The New Era of Digital Logistics

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Executive Summary

Supply chain management has become the primary competitive weapon in many industries. At the same time, there is growing recognition that supply chain management is dependent upon execution excellence to achieve the promise of planning applications, strip out millions of dollars of costs through superior operations, and achieve revenue growth through personalized logistics systems that deliver high levels of customer satisfaction.

A new generation of execution-based supply chain management applications is revolutionizing supply chain operations. Built upon a foundation of execution excellence in such areas as distribution, labor and resource management, and transportation, these next generation applications are ushering in a new era of ***digital logistics***. Digital logistics allows companies to move beyond functional excellence to encompass, first, enterprise logistics management, and then supply chain integration, collaboration and optimization.

With digital logistics, companies will gain competitive advantage and new levels of profitability by:

Ø˙ Dramatically lowering costs through enhanced efficiency, reduced inventories and lower transportation expense
Ø˙ Increased supply chain velocity
Ø˙ Greater revenue and market share through customer-focused logistics that are difficult for competitors to match.

Companies embracing digital logistics will eliminate functional silos in their own supply chain organizations, significantly increase supply chain visibility and command and control, and synchronize inbound and outbound logistics processes with key trading partners and logistics service providers. They will take advantage of new technologies that enable real-time supply chain optimization, in tune with the dynamic, streaming nature of logistics events and activities, to drive out more costs and ensure fulfillment excellence.

Digital logistics will be the defining paradigm for execution-based supply chain management over the next 2-3 years. Companies that aggressively adopt digital logistics strategies will drive important benefits on both the cost and growth sides of the ledger. Those who do not embrace this new paradigm will soon be at risk of serious competitive disadvantage.

The New Era of Digital Logistics

Overview

We are entering a period of dynamic and fundamental change to logistics operations and strategy. While the 1990s saw rapid advances in the logistics competencies of most companies, a number of forces, especially the communication and collaboration potential of the Internet, are dramatically changing the way companies craft logistics strategies, processes and systems. As a result, companies embracing this new paradigm will be able to strip out millions of dollars of operating costs, achieve better supply chain integration, and increase market power through customer-focused fulfillment.

"While cost reduction continues to be a goal, logistics is quickly becoming a strategic weapon for most companies."

This change is critical, given the growing role of logistics excellence in overall company performance. In an e-business world increasingly characterized by both product commoditization and rapid increases in velocity, execution-based supply chain management has become an essential driver of company differentiation and value creation. As the ARC Advisory Group recently noted: "While cost reduction continues to be a goal, logistics is quickly becoming a strategic weapon for most companies."
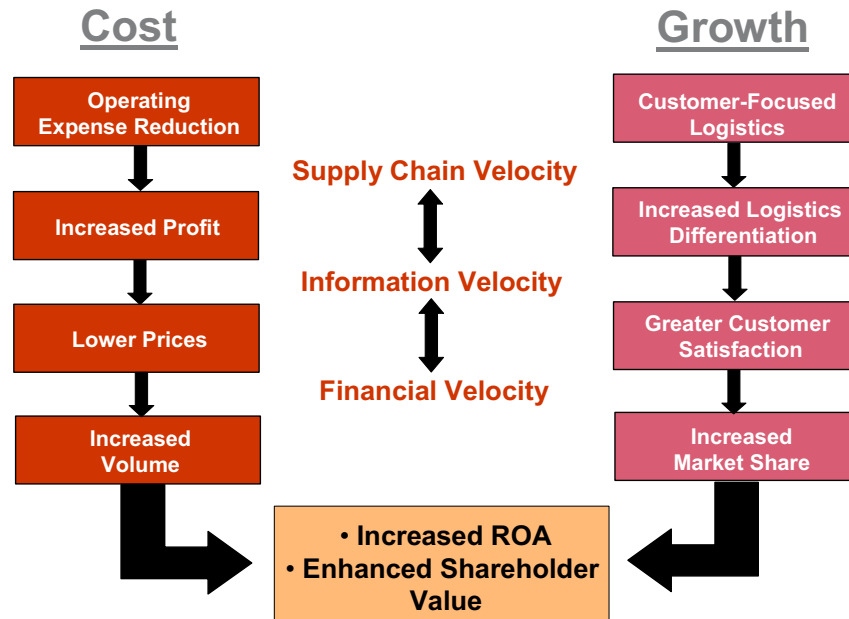
At long last, logistics has become a boardroom level concern, a critical lever to increase return on assets (ROA) and shareholder value.

