

How today's supply chains can embrace global synchronous execution capabilities

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Building a better
working world



Advanced technology innovations, coupled with the growth of e-commerce as well as the intricacies of larger volumes, complex products, and pricing for B2B and B2B2C channels, are expanding businesses' capabilities to serve customers globally. But it's not enough to take orders – those orders need to be efficiently and profitably fulfilled. Blue Yonder and Ernst & Young LLP (EY) are partnering to help companies master this challenge and seize the growing global opportunity.

A world of possibilities awaits, but most supply chains aren't ready.

If the past few years have taught us anything, it's that we exist in a marketplace that's truly global in nature. Supply chains stretch around the world and are increasingly capable of serving customers around the world. We've seen companies apply advanced technologies, like artificial intelligence (AI), machine learning (ML) and data science to uncover new revenue opportunities. And we've seen them innovate in their ability to ship from, and deliver to, a range of locations, including homes, stores and micro-fulfillment centers.

However, serving a global marketplace is fraught with risks and complications. A supply chain that spans thousands of miles is vulnerable to disruptions from the first mile to the last. From demand volatility and



labor shortages to closed shipping routes and evolving trade regulations, companies must identify these disruptive events in real time, define a resolution and execute that action immediately, across first, middle and last miles of the extended supply chain. This level of real-time visibility and dynamic responsiveness is no longer optional; it's an imperative to doing business in the global marketplace.

Achieving that level of awareness and agility is a difficult undertaking, even with the right tools and processes. And most companies don't have the right tools and processes. They may have best-in-class point solutions, like a warehouse management system (WMS), transportation management system (TMS) or order management system (OMS). But too often, these technologies are applied as disconnected "point" solutions that don't share data, don't make holistic decisions or don't provide end-to-end visibility across inventory levels at every node. Lack of real-time predictive estimated time of arrival (ETA) updates results in exception escalations across the order value chain.

Each function may be optimizing its own internal efficiency, but there is no cross-functional connectivity or orchestration. For example, an initiative to reduce freight shipping costs may have disastrous implications for inventory carrying costs. In the majority of supply chains, there is no end-to-end system process that connects and synchronizes the entire fulfillment chain on a dynamic, ongoing basis.

In addition, most organizations have blind spots when it comes to international trade. They can't answer simple questions about how a trade embargo or tariffs

and related disruptions will impact their high-level global shipping plans or the day-to-day execution of those plans. They can't automatically screen for denied or restricted parties.

Today's omnichannel, multinational marketplace means that companies can sell products and promise delivery anywhere in the world. But those fulfillment promises are meaningless, unless they are supported by a robust operational execution framework that's global in nature. Any company can unlock a new opportunity. But can it transform that opportunity into a profitable revenue stream? That requires a new approach.

Half of the retailers in the US view inventory visibility across channels as the most critical omnichannel capability. Two major concerns, WISMO (Where is my order?) and WISMR (Where is my return?), account for approximately 80% of all customer service interactions. Moreover, these interactions can cost between US\$5.50 and US\$8.50 per client contact. Besides the financial implications, there is also the issue of customer dissatisfaction. Forty-five percent of surveyed consumers will not return to a seller after a poor delivery experience.

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Optimized global execution requires a synchronized approach.

To efficiently and profitably serve global markets, companies first need to fully integrate their WMS, TMS, global trade management (GTM) and OMS solutions on a single platform. These solutions need to be digitally connected; share a unified data set; and facilitate collaboration via seamless, end-to-end workflows.

While many companies have invested in expensive custom integration efforts to connect these disparate solutions, that's not enough. Technology systems need to be truly interoperable, be able to and facilitate share a real-time perspective and act in concert with one another. They need to natively talk to one another and be permanently connected on the same platform, fed by the same datastreams, to maintain connectivity regardless of new functionality, upgrades or data refreshes.

Too many companies focus their supply chain improvement efforts on technology reengineering to connect disparate solutions on a one-by-one basis. Instead, a platform approach positions companies to invest in process reengineering that truly impacts costs, service levels, sustainability and other objectives.

It's a new mindset and a reimagination of the traditional approach to the supply chain, but companies absolutely must start thinking in terms of end-to-end synchronization instead of achieving functional excellence via a series of disconnected point solutions. The shared end goal should be seamless, profitable global order fulfillment – and every function must be aligned with that single objective.

A second imperative in today's international marketplace is to infuse the end-to-end order fulfillment process with global awareness. As products cross geographic borders, what new issues, such as compliance and tariffs, come into play? Global trade experience is a critical part of operating in the modern omnichannel world.

