

Adidas - Analytical Solution to Optimize the Shipment Cost & Streamlining Logistics Process

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The Customer

Project Details

The purpose of this project is to create one dashboard and a set of underlying reports which provide the markets with outbound transportations costs and piece price analysis on customer level. This will aim to easily show the markets for which customers we have a higher piece price and the customers' shipment consolidation patterns (how many times per week we deliver an order, how big the orders are, how many pallets with low number of cartons, how many shipments with high number of cartons shipped via parcel instead of pallet, etc.) All these KPIs will show opportunities to ship in a more efficient way and to reduce the outbound transportation costs. This project is one of the levers of the One Adidas initiative.

The Need/Challenge

Adidas business was facing lot of challenges in area of shipment delivery and costs. Manual reconciliation of data from different sources made reporting cumbersome and business was not able to get clear view on shipment costs, delivery bottlenecks and customer issues. Transparency was missing about outbound transportation processes and hence Supply Chain efficiency & Financials were impacted. Below is the consolidated summary of business pain points.

- a. Not enough transparency on customers with high piece price/high share of surcharges.
- b. Possibility to reveal poor consolidation patterns.
- c. Reveal overcharged amounts by the carriers and acting to ask for credit notes.

So Global Logistics & Distribution department decided to start an initiative called "One Adidas" to streamline all the relevant data in BI reporting platform which will serve as "One Version of Truth" and act as foundation for various levels of reporting.

The Solution

Our discussion with business made us realize that manual reconciliation of data from different source systems was not generating correct insights from existing reporting infrastructure and hence business was

not able to take corrective actions.

So, we concurred that the need is to create an analytical solution comprising of dashboard and visual reports which will produce following deliverables.

- Identify the main drivers of article price and their root cause, address to the several parties and easily follow up and control whether the proposed solutions/ actions have been implemented.
- Consistent, reliable, accessible and timely information (data, reporting, dashboard, guided analysis) to measure and steer their KPIs.
- Standardized KPI definitions/calculations enabled by the Global BI Reporting platform as “one version of truth” which will be foundation for the various levels of reporting (Global SCM, SCM Markets and SCM Sub-Markets).

There were 2 aspects to this solution

1) **Content** – We needed to bring data from different source system to Global BI so that proper data modelling and governance rules could be applied and hence data could be sanitized for reporting. This data repository will serve as One source of truth and if any issue is to be analyzed then data could be mapped up to this layer from front end.

2) **Visual analytics** – We needed something quite different here. The primary purpose would be to resolve business pain points and help markets take quick actions based on the insights generated from visual reports and dashboard.

We used back-end as SAP BW/HANA and front-end as Micro Strategy (MSTR) based Reports/Dashboards

Customer and Mindtree benefits

Mindtree provided the client with real-time, authentic information along with a thorough analysis of the data- which enabled faster and accurate decision making. Powered by up-to-date insights, markets were able to take quick actions and resolve key/recurring pain points.

Adidas got the analytical platform which they were planning for a long time but were unable to reconcile data from different data sources into one single repository and build visual reports on the dataset. This places Mindtree in expert domain of Adidas for developing solution which requires knowledge of business domain, expertise in various technical stacks and consulting led approach.

Executive summary of the caselet

Outbound Costs Benchmarking Tool was one of the starting initiatives for One Adidas theme of Global Logistics & Distribution department of Adidas. The success of this project was paramount to One Adidas initiative and initial signs generated by visual reports have given confidence to business that their investments have reaped excellent results and will solve the issues faced by them by improving supply chain efficiency & optimizing shipment costs. We have developed the solution on agreed schedule and provided an additional dashboard as customer later realized that he wanted reporting at different granularity. This solution went live this year in Jan'19 and customer was so satisfied with the deliverables that we got "Exceeded Expectations" rating from business. This helps establish Mindtree as preferred vendor for Adidas and established our commitment to solve customer needs by elevating our relationship from vendor to equal stake partner in outcome.

Meta Data

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Customer: Adidas AG Account: Adidas Vertical: RCM	Technologies: sap bw/hanamstr Tools: Domain: null Service Offering: Package Implementation	Tags: <div>mstr</div> <div>sap bw/hana</div>	Engineering: null Practice: Not Applicable Contract: FPC