More and more companies are finding high level corporate strategies for growth, profitability, quality and increased market share require corresponding investment in logistics processes and technology change. At long last, logistics has become a boardroom level concern, a critical lever to increase return on assets (ROA) and shareholder value. (see Figure 1). (See also RedPrairie's White Paper: *Unlocking the Hidden Value of Logistics*)

Figure 1. Logistics excellence has become a key driver of cost reduction, increased profitability and growth, which lead to increases in return on assets and shareholder value.
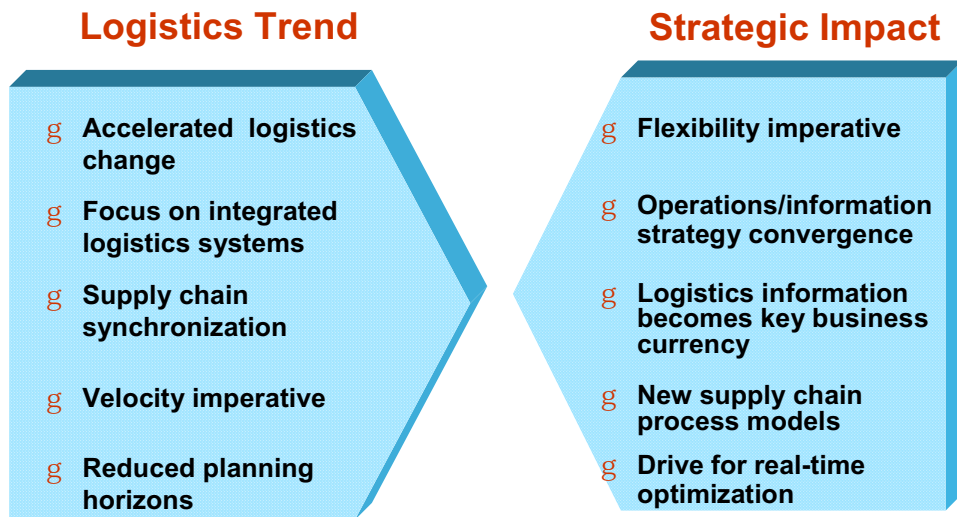
Cost

Operating Expense Reduction	
↓	
Increased Profit	
↓	
Lower Prices	
↓	
Increased Volume	

Growth

Customer-Focused Logistics	
↓	
Increased Logistics Differentiation	
↓	
Greater Customer Satisfaction	
↓	
Increased Market Share	

Supply Chain Velocity

↕

Information Velocity

↕

Financial Velocity

- Increased ROA
- Enhanced Shareholder Value

New Logistics Environment

Key environmental trends

To be successful, companies must also understand the key environmental trends impacting the way companies must craft logistics processes and systems. Five of the most important of these trends and the corresponding impact for logistics strategy and supply chain management include (see Figure 2):

£ · Accelerated logistics change
£ · Focus on integrated logistics systems
£ · Supply chain synchronization
£ · Velocity imperative
£ · Reduced planning horizons

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Figure 2. Impact of Logistic Industry Trends

Logistics Trend

g **Accelerated logistics change**

g **Focus on integrated logistics systems**

g **Supply chain synchronization**

g **Velocity imperative**

g **Reduced planning horizons**

Strategic Impact

g **Flexibility imperative**

g **Operations/information strategy convergence**

g **Logistics information becomes key business currency**

g **New supply chain process models**

g **Drive for real-time optimization**

Trend 1 – Accelerated logistics change

While the 1990s saw a significant increase in the rate of logistics change, the pace has exploded as we move into the 21st century. Dr. Jim Tompkins has describes the current logistics environment as one characterized by "whitewater change," driven by new business strategies, a steady stream of new customer requirements, mergers and acquisitions, cycle time pressures, and many other factors. Today, change is occurring more rapidly than traditional planning cycles are able to accommodate.

Today, change is occurring more rapidly than traditional planning cycles are able to accommodate.

Impact

Rather than resisting change, today's logistics organizations must harness its power to drive improvement and create opportunity and competitive advantage. Key to harnessing the power of change will be the adoption of logistics technology that provides the flexibility to respond to change quickly, much more rapidly than was possible with previous generation technologies.

Trend 2 - Focus on integrated logistics systems

In the past, many logistics initiatives focused on improving specific facility operations or individual functional processes, such as transportation. Today, the focus of logistics leaders is on integrated logistics operations across the enterprise, and extended supply chain, or what might be termed *enterprise logistics management*. Supply chain leaders are creating a foundation of facility and functional excellence, and then building upon it to integrated processes and information across their logistics networks. As a result, they will strip out millions in supply chain costs, reduce cycle times by eliminating information delays and disconnects, and achieve superior management control.