Many companies engage external partners or brokers to add this experience to their supply chains. But global, end-to-end execution insights need to be an integral, connected part of the end-to-end fulfillment process. As international shipping data and transportation plans are loaded into the TMS, logistics teams should have immediate visibility into any compliance issues. When it comes to fast-moving global trade, data exchange can't be manual; it needs to be digital and real-time in nature.

The approach? EY Global Synchronous Execution powered by Blue Yonder

If real-time, end-to-end orchestrated execution across countries sounds impossible, rest assured that it's not. Two supply chain leaders, Blue Yonder and Ernst & Young LLP, have joined forces to deliver a Global Synchronous Execution solution that answers this real-world need.

Via a shared platform, for the first time, companies can connect their Blue Yonder WMS, TMS and OMS solutions in real time, infused with EY global trade experience. The result? A fully integrated, digital execution capability that operates with end-to-end visibility, awareness and purpose.

Enabled by AI and ML, and fed by a unified data model, the Global Synchronous Execution offering from Blue Yonder and EY

is built to optimize supply chain execution, from start to finish, for service, profitability, sustainability, trade compliance and other pre-defined objectives.

It creates a fully interoperable execution environment where every function shares the same priorities, recognizes the same constraints, has the same awareness of costs and service levels, and has the same real-time visibility to disruptive events.

If data is added in one solution, like TMS (e.g., a shipping cost increase or a blocked transportation lane, it instantly appears in other solutions, like OMS, where the impact on customer promises is immediately visible. With regard to global trade rules and restrictions, the Global Synchronous

Execution solution can flag denied or restricted parties at the time of order booking, as well as confirm compliance throughout the fulfillment process.

Proactive alerts, monitoring and notifications help stakeholders learn about exceptions and collaboratively address them. In many cases, AI- and ML-enabled decision engines autonomously define and execute an optimal resolution, with the new plan rolled out seamlessly across the end-to-end fulfillment process.

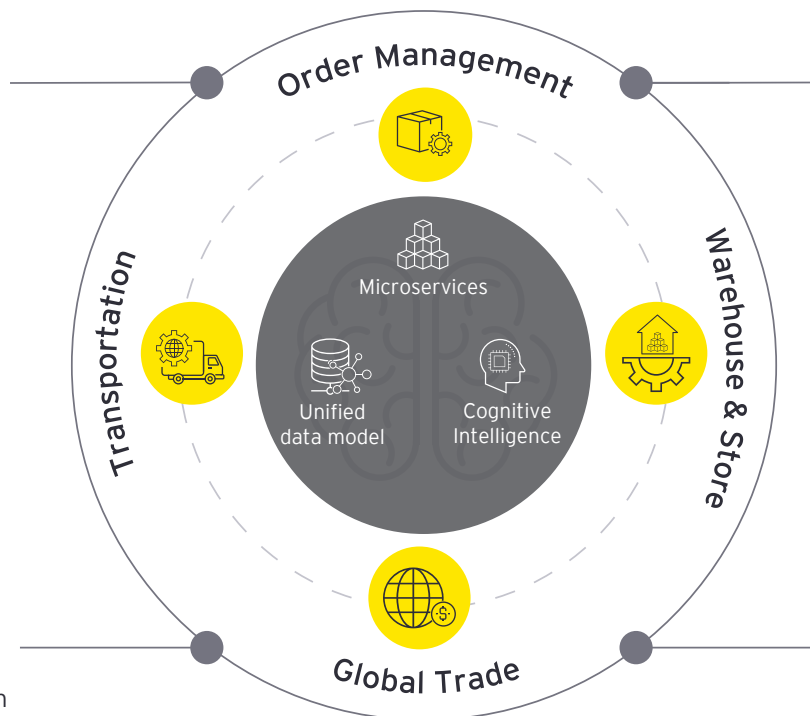
The ability to dynamically plan, and replan, across the global fulfillment cycle delivers significant cost and service benefits. Labor resources, inventory, trucks and other assets can be continuously optimized for capacity and efficiency as conditions inevitably change. Costs can be controlled throughout the fulfillment process for improved profit margins. And customer service levels can be maximized via real-time visibility into fulfillment status, leading to enhanced satisfaction and long-term revenue growth.

Simply put, Global Synchronized

Execution helps companies navigate the challenge of worldwide, omnichannel commerce – and future-proof their end-to-end supply chain, no matter what the future looks like. With its modular platform fabric, it empowers enterprises to gradually expand their supply chain functionality - providing a solution that mitigates concerns about compatibility and integration challenges. Freed from concerns about system integration challenges, Global Synchronous Execution allows enterprises to scale their supply chain solutions with ease - at a pace that suits their business needs.

