Matrix:** This component identifies and manages items that are available for shipment through a multi-part release operation. Items included in both purchase orders and sales orders can be combined in a single release. Users are provided visibility into what is available and can adjust quantities and view expected departure and delivery dates.
2. **Container Management:** This component is used to determine which products or parts will travel in which containers. It provides the flexibility to consolidate releases from multiple orders into a single container or split a single order across multiple containers. While today the solution does not explicitly manage the capacity of each container, it does provide visibility into container usage. SYSPRO U.S. plans to enhance this capability in the future to include optimization of containers. Through the assignment of goods to these containers, the SYSPRO customer gets added visibility and predictability of departure and arrival dates as well as source and destination ports.
3. **Disposition Management:** When a container reaches its destination, this component takes over. Each container may be processed separately or all containers on a voyage can be handled as a single shipment. Upon arrival at a port, the goods in the containers may be placed on quarantine hold or transferred to another segment of the journey (e.g. from ocean vessel to truck) for delivery to the next or final destination. This component performs the inventory and fiscal transactions necessary and provides more visibility. Charts and graphs are useful in analyzing elapsed time between ports, management of the number of containers shipped and landed costs.

These charts are just some of the analytical tools provided. SYSPRO U.S.'s survey of a sample of its own customer base convinced the solution provider that the vast majority of its customers found messaging within the enterprise software industry about "big data" and analytics either difficult to understand or only somewhat understandable.

Yet the lack of understanding does not mean there is no value in these types of analytical tools. It simply means small to mid-size manufacturers and distributors need help in understanding how to leverage these tools. And it also means they will only be receptive to learning more if the tools solve a very real and practical problem. They are not interested in elegant technical solutions in search of problems. They have plenty of problems of their own to solve.

Potential Benefits

The potential benefits of SYSPRO U.S.'s new solution should be very appealing to these pragmatic manufacturers and distributors. The potential benefits include:

- The ability to track shipments both at an order line level, as well as a summary level. This tracking data will also be available for analysis for both strategic and operational decisions.
- Better visibility to inventory, even with long lead-time items. This visibility will be helpful in improving full, on time delivery.
- The ability to analyze performance by product origin through the recording of departure and arrival cities and individual ports.
- Better vendor performance management through more detailed measurement of promised and actual shipments.
- Full determination of not just material costs, but full landed cost, whether free on board (FOB) or not.
- Improved communication and collaboration between departments, locations, and vendors, along with fewer mistakes.
- A single source of the truth. Because of the seamless integration with SYSPRO ERP, all shipping and financial data is combined in a single source of data.

Proof Positive: Wormser Corporation

With six locations around the world, Wormser Corporation's biggest challenge was in tracking shipments from its manufacturing location in Shanghai to its 40 US-based warehouses. All these different locations were using different systems and ultimately Wormser turned to SYSPRO for a full and integrated solution for its global operations. SYSPRO ERP was a great fit for daily operations, but Wormser approached SYSPRO U.S. for a custom tracking module for overseas inventory tracking. This was the genesis of the voyage and container tracking system now being released as a standard offering.

In October 2012, Wormser's six international locations (New Jersey, California, Texas, England, Germany and China) went live with SYSPRO ERP and the newly- developed intercompany modules. All supply chain transactions between entities were automated. In addition Wormser tracks partial and full container shipments from vendors.

By collecting all this data, from all these locations, as well as from vendors, Wormser is able to produce analytical reports and graphs that aid in comprehensively managing a complete supply chain. Analysis can be done at an order line level, all the way up to and including location and the full company. Vendor performance is also tracked and Wormser now has data for strategic, as well as operational decisions.

Summary and Key Take-Aways

This new Voyage & Container Tracking solution provides an enormous opportunity for many of SYSPRO U.S.'s

customers. Any that deal with long lead times, complex supply chains and/or international, containerized shipments can potentially derive a lot of value from this newest solution. And as a SYSPRO U.S. offering, it is both affordable and pre-integrated to the SYSPRO ERP solution being used to manage back and front offices across the installed base of SYSPRO U.S. customers around the world. By infusing analytics into the solution, it becomes a potentially powerful tool for decision-making – both from an operational and a strategic decision-making perspective. With this new option, SYSPRO U.S. companies faced with real supply chain challenges, particularly those with multiple locations, can gain new efficiencies with real solutions.