Impact

Integrated processes and technology will be essential for high performance logistics operations. Few companies have integrated their warehousing (WMS) and transportation (TMS) systems, allowing these functions to instead operate in departmental silos. In the next few years, companies will not only integrate WMS-TMS, but also labor and resource management, supply chain visibility, logistics scorecarding and decision support, and many other capabilities to provide a true enterprise logistics backbone.

Trend 3 – Supply Chain Synchronization

As companies increasing integrate their supply chain and logistics processes, their focus turns to synchronizing inbound and outbound logistics activities with supply chain partners. The internet and collaborative technologies are enabling synchronization to be achieved by facilitating supply chain wide visibility and information sharing, proactive exception management and alert notification, and precise, high velocity logistics operations.

Supply chain integration occurs at three levels:

- £ *Transaction integration*: invoices, purchases orders, request for quotes, etc. Transaction integration through traditional EDI and new web and XML-based communication serves as the basic foundation for supply chain management, but primarily adds value in terms of administrative cost reduction and, sometimes, cycle time compression.
- £ *Planning integration*: sharing of demand plans, promotion plans, manufacturing capacities, etc. Often concerned with improving forecast accuracy and capacity/materials planning.

£ · *Execution integration*: The true synchronization of supply chain processes, focused on actual inventories, end user pull, continuous or just-in-time replenishment, exception management, logistics coordination, and other near real-time activities. Evidence shows that the majority of supply chain integration is really happening at the execution level.

Impact

The dominant role of logistics in supply chain management not only increases its importance in achieving corporate objectives, but means that logistics information (inventories, order status, consumption, etc.) has become a key business currency. Companies that are able to capture, expose and act upon this information, using it to create powerful real-time logistics nervous systems and robust performance scorecarding and analytic applications, will generate tremendous value for themselves and their customers. Those that fail to do so risk placing themselves at significant competitive disadvantage.

Trend 4 – The velocity imperative

Michael Dell of Dell Computer has a simple answer for what supply chain management is all about: "velocity." Virtually every company is looking to increase velocity in multiple areas of its business, taking time out of the process and lowering costs, improving quality and driving customer satisfaction as a result. This is not just happening in the high tech arena – companies in many industries are looking to emulate relevant parts of "the Dell model."

Logistics clearly has a significant impact on velocity. But it is actually the increased velocity of logistics information that is allowing dramatic increases in physical velocity. This information and physical velocity in turn are driving increasing financial velocity.

Impact

The focus on velocity is driving new business and logistics process models. These include the adoption of build or assemble to order business models, postponement strategies, and just-in-time inventory and continuous replenishment programs, to cite the most prominent. These new business strategies require adoption of new application components, such as make-to-order logistics, cross-docking and flow-through, merge-in-transit, and robust DC-level work order management.

Trend 5 – Reduced planning horizons

Supply chain management initiatives have created significant value for many corporations over the past decade. These initiatives have commonly involved adopting a more holistic view of the supply chain, improved demand planning and supply matching, and use of a variety of planning tools to help manage inventories and capacity.

While often delivering value, the role of supply chain planning solutions is being impacted by a variety of market and environmental conditions. These include:

- Significantly reduced planning horizons
- Lean supply chain practices, which allow less room for execution variance
- Changing business models, with many companies migrating to make to order fulfillment systems, rather than make to stock.

As a result, the once distinct lines between supply chain planning and supply chain execution processes and software applications are starting to blur.

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Impact

Companies must craft systems that are able to respond to supply chain events in a way that maximizes profit while ensuring customer satisfaction. Given the acceleration of supply chain velocity, companies relying on static, batch planning approaches will find it increasingly difficult to achieve supply chain excellence. The new paradigm will be continuous or "streaming" optimization, executed in real-time.

Streaming optimization produces better supply chain results, lowering costs and making decisions in tune with real-time logistics events.

The new paradigm will be continuous or "streaming" optimization, executed in real-time.

The New Logistics Paradigm

The changing logistics environment and key trends impacting supply chain execution are driving new paradigms for logistics management. Companies must embrace logistics processes and technologies that are integrated, collaborative and optimized.

The internet is ushering in a new era of tremendous increases in supply chain velocity and cost reduction through information sharing and logistics synchronization between trading partners and logistics service providers. The logistics opportunities created are driving a market transformation from traditional logistics concepts to a new era of ***digital logistics***.

Companies must embrace logistics processes and technologies that are integrated, collaborative and optimized.

