



RESOURCES

Home
Resources
Resource Center

Logistics: Orchestrating Processes Between 3PLs and Life Sciences Companies



Reference

Link: <https://www.tracelink.com/resources/tracelink-university/opus-orchestration-architect-foundations-presented-futurelink>

Tereance Puryear: I'm going to kick this off. I've relied more on this up here, but I'm going to cover a couple. We changed these recently, so the two flows you guys mentioned, we can cover. I want to point that out because it shows flexibility of how Mint can support various business orchestrations.

Again, by you telling us how your business operates, our goal is to make it come to life in Mint. On the one side, you have what the MAH is taking in order to cash essentially from their customers, right? The orchestration we just talked about, it's happening, happens every single day.

The other side of that is where we have, now the MAH is telling the 3PL, let me use a little pointer here, giving them a forecast update, giving them a transfer advice, getting or receiving advice, doing the shipping order, getting shipping advice back, inventory balance adjustment, credit debit adjustment.

This is the side where you're instructing your 3PL to ship orders based on information you've gotten from your customers. So really quick, who does this resonate with from your operations today? I saw like four or five in the back, anybody else that this resonates with and is a common format for you? OK.

The other side is reversed a bit. Now 3PL is taking order to cash from the customer. Essentially when I throw the other visual in, this is where the customer's order from the 3PL, and 3PL is when the acknowledgement, advantage ship notes, sending the invoice out and taking their minutes back, where the MAH is in this case, wanting information mostly on the copy side of it.

They want to know, hey, 3PL of mine, what are you doing? How's it going? What's moving? What customers are purchasing my product from you? That's intel that a lot of MAHs want to have. Some get it today. Some don't.

Does anyone agree or disagree with me on that? Any MAHs in here who want this information and may not get it or don't have good visibility to what the 3PL is doing? I see

my quality person's head nodding.

[laughter]

Tereance: But this is a common case, a semblance of the other. It depends on who's doing it in order to cash. There's a third variant of this slightly. I didn't want to put on a slide because I think we can do it verbally. It's where the 3PL does the order to cash, however the MAH controls what orders are shipped against. Anybody have that one?

[pause]

Tereance: We have a few cases where that happens where 3PL takes the order, MAH has visibility to it, based on whether it's priority, annual spend, I don't know. But the MAH says, "OK, of these orders that came in, ship these orders," and 3PL takes the instruction.

They kind of hands off approach, but they get to advise what goes in and out of the warehouse. Those are a couple of models that we've seen in the 3PL space. What we're going to do is leave this here, hope this works. Ah, it worked. We're going to focus on just this side. [laughs]

We're going to use this orchestration to kind of walk through because we want to focus on the actual, more so the transactions here in white, that kind of dictate the type of movements between warehouses and locations that can actually happen.

[pause]

Tereance: For the product flow, we covered these three, again, in the commerce space, so we're going to focus on these four. This can be an open discussion. If you guys have experienced this, let us know as we walk through this.

Stock transfers, anybody do those moving from warehouse A to warehouse B or site A to site Z due to demand, due to proximity, customer requests to stock up for a season or something like that, seasonality of drugs? I see some head nodding. How do you do it today?

Audience Member: [inaudible] .

[laughter]

Audience Member: I appreciate your candid, honest answer. And that's not uncommon. There are people who do it. You just know it gets done. Is it efficient? Is it optimal? Does it get?

[laughter]

Tereance: This happens a lot. In every industry, this happens. I need to transfer a product from point A to point B due to any number of reasons, from marketing to sales to demand from downstream, even weather-related items.

Bad weather's coming near my warehouse A. I need to ship product out of that warehouse, move it to warehouse C so it can actually ship, not to be affected by the weather. Something very simple like that. I mentioned earlier, with these transactions, if I need to do an urgent move and I'm doing it over email or a phone call, how fast do you think it's going to go?

Probably three percent, five percent of your 3PLs that you work with are probably going to answer the phone for you because they like you a lot, but they're probably getting calls from all the other customers. Think about it that way. I got to now call my translation providers, back up a bunch of trucks, and move a bunch of stuff for everybody. It's for some reason.

Doing this digitally removes a lot of uncertainty. It guarantees the data's in the system very fast. Now you can, dare me, follow up with the phone call. Hey, I sent you a transfer, I really need it done. The data's already in your system, I verified it. Mint said it went, it's got a

check mark on the screen.

