

A man in a blue shirt is shown in profile, looking upwards and to the right, holding a corn cob with both hands. He is standing in a cornfield with tall green stalks and leaves. The background is a clear blue sky. The overall scene is brightly lit, suggesting a sunny day.

ABInBev

AB Inbev Global TMS Journey

June 2018

Objectives

- **Where did we start**
- **Deployment in South Africa and COPEC**
- **Lessons Learned**
- **Global Strategy**
- **Benefits**

Where did we start

Background

Our TMS journey truly started through the acquisition of **SABMiller** through **AB Inbev**. This sparked the following activities:

- Red & Gold Zones:
 - **Red Zone** – Historically AB Inbev (North America, Middle Americas, Latin America North, Latin America South, Europe, Asia Pacific North)
 - **Gold Zone** – Remaining SABMiller (Africa, COPEC (Colombia, Peru and Ecuador) and Asia Pacific South)
- Champions & Logistics conference
 - Best Practices from both Red & Gold Zones shared
 - Targets and Best Practices identified and adopted
 - Squaring:
 - Global & Zone Functional + Global & Zone Solutions (IT)
- **TMS** was identified as massive opportunity for Gold Zones and so we started the project

JDA TMS Deployment

Two projects kicked off that was run in collaboration with the individual Zones (Africa & COPEC) and Global Logistics and Solutions as one initiative with common elements:

- One Solution (JDA TMS)
- One Vendor (Accenture)
- One Methodology (Build, Run & Return)

South Africa

- Replacing a custom built application
- Business lacking visibility
- Target of 5% VLC savings identified (annually)

Colombia & Peru

- Completely outsourced solution
- Business skeptical, because of a failed deployment
- Target of 5% VLC saving identified (annually)

JDA TMS Deployment

Bottom up analysis was performed with the help of Accenture and validation from the Logistics business to identify a key value levers for the project:

- Build, Run & Return methodology
- Triangulation
 - Dead Leg reduction
 - Consolidation (Fulls, Empties and raw materials)
- Spot Buying
- Visibility
- Freight Bill & Audit
- SaaS (Solution as a Service)

JDA TMS Deployment

Build, Run and Return

The methodology was proposed by Accenture for the project. Its based of the following principles:

- Not following the traditional project approach:
 - Building and deploying a complete project in 6-8 months
- Breaking the complete project up into phases linked to TMS functionality:
 - Phase 1: Planning
 - Phase 2: Execution
 - Phase 3: Freight Bill & Audit
- Accenture performing Phase 1 throughout the project (Run) and ultimately returning it to the Logistics function

Benefits

- Quicker Benefits realization
- Experience resources using system from day 1
- Accenture Managed Service payments linked to Business KPI's
- Accenture Managed Service payments linked to AB Inbev execution in Return phase

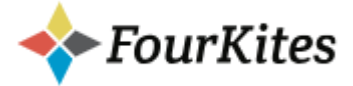
JDA TMS Deployment

jda.

Sub module

jda.

Core



Load
Building

Planning

Execution

Freight
Bill &
Audit

Track &
Trace

Making use of **JDA Shipment Scheduler** to drive:

- Load Smoothing
- Axil Balancing
- Pallet Building

Driving the following benefits:

- Weight per Shipment
- Reduce Inventory
- Safety
- Reduce Top-ups

Core functionality of **JDA** to drive:

- Triangulation
- Reduce Trips
- E-Auctions

Core functionality of **JDA** to drive:

- Visibility of actual movements
- Recording of Turn around Times
- Issue categorization for root cause analysis
- Integration with SAP

Core functionality of **JDA** to drive:

- Automate the payment process
- Full traceability of payments for audits

Making use of **Fourkites** to drive:

- Real time tracking of trucks
- Increased visibility not only in TMS but also non TMS users
- Updated ETA's from Fourkites visible in TMS

Lessons Learned



- Alignment of Vendor to business KPIs drives positive outcome for the business
- Alignment internally with business KPI's with IT and business ensures mutual drive for actual business benefits
- Key JDA optimization resources are key to fine tune optimization results within JDA
- Real benefits from optimization



- Shipment Scheduler is not widely used and difficult to get the correct resources
- One size fits all markets approach does not work
- Some business constraints JDA TMS cannot solve for today

Global Strategy



Global Strategy

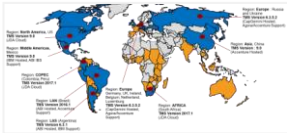
Through out the deployment of JDA TMS into the new markets mentioned previously we identified some new opportunities:

- Other Markets not getting the full value out of TMS
- New capabilities available in latest version of TMS that can be utilized
- Through some of the benefits that was being realized from the new deployments that sparked questions for the current markets. We started a TMS audit.