How is digital logistics different from traditional logistics?

Ø˙ Digital logistics is about the true convergence of logistics operation and technology strategy, using new technologies to unlock millions of dollars of value through dramatic productivity gains and cost reduction, while simultaneously achieving competitive marketplace advantage by delivering unique logistics value propositions.

Ø˙ Digital logistics is based on a new generation of web-based, enterprise logistics applications that enable collaboration and optimization, built upon a central logistics information backbone that provides visibility across the enterprise and extended supply chain.

Ø˙ With digital logistics, these new generation enterprise and supply chain logistics applications are tightly integrated with core warehouse, transportation and labor management systems to enable new process models and ensure fulfillment excellence.

Digital logistics breaks down operational silos

Digital logistics breaks down operational silos. It impacts not only the cost side of the value equation, but also fuels growth through the ability to deliver personalized, customer-focused logistics, with faster cycle times and exceptional customer satisfaction.

Laggards that are too late to the game may find themselves at a cost and customer integration deficit that is extremely difficult to overcome

To understand the impact digital logistics can have on company operations, consider the scale shown in Figure 3. For each scale, such as siloed versus integrated or lag-time versus real-time, estimate where your company operates today, and where you would like it to operate in the future. While the situation and needs of every company are different, few companies today operate well to the right across most scale attributes. However, leaders will use new technologies to drive significant improvement across the areas most important to their business, resulting in competitive advantage, increased market share and greater profitability. Laggards that are too late to the game may find themselves at a cost and customer integration deficit that is extremely difficult to overcome.

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Figure 3.

Digital Logistics Benefits Scale

Traditional Logistics		Digital Logistics
① Siloed Processes/ Systems	— — — — — — — — — — —	Integrated Processes/ Systems
② Cost Laggard	— — — — — — — — — — —	Cost Leader
③ Undifferentiated	— — — — — — — — — — —	Differentiated
④ Low Velocity	— — — — — — — — — — —	High Velocity
⑤ Reactive	— — — — — — — — — — —	Proactive
⑥ Open loop	— — — — — — — — — — —	Closed loop
⑦ Insular	— — — — — — — — — — —	Collaborative
⑧ Lag-time	— — — — — — — — — — —	Real-time

Examples of the benefits that companies that embrace digital logistics can achieve include the following:

Reduced transportation costs

£ · Dramatically reduced transportation costs and increased distribution efficiency through creation of consistently executable, optimized transportation plans that recognize DC capacities and constraints.

Millions of dollars of inventory savings

£ · Drive millions of dollars of inventory savings and improved customer fulfillment through end-to-end supply chain visibility, exposing real-time information about orders, inventory, shipments and events to multiple players in the supply chain

Logistics differentiation

£ · Increased revenue and market share growth through logistics differentiation and customer satisfaction. This is achieved by the capability to easily offer additional value added services, execute seamlessly according to specific customer profiles in the logistics software, while simultaneously understanding customer costs and profitability at a detailed activity-based level.

Drive goal attainment and continuous improvement

£ · Drive goal attainment and continuous improvement through performance measurement across the enterprise, using robust, online analytic tools.

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£ ˙ Reduced cycle times, inventories and transportation costs by executing high velocity, optimized logistics flows through strategies such as dynamic merge-in-transit.

Digital logistics allows companies to craft high performance, integrated logistics operations specific to the needs of their supply chains, driving cost reduction and revenue growth, using a set of technology tools not available until now.

Digital Logistics Framework

Companies embracing digital logistics will experience continued evolution from functional excellence to enterprise logistics management to supply chain integration and collaboration that will characterize supply chain leaders. (see figure 4)

Figure 4. Digital Logistics Framework
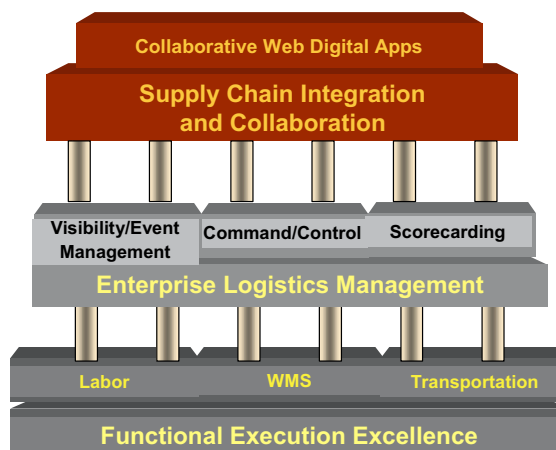
.Level 1: Functional Execution Excellence

Despite the focus on enterprise logistics and the need for supply chain integration, local facility level functional excellence is the foundation on which digital logistics is built. Many companies have embarked on aggressive supply chain initiatives, only to find they were unable to achieve their objectives due to an inability to perform at the local DC level. Enterprise and supply chain-level applications must work in conjunction with local facility systems to enable seamless workflow and processing across the enterprise and, where appropriate, centralized

Local facility level functional excellence is the foundation on which digital logistics is built

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command and control.