Global Synchronous Execution framework

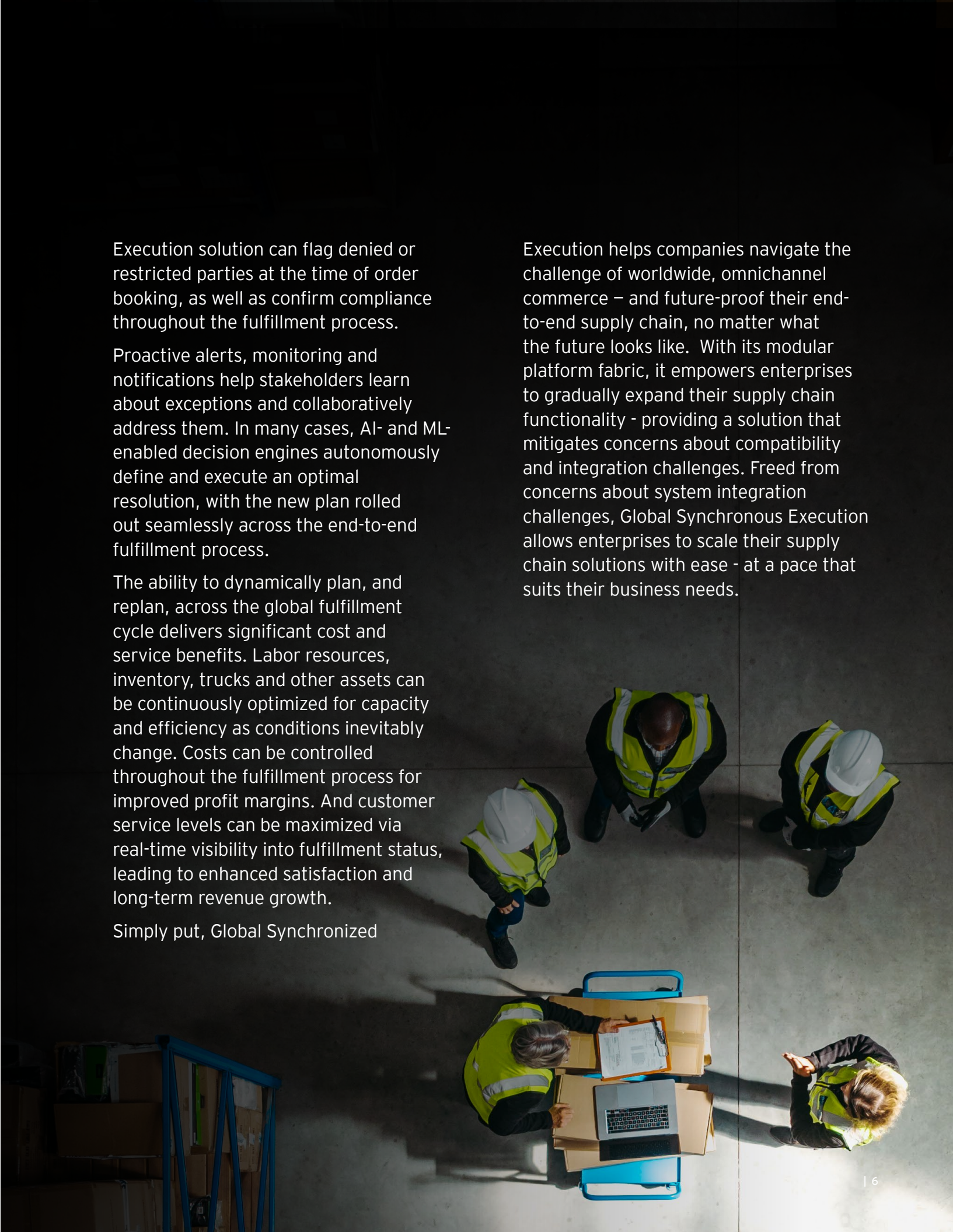
- ▶ Inventory updates
- ▶ Order updates
- ▶ Labor capacity
- ▶ Cutoff availability



- ▶ Inventory positioning
- ▶ Available to promise and commit to promise
- ▶ Sellable/unsellable
- ▶ Replenishment orders
- ▶ Returns routing and dispositioning

- ▶ Labor constraints
- ▶ Fleet constraints
- ▶ Storage constraints
- ▶ Capacity constraints
- ▶ Labor requirements

- ▶ Import export
- ▶ Denied party
- ▶ Customs declaration



Why Blue Yonder and EY?

Synchronizing execution across a global supply chain isn't for the inexperienced or the faint of heart. Blue Yonder and EY are ideally suited to take on this challenge.