Global Strategy

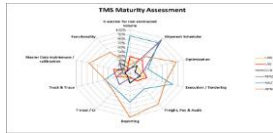
As-Is TMS deployment

- TMS deployments globally
- Current Operating Models (license vs cloud, in/outsourced of maintenance etc)



As-Is TMS Assessment

- Flows optimised within TMS
- Load building
- E-auctions
- Optimization parameters
- Execution
- Track & Trace
- Master Data maintenance



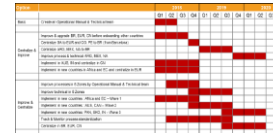
Potential savings

- Assessment benchmarking & monetization



Way Forward

- Improve and centralize
- Centralize and then improve

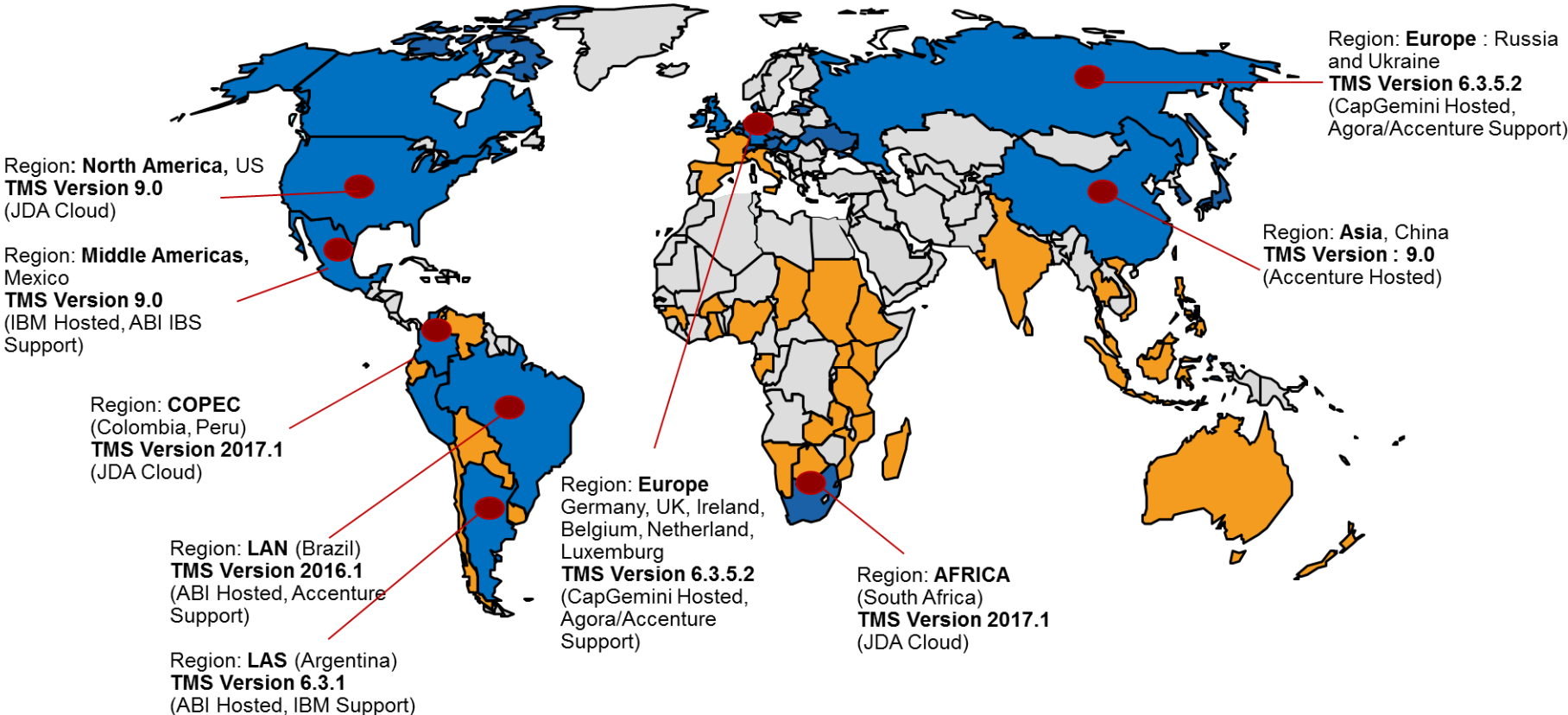


Centralization

- External benchmarking
- Process centralization vs local responsibilities



Current TMS Global Deployment



Current TMS Global Deployment

66% of the total T1 Transport VLC spend is currently being optimized in TMS

- Through the Assessment we identified more countries to include in our TMS Roadmap:
 - Canada
 - Panama
 - South Korea
 - Ecuador
 - Chile
 - Australia
 - India