Key foundation–level logistics applications include:

Ø˙ Warehouse Management – while nearly all companies have some form of warehouse/DC system, many are previous generation applications not capable of supporting next generation digital logistics initiatives. Key capabilities required include:
↓# Powerful task management
↓# Dynamic pick face slotting
↓# Robust value added service and work order management to support postponement strategies
↓# Flow-through, cross dock and merge-in-transit support
↓# Real-time and historic performance measurement
↓# Integration to labor, transportation, enterprise visibility and command and control applications.

Ø˙ Labor Management – very few companies have taken advantage of the opportunities to significantly increase productivity, quality and employee retention through advanced labor management solutions. Companies implementing advanced labor management solutions can increase productivity 10-20 percent, support ABC costing and customer profitability analysis, and understand facility capacities in real-time.

Ø˙ Transportation Management – many companies are mired in inefficient transportation processes and lack the technology to automate load building and optimize inbound and outbound freight movements. Transportation management systems can reduce total transportation costs from 5-10% for large full truck load shippers and 10-30% for heavy LTL shippers, driving millions of dollars to the bottom line.

Labor management solutions can increase productivity from 10-20 %

TMS can lower transportation costs from 5-30%

It is extremely hard for companies that do not have the foundation of warehouse, labor and transportation excellence to move to the next level of digital logistics, since they cannot execute effectively the more complex strategies that are driven at the enterprise or supply chain levels.

Level 2 – Enterprise Logistics Management

When functional excellence has been achieve, companies can embracing true enterprise logistics management. Key capabilities that will enable integrated enterprise logistics management include:

£˙ supply chain visibility and event management
£˙ centralized command and control
£˙ on-line logistics scorecarding and metric systems.

End-to-End Supply Chain Visibility

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Many companies have made increasing supply chain visibility a top corporate priority. In today's high velocity logistics environment, end-to-end visibility to inventory, orders and shipments across the supply chain is emerging as an essential capability to reduce network-wide inventory levels, maximize customer satisfaction, and respond dynamically to events that occur during the execution process.

End-to-end visibility to inventory, orders and shipments across the supply chain is emerging as an essential capability

This level of visibility will also support real-time order status, integrating the visibility engine with sell-side web sites that allow customers to obtain online order status information, a weakness in many current e-commerce applications.

Visibility systems must also include powerful event management capabilities that can notify the appropriate individuals when events occur that impact their decision processes. While these will normally be exception events (e.g., the truck will be late, there is an inventory shortage), users must have the flexibility to set event triggers and communication methods (pager, email, etc.) according to their specific needs. With digital logistics, this information flow will be intelligent, flexible and delivered in near real-time.

Visibility systems must also include powerful event management capabilities

Centralized Command and Control

Increased supply chain visibility provides many benefits, but is not an end in itself. Companies must be able to act upon this information to effect action across the enterprise and beyond. This requires a new generation of enterprise *command and control* applications that provide enhanced levels of logistics efficiency and support new roles and responsibilities.

Increased supply chain visibility provides many benefits, but is not an end in itself

What types of functions are ripe for centralized command and control?

Ø˙ Activities that involve manual communications (phone, fax, email) between enterprise logistics personnel and facilities.
Ø˙ Situations where facility staff is used to do tasks that could be performed more efficiently by centralized specialists.
Ø˙ Companies with multiple facilities with locally deployed warehouse systems that could benefit from centralized data management (e.g., SKU attributes, slotting profiles).

Command and control can only be achieved by building a new series of digital logistics applications that run on top of the visibility layer, with seamless integration between centralized command and control and local facility execution applications.

The specific needs and opportunities for command and control vary by industry and company. Some common examples include:

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Ø· Centralized quality assurance and product recall, allowing product to be put on hold or pulled back across the network, with appropriate processing depending on its location and state (e.g., on a truck, putaway, in staging). Such capabilities can extend effective shelf life and reduce inventory levels, as well as enable strong brand protection strategies in case of problems.

