

Digitizing End-to-End Order Fulfillment Control to Ensure On-Time Delivery FAQs

According to Deloitte research, enterprise companies rank cost reduction and managing risks as the top two indirect spend priorities. Implementing order fulfillment control is a key initiative to help companies achieve their cost and risk mitigation goals. Knowing “where’s my stuff” is essential to completing all indirect spend projects on time and under budget.

What is it?

Digitizing Order Fulfillment Control means the entire supplier’s delivery channel becomes totally transparent. Real-time delivery information starts with the supplier acknowledging the purchase order through to On-Time Delivery of the goods (OTD) at the final destination. Essentially, a digital On-Time Delivery Control system collects key external data and transactions (order acknowledgments, shipment status, receipts and returns) from all external business partners. The external information is merged with internal data and transactions to provide actionable information. The merged data is stored in a database called an Information Hub (often cloud-based) as the Single Source of Truth. The Information Hub is the engine that drives collaboration to achieve On-Time Delivery, manage execution, and generate Performance Analytics (each discussed below).

Will my shipments arrive on time? Where’s my inventory? Will my internal and external customers get their orders?

If you rely upon spreadsheets to answer these questions, you are not connected in real-time to your GNFR delivery. Your information is essentially siloed within your business partners and even in your ERP system. True, end-to-end, multi-enterprise visibility empowers you to gain control and reduce the risks associated with late deliveries.

Doesn’t my ERP and P2P tools provide real-time On-Time Delivery Control?

Actually, no. ERP and P2P systems are not designed to collect comprehensive real-time delivery information from the business partners. These systems focus upon managing the financial side of the business. For example, Enterprise Resource Planning (ERP) systems exchange traditional point-to-point data – essentially limited within the four walls of the business. P2P systems link to the supplier base, but they’re focused upon streamlining invoicing and accounts payables.

While both of these systems are essential, they cannot and do not provide a multi-enterprise, end-to-end view of order fulfillment.

So, what’s an Order Fulfillment Information Hub?

Typically cloud-based, an Information Hub is a multi-enterprise database which collects, stores and shares internal and external business partner data and transaction information. Each and every business partners’ adherence to data quality standards and near-real-time reporting is critical to the system’s viability. In many cases, supplier data is multi-tiered, with information collected from the suppliers’ suppliers. The Information Hub may share information for both one-to-many and many-to-many.



How can an Order Fulfillment Information Hub improve Track and Trace?

An Information Hub collects and shares ASN (shipment) information, in real-time, from all business partners. There is no longer a need for phone calls, emails and spreadsheets to answer the question “where’s my stuff?”

How can my teams use a Digital Order Fulfillment System to improve my On-Time Delivery Score?

The primary function of the Information Hub is to notify all users of upcoming issues and sudden disruptions. That is, to actively monitor delivery – identifying issues, broadcasting alerts to the appropriate stakeholders, and tracking those alerts to resolution.

The Information Hub also provides a critical response function by feeding real-time information to a supplier management reporting system. Supplier management enables the organization to proactively respond or manage execution. Supplier management reporting systems organize order fulfillment, workflows and projects – both globally and individually.

How can better managing On-Time Delivery Reduce Costs & Mitigate Risks?

The resulting insights from the Information Hub discussed above are shown to foster faster reactions to both demands and disruptions. Companies are better equipped to avoid problems, deal with risks that emerge and bring about systemic process improvements.

Can On-Time Delivery Control improve Performance Analytics?

Information collected by the Information Hub provides critical performance measurements along the entire GNFR ordering process, enabling you to scorecard your suppliers, business partners and internal assets. You now are able to hold everyone to a higher degree of accountability.

Further, at the highest level, the data collected allows you to model and redesign your orders to better meet customer demands, drive efficiencies and lower costs.

What is the ROI for On-Time Delivery Control?

According to industry analysts, payback is typically seen within 9 to 24 months. On-Time Delivery Control ROI accrues from better decision-making, improved execution, increased operational efficiencies, lower operational costs, continuous process improvement, greater competitiveness, and higher customer satisfaction.

Key Concepts:

1. To be effective, an Order Fulfillment Control initiative must be end-to-end and multi enterprise. It is critical to source your data both internally and from all business partners removing information silos with a comprehensive Information Hub.
2. Foreseeing and responding to risks early are critical components of ensuring On-Time Delivery and controlling costs.
3. The ultimate benefits derived from a visibility tool set are extensive risk management, cost control, and a much-improved customer satisfaction.