Blue Yonder has been recognized as a Leader in both Gartner's Magic Quadrant for Transportation Management Systems and Gartner's Magic Quadrant for Warehouse Management Systems for 12 consecutive years. Its OMS solution has been positioned as a Leader by Quadrant Knowledge Solutions in its SPARK Matrix for Omnichannel Order Management Systems and named a Strong Performer in The Forrester Wave: Order Management Systems.

To ensure that its solutions continue to represent the cutting edge in supply chain software, Blue Yonder has committed to investing more than \$1 billion in research and development. From generative AI to camera-based recognition systems, Blue

Yonder is focused on building the digital supply chain of the future. Strategic partnerships with like-minded industry leaders, including Microsoft, Snowflake and EY, are aimed at maximizing customers' return on investment.

We are a global professional services organization that exists to build a better working world, helping create long-term value for clients, people and society, and build trust in the capital markets. Backed by its deep technical knowledge and worldwide scale, the EY Global Trade team offers a flexible way to view trade operations with clarity and act with precision while managing costs and mitigating risks.

EY Trade Connect is a modular, flexible toolkit of innovative technologies that link customers to a broad spectrum of managed services that can adapt and evolve with the changing needs of the business. EY capabilities include tariff classification, data

analytics, restricted party screening, pre-/post-declaration data review, foreign trade zones, Customs Trade Partnership Against Terrorism/ Authorized Economic Operator, and origin and free-trade agreements.

The global EY organization also offers pre-built integration adapters for a range of e-commerce platforms, such as Shopify, enhancing the entire workflow to deliver clients a combination of platform ease and adaptability when collaborating with external partners.

To further enhance the effectiveness of global synchronous execution for business teams, the global EY organization has created a comprehensive analytics layer to provide an end-to-end view for all logistics operations for an enterprise. This layer enables the easy visualization of data, leading to quicker insights into specific issues and facilitating the identification of trends and anomalies in the business landscape.



Prepare your organization for fulfillment performance that's truly world-class.

The new EY Global Synchronous Execution powered by Blue Yonder represents the best of both worlds: a cohesive, connected end-to-end fulfillment platform that's purpose-built for the realities of global trade.

To minimize customers' technology investments while providing a platform for future growth, the Global Synchronous Execution solution is a cloud-native technology ecosystem that includes software-as-a-service offerings and flexible microservices, connected by robust application programming interfaces. A single, intuitive solution interface minimizes the need for training and optimizes the user experience across the supply chain.

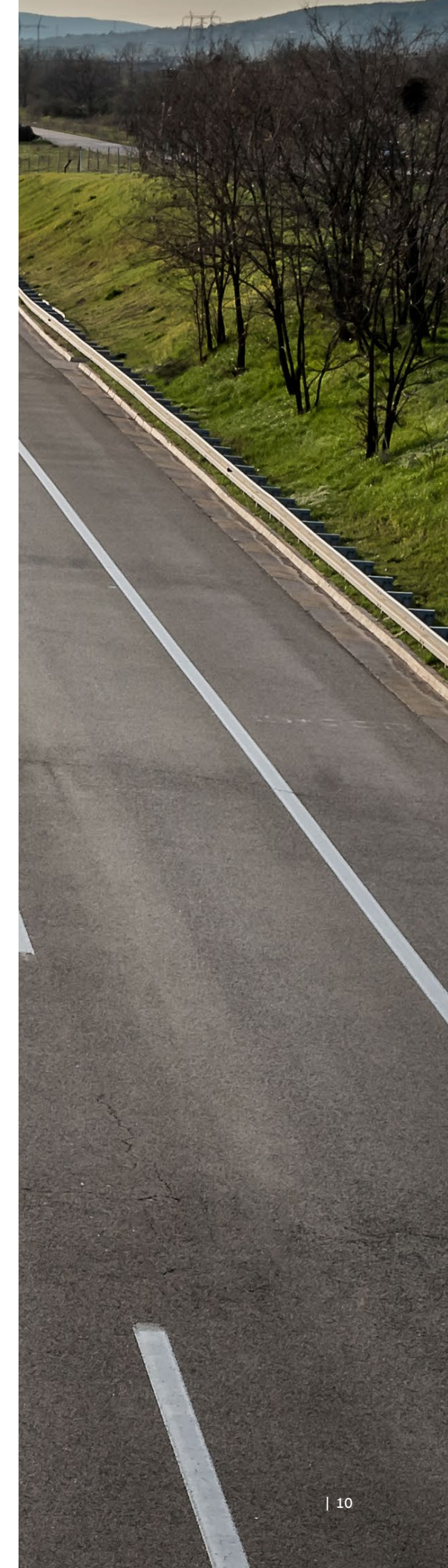
To learn more about Global Synchronous Execution and its world of benefits for your business, please contact:

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Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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