Ø· Centralized warehouse transfer, for moving goods between outside facilities and main DCs (very common in consumer goods industries), or allowing maintenance facilities to easily find and transfer parts from other facilities or primary spare parts DCs.

Ø· Centralized ability to change transportation plans and routings based on changes to orders or logistics execution delays.

The possibilities are limitless, as companies understand the power such command and control functions can bring to increase efficiency, velocity and responsiveness.

Supply Chain Scorecarding

While real-time visibility to supply chain objects and events is essential for digital logistics, visibility to performance metrics and closed loop decision support systems are needed to drive continuous improvement.

The vast majority of logistics organizations use static, computer-generated reports to understand performance. Ad hoc performance information needs are handled by submitting requests to IT, which runs special queries. As a result, companies encounter the following problems:

£· Failure to meet logistics performance objectives
£· Slow reaction to problems and performance issues
£· Inability to quickly perform root cause problem analysis
£· The lack of internal collaboration, with no clear visibility across the logistics organization to goals and performance

In a digital logistics environment, performance metrics (i.e., a logistics scorecard) are widely distributed throughout the organization, based on the level and needs of individual managers. They are accessible online, via a web-browser, and allow the user to flexibly drill down on the information to gain additional understanding and determine the root cause of problems (for example, determining that a drop in perfect order percentage was cause by an inventory shortage of a critical SKU). The information should be presented in a highly graphical format that allows it to be quickly understood, and allows the information to be analyzed at multiple levels of the enterprise (e.g., network-wide, by region, by DC).

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These enterprise logistics scorecard systems will dramatically enhance a company's ability to meet its performance objectives, react more quickly to problems, and develop collaboration within the enterprise logistics team. The tools can also be used to drive supply chain integration, as key performance metrics can be shared over the web with suppliers or customers.

Level 3 - Supply Chain Integration and Collaboration

Building upon this enterprise logistics framework, companies must embrace processes and technology that enable greater collaboration, synchronization and optimization across the broader supply chain.

A logistics network generally involves a large number of organizations that have to work together to efficiently execute supply chain processes and create customer satisfaction.

While many companies are currently linked electronically to their leading service providers and supply chain partners (system-to-system, as with EDI), this type of integration has been slow, costly and inflexible. The reality is that, despite advances in integration technology, it will be many years before there is widespread system to system connectivity between all the actors in a logistics network.

Companies need the flexibility to quickly integrate with key trading partners to communicate, synchronize activities, and collaborate. A new generation of web-based tools is required to accomplish this. As shown in Figure 5, by constructing a series of collaborative digital applications specific to the roles of individual supply chain participants, "hub" companies can increase collaboration and synchronization. This will drive improvement in supply chain velocity, efficiency, and customer service.

These collaborative digital applications must be based on a backbone of supply chain visibility that serves as the central repository of all logistics information. Various players in the logistics chain may need to view information, add or modify information, or access specific pieces of logistics application functionality required to fulfill their roles in the supply chain.

The possibilities for digital applications are as broad as a company's vision for integration and collaboration across its supply chain. The result will be higher velocity logistics flows, with greater execution precision, faster response to problems, improved customer service, and lower costs and inventories throughout the supply chain.

Figure 5. Logistics Execution Requires Synchronization of Many Participants, Which Can Be Accomplished Through Web-based Digital Applications

Collaborative Logistics DigitalApps
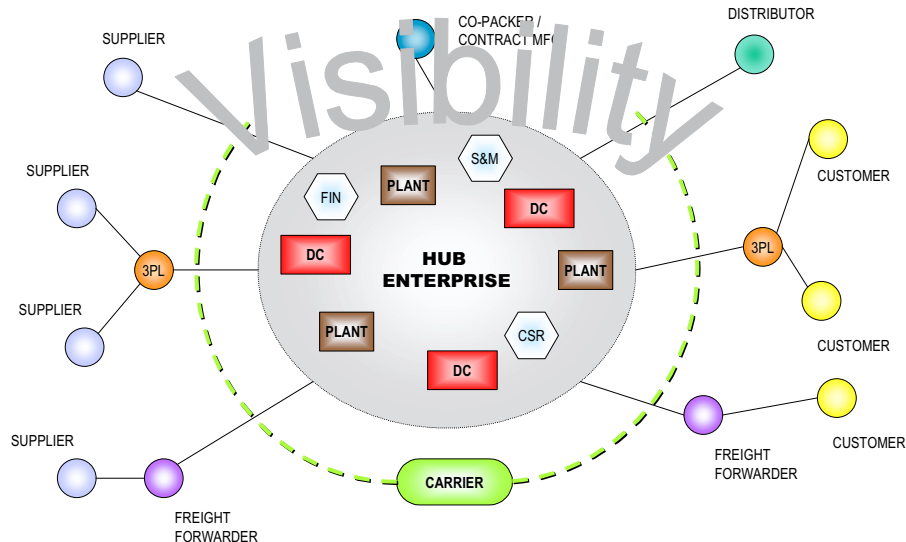
Next Generation Optimization

