



5 key points
to transform
your logistic

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Logistics in retail and lifestyle industries require huge and global infrastructures, the technology that allows you to have end-to-end traceability and the reliability in the logistics players who accompany you throughout the process, all necessary to be at the forefront of fashion trends, to have the speed of covering the demand and being competitive in each market.

Each part of the process represents challenges that don't impact only at the moment of their appearance, they do in all the links of the chain, causing fragmentation, particularly in points of; time,

communication, visibility, and demand coverage. Leaving the only option for a brand consolidation in this industry, the integration of the supply chain.

Taking as a reference the consolidation of certain brands, the proposals for each challenge in different sectors, and the global context (COVID-19), we have developed 5 key points to help you rethink your supply chain strategy and be able to transform your logistics into a process end-to-end, integrated, technological and sustainable.

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1. A single platform to integrate the information

Having your information inputs and outputs unified, allows you to have the immediacy of it without having to contact the intermediary and wait for their response, which many times involve different actors in the chain (the shipping company, the land transport provider, etc.) generating inefficiency in communication and delays in time.

On the other hand, you will have control of all the distributors or points of sale in which the merchandise is being transported on land. At each inventory control point, the information will be reviewed and updated on the same platform and chronologically monitored.

In this line, a single information platform becomes a pillar for the integration of your logistics chain.



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2. Flexibility as a competitive advantage for your brand

“Flexibility is considered the ability to respond and adapt to new situations at the lowest cost; time, effort and/or loss of possible results “

Due to constantly changing trends in the retail and lifestyle industry, for your brand to have a global presence, it requires having a sufficiently complex and long supply chain, whereas this can make the process inflexible at every moment. This is basically due to 2 main factors:

The first is the need to reach key markets for the operation, quickly and effectively.

The second encompasses a group of challenges outside the brand, which impact the process organically, but which are critical moments to keep moving forward. Within this group are the following points:

- Reduction in demand, which causes excess inventory in key destinations (one example is the reduction in demand due to the pandemic caused by COVID-19)
- Increased demand in emerging markets and by not having a pre-established route for these new markets, coverage of the demand becomes almost impossible.
- Changes in customs regulations by country, which generates a delay in time that can extend for days.

“Maersk has created a tailored documentation solution that gave us complete visibility into the cargo journey. This resulted in on-time deliveries with significant savings on our D&D costs. This optimization of manual processes and upstream management led to volume growth at lower operating costs. “

Logistics manager
International franchise operator

What it proposes, the flexibility of responding to these external factors in a fast and efficient way as a competitive advantage in the market for a brand, likewise, covering the demand optimally, without excesses and without shortages, the resources that before were spent in inventory outliers, can be now destined into strategies of growth for other areas of the operation.

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3. Agility to predict consumer tendencies and adapt your inventory accordingly

As we discussed in the previous point, covering the demand per market becomes fundamental for the integration of the supply chain, now let's delve into agility that a brand must have, in addition to meeting the needs of each market, it must do it an agile, fast and efficient way.

To achieve agility, the knowledge in demand planning of each product must be combined with demand sensing and infrastructure that logistics players can provide for your brand

In other words, "it doesn't matter that you know exactly how many clothes are going to be sold per store if you don't know how to carry them"

Here comes the ability of logistics players to function as one together with the brand, how much they can play as owners and not as third parties. We refer to 2, 3, and 4PL.

These players must have the ability to adopt demand prediction and infrastructure simultaneously, to be able to transport the products regardless of the routes or the urgency, to optimize the delivery of inventory, from the factory to the entrance of the store, improving precision and optimizing each delivery.



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4. End-to-end traceability

The traceability of the supply chain in retail and lifestyle represents the visibility you have throughout the process, from leaving the factory to the door of the point of sale. It is important as it impacts many points in the process.

Having end-to-end visibility will not make you avoid problems that are caused by external factors of your logistics chain, but it will allow you to act fast at critical moments, for example:

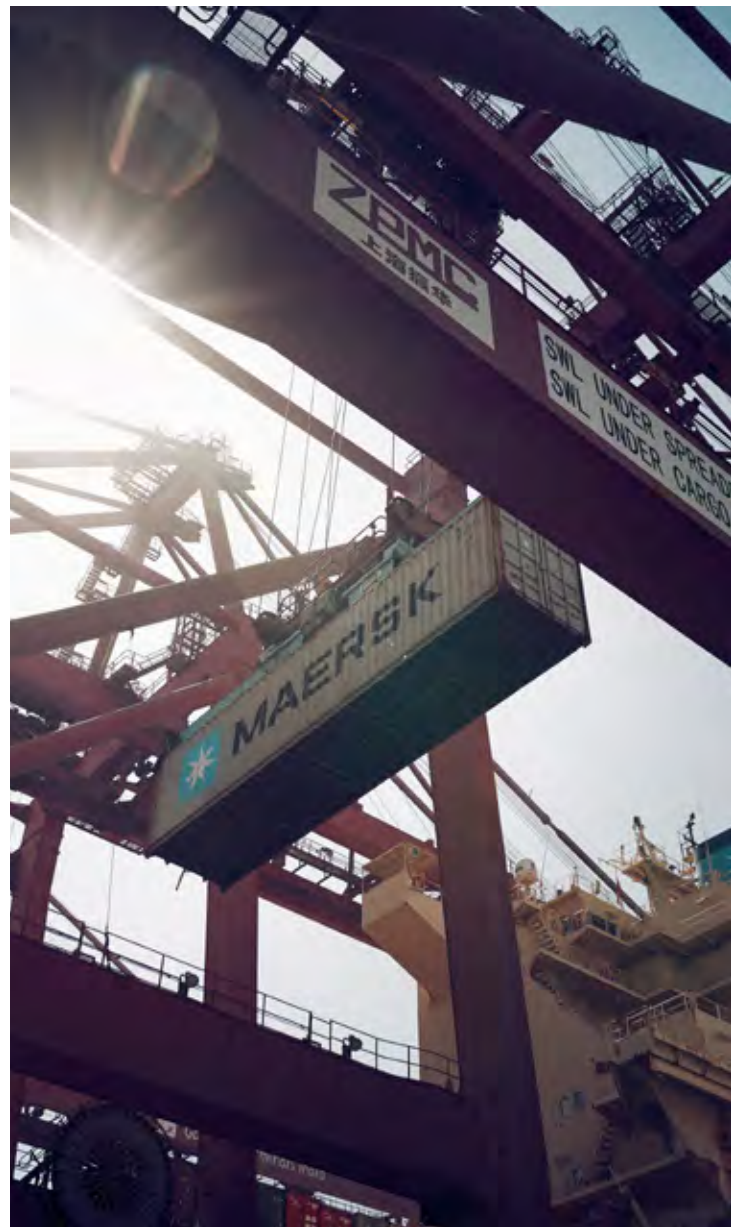
- Delays from the factory to port and from port to distribution centers
- Ground delays to points of sale
- At control and review points, which are different in each market.
- Documentation problems in customs controls

Visibility will not prevent you from having these setbacks, but it will give you the ability to react to act as quickly and efficiently as possible.

However, visibility does not depend on you alone, it will depend on the logistics players with which you are operating and the technology they have.

If those players can't provide you adequate visibility, it will be impossible to have a margin of maneuver and react in time. So you will not be able to have an end-to-end that can take action in multiple points of sale and we will return to the beginning of the problem, your brand will not be able to have an integrated logistics chain.

That leaves as the only solution, the integration of the entire chain through a single logistics player with enough technology, to avoid interruptions in the traceability of the chain and be able to cover as many points of sale you have in the markets you reach.



Maersk uses a digital platform called TradeLens, whose technology is based on the encryption of information through Blockchain, its value proposition is to keep all stakeholders informed, with the information they require at the time they require it, unified and easily accessible, from the beginning of the process to the last hand, a true platform for end-to-end logistics.

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5. Sustainable integration

Finally, to integrate the logistics chain with a future perspective, it has to be in a sustainable way, otherwise, it will have an expiration date due to the strong regulations that are being implemented in many markets that at some point, not very far from now, it will be for almost all international markets.

The challenge is in sustainable integration since you could reduce your carbon emission in some parts of the operation, but we return to the beginning of everything, how do we integrate sustainability in the whole process?

Logistics players must have a vision that accompanies the brand and supports the need to reduce carbon emissions, in addition to a transport infrastructure that brings that vision to reality, so the proposal in that part of the chain must come from these players and adapted to the needs of the brand.

We are very much aware of our responsibility to prioritize sustainability and to explore every viable opportunity to cut our carbon footprint. We have supported Maersk ECO Delivery from the beginning, as the service has the potential to make a substantial part of our supply chain carbon-neutral.

Mats Samuelsson Senior Vice President, Global Logistics at H&M Group

Maersk has the only value proposition in the world and Latin America, capable of integrating your logistics chain, we have the maritime and land infrastructure necessary to take your product from the factory to the door of the store or the end customer. In addition to having the best technology that overcomes any barrier in terms of communication, information, visibility, monitoring, and personalization of services sustainably, to achieve true end-to-end integration.



We work as an extension of your team, making ours the strategy and staying focused on the growth of your business. To plan, execute and optimize the flow of your cargo, documents, and information, we combine three of our main strengths:

- End-to-end logistics
- A single platform to integrate the information
- A team with expertise in supply chain management and knowledge of the local and regional market

Our logistics solutions will allow you to stay at the forefront of your industry

To learn more <https://www.maersk.com/industry-sectors/lifestyle>