We'll show you guys a demo when we get at the end of the conference, but the data's there. Can you make this happen? I need this done because of your reason. It's a digital way to do it. You capture it in your system, you see the move preparing to happen, you send it over to your CMO or your 3PL.

We use 3PL in this case more so, they can do the shipment, they can send you back a confirmation that it's done. The idea of I've requested you to do something and I don't know if you did it goes hand in hand with the PO acknowledgement idea and the ASN idea.

I send a request, I don't know what's happening. As the more I don't know, my anxiety goes up, I start making irrational, uninformed business decisions. And not in a bad way, I'm trying to protect my business. Typically that costs money.

Expedited shipments is the first thing that comes in my mind from my history. Put another truck on the road, put it in the air. It's got to go, it's got to move, it's got to get somewhere. This gives you peace of mind that they can actually confirm and actually do the move. Done digitally, not over email.

We did the transfers, the receipt and the advice. Now, the shipping order, the shipping order is similar to a PO to a warehouse. It's that movement of telling the 3PL, take the product in the warehouse that I've given to you and send it to customer so on and so forth.

It's their version of a PO essentially. They're going to send that out. Again, the idea of doing this over email, I've done it before, it's painful. You have to man a kiosk in the warehouse and hope to get emails and send them in and out. It's just not conducive.

But again, it gives that warehouse the instructions to ship the product via the mode you requested to the location and the quantity, pick, pack, and ship, and do all the work for you. It's a digital confirmation of it, just not over email.

The sister to it, the response is the advice coming back. All right, now this serves two purposes. It tells the, we'll say the MAH in this case, that the work has been done, but also it serves as an ASN.

Now the manufacturer, the MAH can say, I've got this information from my 3PL team. They may be responsible for forwarding it over to the customer that didn't know, hey, a shipment's on the way, here's what you're getting. This transaction is transformed into an ASN in most ERP and WMS systems.

Again, a lot of this work is done manually. [laughs] It pains me, but the visibility is key for other warehouse transactions because once you put a product on a vehicle or motor transportation, you don't know where it is unless there's GPS tracking or IOT in place.

You don't know where it is. You don't know where it's gone. Is the driver selling the road? Did it get delivered to the wrong location? Even if another warehouse received it, you ship it to the wrong internal warehouse, they're going to give you a confirmation, "This is not supposed to go to Sam's warehouse."

You can see that versus it sitting on the warehouse floor. I don't know what this is, getting slid into quarantine for a week or two, where someone makes a phone call and says, "Hey, I got this pallet of stuff, I don't know what it is." Right, so it gives you a digital confirmation so you're not sifting for things via email.

Logistics information flow, we're just going to dive right into this one because it's one we haven't discussed yet. Forecasting, who in here are on the planning teams who do forecasting for an organization that works with them? Hey, throw that. No, throw that hand up. There you go. Two, what's your experiences like? Any one of you can share. I'm very

curious. It's a safe space.

[laughter]

Audience Member: It never really works the way you expected. I think that's the concept of forecasting to a certain extent.

Tereance: OK, and how do you exchange it with the...? Well, what entities do you exchange your forecast with from where you sit?

Audience Member: Both upstream and downstream, but all via Excel files at the moment.

Tereance: OK.

[off-mic comments]

Tereance: Ooh, let's talk more about that. Give her the microphone. Commercial and finance, Ron's conversation. No, this is where rubber meets the road. Yeah, how does it go?

Audience Member: Commercial has their own finance and things they want to sell. Finance has their own finance, so you're not in supply chain. You're trying to get the real thing because you don't want to overstock and you don't want to understock. So, it's just a struggle trying to balance it.

Tereance: OK, so do you, out of the three, you guys use Excel to model the forecast or you guys use a forecasting software?

Audience Member: Yes, and go over hours of meetings with two teams and get something.

Tereance: Spreadsheets, spreadsheets, and...What's three spreadsheets? So there are forecasting tools on the market, and I'm not saying that you guys should go get them, but those are the two options. From my experience, I used spreadsheets because it was the thing.

The companies that are out today are not new, but they you can do forecasting through them, but it can be cumbersome. What's worst is sharing the forecast over a spreadsheet or...I'm not that old. We'll use SharePoint. SharePoint was the thing to do forecasting over. You have version one through name a number, and you're trying to figure out who edited last.