A new generation of streaming optimization technology will impact multiple areas of the logistics ecosystem. This technology enables companies to plan across a greater number of opportunities for optimization, consider changes to events in real-time and tightly integrate planning decisions with execution realities (e.g., DC capacities and constraints).

Traditional approaches to optimization operate in a batch mode, working on a *set* of inputs that are then optimized in the context of that set at that instant in time.

However, transportation logistics is dynamic and continuous. Given the continuous entry of orders and shipments into the logistics system, companies need optimization technology that functions within a much larger and continuous context (i.e., a dynamic planning window) in which all orders/shipments in the *stream* can be matched up to the last possible moment before execution for the best possible results and cost savings.

These new generation optimization technologies, which until recently had been primarily deployed to solve static supply chain planning problems, will be increasingly critical weapons to achieve supply chain execution excellence and competitive advantage for companies that embrace digital logistics.

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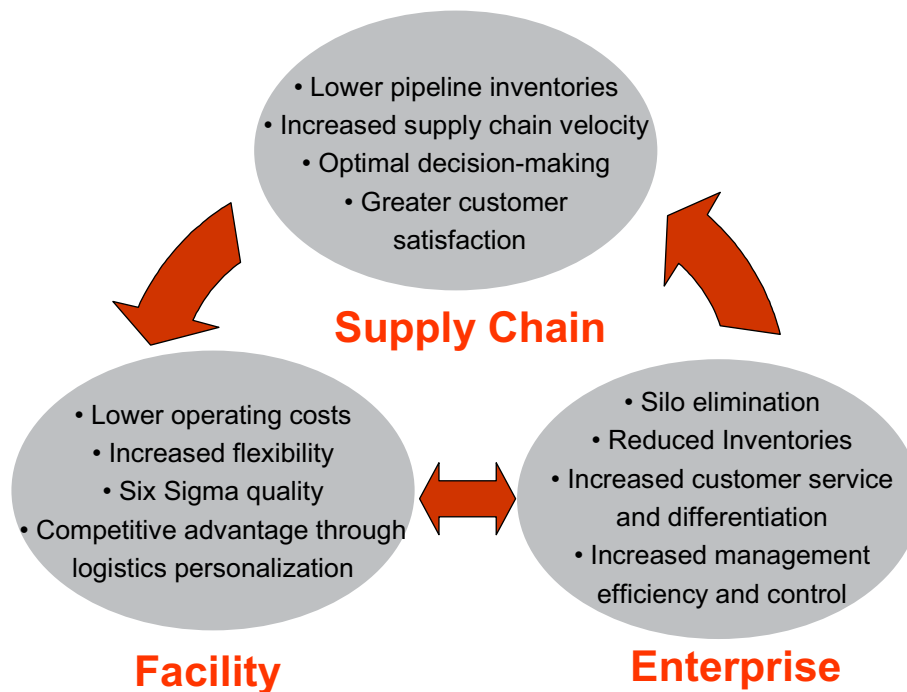
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Benefits of Digital Logistics

Digital logistics will revolutionize logistics strategy and operations, solve the problems of today's traditional logistics process models and technology, and drive significant bottom line benefits to companies that embrace this new paradigm.

These benefits will be achieved at the facility, enterprise and supply chain levels (see Figure 6), but some common threads occur across all three layers:

Ø˙ Dramatically lower costs through enhanced efficiency, reduced inventories and lower transportation expense

Ø˙ Increased supply chain velocity

Ø˙ Greater revenue and market share through customer-focused logistics that are difficult for competitors to match.

Digital logistics takes advantage of the new opportunities created by integrated logistics applications, supply chain visibility, collaboration across the logistics value chain, and streaming optimization to allow logistics to truly become a competitive weapon for many companies.

