Late deliveries in a lean manufacturing environment can lead to millions of dollars in plant downtime. Many companies deal with this by padding lead times, resulting in excess inventory and poor cash flow. Streamline supply chain operations and increase visibility by automating interactions with trading partners.

The power of logistics visibility

**Logistics lifecycle**

- **Purchase order (PO):**
  - Production order
  - Order change response

- **Order shipped from foreign factory:**
  - Goods arrive at foreign port

- **Payment process begins:**
  - Payment process begins

- **Order arrives at factory:**
  - Goods arrive at domestic port
  - Payment process ends

- **Order change:**
  - Order change response

- **Goods shipped from domestic port:**
  - Inventory report

The key ROI comes from the savings of carrying less inventory.

**The ROI of supply chain planning solutions**

- **Less inventory**
  - More savings

**How to reduce inventory costs:**

**Gain visibility into lead times**

Supply chain visibility is critical for analyzing lead times. You can't improve what you don't measure.

**Measure and improve lead times**

- **Define**
  - Measure
  - Analyze
  - Improve

**Lean processes reduce lead times.**

- **Shorter lead time**
  - More predictability
  - Greater savings

**Significant cost savings**

Reduce inventory while still improving service levels.

- **$1304M**
  - Annual value of 4 weeks inbound inventory
- **$978M**
  - Annual value of 3 weeks inbound inventory
- **$326M**
  - Difference in annual value
- **$365M**
  - Difference in annual value at 20% inventory carrying cost
- **$65M**
  - Annual savings

If a manufacturer that typically keeps 4 weeks of inventory valued at $1304M reduces its inventory coverage to 3 weeks, the difference in the annual value is $326M, based on a 20% inventory carrying cost. Annual savings are $65M.

**Optimize inventory with a visibility solution—***the payback can be substantial.***