Google Sheets is that collaborative space people like to kind of sort of use. There's questions about does it work, does it not work. But it's the best way you're going to get an Excel experience, where two users can be modifying the same data in real time without there being a lag.

Nonetheless, whether you use a software to plan or you use Excel to plan, once that plan is finalized, you share it with your upstream or downstream. How often do they accept the plan as it sits? What they're going to do is they're going to look at that forecast plan and do some things to it. We'll talk about this, just to this transaction, but this lets you digitize the actual forecast plan itself.

Whether you plan in Excel or plan inside of a tool, this information can be exchanged in real time. If you do a rolling 6, 12, 18 month or you're planning for a seasonality kind of deal, this can actually be sent in real-time as you complete it to your supply chain partners up or downstream, share your forecast and they can collaborate and respond back to it if they're OK with it, if it needs to change, and modify it.

Sending it over a spreadsheet, the delays in and of itself to confirm it are irritating. I can tell you this from my experience. It's a waiting, is it OK? Can you do it? What don't you like about it? Can you tell me now? That's because they're looking through emails, everybody else's forecast.

Honestly it is. It sounds very, very elementary, but that's truly the case. Then they have to get it, they have to analyze it. They have to bump those numbers against their actual production schedules. Does it make sense?

That's a whole another analysis, but if they have to do it over a spreadsheet in the same way, both parties benefit from getting this digitized to use it in the best format you can. We hear the forecast plenty a lot because people are starting to not like spreadsheets for the forecast at minimum.

Everybody's favorite? Inventory. Now I know everybody in this room touches inventory. Somebody in here has to. Inventory snapshots from partners or internal warehouses, locations, do you guys get those today? Or how do you get those? I saw a hand shoot up in the back.

Audience Member: Right now, Excel files from our partners.

Tereance: At request or is it scheduled?

Audience Member: Scheduled but that doesn't mean it ever shows up on time.

[laughter]

Tereance: I appreciate your candor again. Inventory balance allows you to get a snapshot of inventory from your partner warehouses, partner locations, what's in production, what's work in process, materials issued, consumed and produced kind of concept. Give me a peek inside what's going on so I can have comfort.

It's all about comfort. The more information I know about what inventory is available, what's on the way, I can make better purchasing decisions. I don't want to do about the conversation. I don't want to over purchase. I don't want to short myself either, because I don't know what information is available. If I don't have real time information, I can't make the best decisions.

And this one, it took the point being scheduled in Excel to go out. That shows how easy it is to fully digitize it. Excel is a powerful tool, but it's coming out of a system unless someone's managing all the inventory in Excel. That's scary, but it happens.

If you have a warehouse management system or an ERP that has an opponent that captures inventory information, digitalize it. Push it from system to system. Mint can visualize it on a dashboard, but also your ERP systems can give you a delta table. Are we on par even? Is it right from what I expect from our shipping or orchestrations, or do I just want to know what's there so I can make a better decision?

It can be used a lot of different ways, but getting it over a spreadsheet, going to one department in one person doesn't serve anybody really well. Multiple buyers need multiple bits of information from the same partner potentially. It can be handled that way.

The one next to it is the adjustment. This is typically where your supplier tells you what's there, and you're making adjustments based on inventory. They said they did their warehouse counts. They've done some sweeps, they found some damages, but you want to adjust on actually what's on hand that's actually available to use.

This is where you actually allow an adjustment to the inventory table inside a specific system. You see the note at the bottom here is after a cycle count to balance inventory levels out. Typically this is, from my experience, has been a quarter kind of thing, not even a month end. It's a quarter kind of thing where warehouses do cycle counts, so it's not often.

Again, that quarantine stuff with dust on it in the corner gets touched in three months. [laughs] Somebody counts through it and now we've got some new decisions to make about

why something's there.

When in reality, this gives you also an ability to work better with your partners of how do we manage inventory better together? I like you, you do great work for me, but I never know really what's there. It gets shipped on time, I'm happy for that, but I really know what's there and I kind of want to know because of my reasons.

Having it digitally done and being able to capture information, it gives you data points to reference, create some reports and dashboards from it and kind of have that discussion of how can we just be better as collaborators.