Digital logistics will revolutionize logistics strategy and operations

Figure 6. Digital Logistics will drive major benefits across all levels of the logistics ecosystem

Supply Chain
- Lower pipeline inventories
- Increased supply chain velocity
- Optimal decision-making
- Greater customer satisfaction

Facility
- Lower operating costs
- Increased flexibility
- Six Sigma quality
- Competitive advantage through logistics personalization

Enterprise
- Silo elimination
- Reduced Inventories
- Increased customer service and differentiation
- Increased management efficiency and control

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RedPrairie's DigitaLogistix⊗ Suite

RedPrairie has capitalized on the promise of digital logistics through its DigitaLogistix suite, which provides substantial capabilities across all levels of the logistics ecosystem. RedPrairie powerfully addresses all three levels of the Digital Logistics framework:

Functional Excellence: Best in class warehouse, transportation and labor management systems, widely adopted in such industries as consumer goods, food/beverage, high tech, 3PL and spare parts. Customers achieving functional excellence with RedPrairie solutions include Compaq Computer, EDS Logistics, Hershey, Nestle, Pella Windows, Procter & Gamble, Sony, 3M, Unilever, and many others.

Enterprise Logistics Management: RedPrairie provides a powerful set of enterprise logistics management solutions that deliver significant benefits on their own and even more so given their tight integration with the core functional excellence applications.

These enterprise solutions include global visibility and event management, centralized command and control, and on-line supply chain scorecarding systems.

Supply Chain Integration and Collaboration: RedPrairie's DigitalApps⊗ provide a growing suite of roles-based web applications to facilitate synchronization and collaboration across the extended supply chain. Digital Supplier⊗, for example, enables hub companies to easily integrate with outside warehouses, contract manufacturers and co-packers. Digital TMS⊗ enables web-based connectivity for transportation execution.

RedPrairie's Logistix Integrator⊗ provides a powerful tool set for tightly integrating RedPrairie DigitaLogistix applications with other enterprise solutions and those of trading partners.

Next Generation Optimization: RedPrairie's **Streaming Optimization™** technology is revolutionizing supply chain management by enabling continuous, real-time optimization, consistent with the needs of today's dynamic supply chains. The result is better, more executable plans, responsive to real-time events, that drive down costs and increase customer satisfaction.

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DigitaLogistix represents a powerful solution set that provides the opportunity for companies to craft integrated enterprise logistics processes and systems. While extremely broad in its capabilities, DigitaLogistix is designed to be implemented in a phased approach based upon a company's current environment and organizational readiness. It employs bottom-up implementation, beginning with facility-level excellence, but driven by top-down leadership that provides the longer term strategy and direction for moving the company to next stage digital logistics excellence.

RedPrairie's Logistics Operations Analysis (LOA) is the perfect vehicle for identifying opportunities for value creation through DigitaLogistix, and working to determine a starting point and sequencing plan that is appropriate for each individual company. For example, the best strategy might be to begin with warehouse management and labor initiatives, then add network visibility in Phase 2, logistics scorecarding in phase 3, and a series of collaborative digital apps in phase 4. RedPrairie also has many leading consulting and integration partners that can help companies to determine how to best improve their logistics capabilities through an appropriate digital logistics strategy.

Summary

New trends and strategies across enterprise logistics operations, combined with a new generation of logistics technology, will dramatically change the way leading companies pursue supply chain management.

Today, logistics professionals have a powerful array of digital logistics weapons that can be strategically deployed to unlock significant value and create customer-focused logistics systems that build long-term competitive advantage.

By embracing execution-based digital logistics strategies across the facility, enterprise and supply chain levels, companies can reach new levels of supply chain management excellence and provide critical support for overall corporate digital business strategies.

The progressive march of logistics into the corporate boardroom as a key element of company strategy and competitiveness is set to reach the next level. RedPrairie's DigitaLogistix provides a powerful set of solutions for companies looking to improve their competitive position and drive real results to their bottom line.

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About RedPrairie

RedPrairie enables customers to unlock value and create competitive advantage through the implementation of execution-based supply chain management solutions. RedPrairie's DigitaLogistix⊗ provides integrated components for warehouse management, transportation management, labor management, global visibility, supply chain analytics, and logistics command and control. Its event-driven component architecture supports intelligent workflow across logistics processes. This capability enables entirely new ways of crafting supply chain management systems that maximize flexibility, responsiveness and productivity. The results are solutions that differentiate RedPrairie's clients from their competitors to provide better client retention, increased market share, and improved profitability. Customers include: Timex, Compaq Computer, Procter & Gamble, Sony, Panasonic, Keebler, Unilever, General Electric, Skil-Bosch, Amazon.com, and many others.

Headquartered in Waukesha, WI, RedPrairie has offices in Shelton, CT; Cary, NC; Eden Prairie, MN; and Brussels, Belgium. For additional information, call 1.888.624.8448, or access www.RedPrairie.com.