TMS Global Assessment - Overview

We created a TMS assessment with 11 dimensions and ~60 questions in order to evaluate how the Zones are currently utilizing the system's functionalities

Dimension	Focus areas
1 Flows within TMS ★	<ul style="list-style-type: none"> T1, Inbound, Direct Shipments, Import / Export (domestic parts)
2 E-auctions ★	<ul style="list-style-type: none"> Manual vs automatic tendering % of volume included in a tendering tool
3 Load Building ★	<ul style="list-style-type: none"> Manual vs automatic process Load smoothing functionality Pallet stacking / axle balancing
4 Optimization ★	<ul style="list-style-type: none"> Frequency of strategy file update Advanced optimization algorithms Loading docks optimization
5 Execution / tendering ★	<ul style="list-style-type: none"> Transport plan accuracy Manual vs automatic process and comms to carriers Manual adjustments after TMS

Dimension	Focus areas
6 Freight, Pay & Audit ★	<ul style="list-style-type: none"> Responsibility of raising invoices Lane rate management Retrospective audit of payments
7 Carrier Scorecard	<ul style="list-style-type: none"> Carrier scorecard existence and frequency of use
8 Continuous Improvement ★	<ul style="list-style-type: none"> Operational Scenario building and testing
9 Track & Trace ★	<ul style="list-style-type: none"> Live track & trace functionality with visibility in the DCs Live feedback to Automatic link to TMS
10 Master Data maintenance	<ul style="list-style-type: none"> Defined ownership & routines for master data maintenance
11 General Functionality	<ul style="list-style-type: none"> TMS users' knowledge Up-to-date training documentation

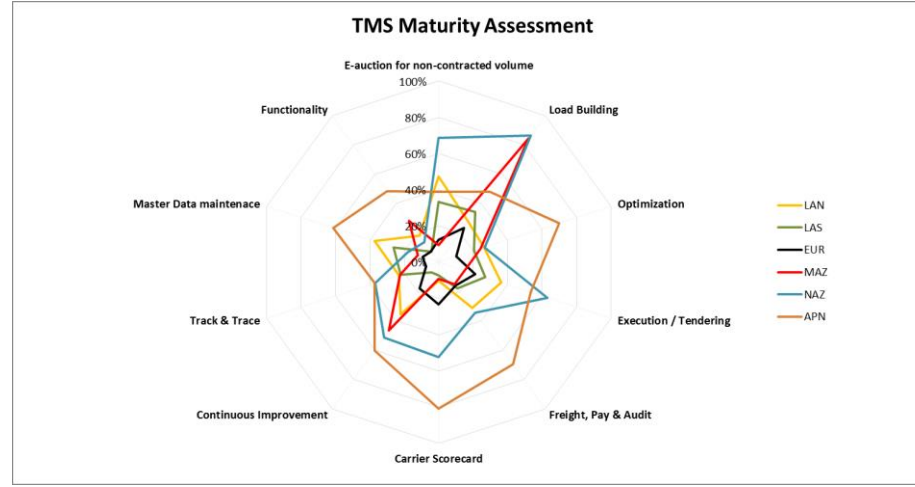
Key:



Main Value Levers

TMS Global Assessment – Results

Summary of TMS Assessment Results – Only for Zones who currently have TMS



Key Insights / Opportunities:

- Lack of procurement strategy linked with Transportation models (targets on dedicated vs non-dedicated vs spot)
- Opportunity to **include Inbound, domestic part of Import & Export volumes** in the optimization
- Only APN utilize **advanced trip optimization functionality** in TMS (one way vs round trips vs triangulations vs cross dock etc)
- Only APN have a standardized process for **planning returnable containers** within TMS – most Zones assume that the DCs will always send back returnables
- Most Zones utilize TMS for **carrier selection and communications** (accept / rejection of loads)
- **Opportunity to implement a Track & Trace software** for accurate carrier management and live execution monitoring
- **Lack of Master Data maintenance routines** → direct impact on TMS optimization outputs
- Lack of adequate **end-user training & knowledge** → declining value realization of TMS' potential
- Lack of **expertise within ABI to support / enhance TMS**

TMS Global Assessment – Benefits

Potential Savings – TMS Usage

Key Insights / Opportunities:

- Total MAX opportunity of 5%
- Total MAX opportunity from existing Zones with TMS: 4%
- Main Value Drivers:
 - Enhancement of Optimization logic in TMS
 - Usage of standardized tool to carry out Load building and load smoothing throughout the week
 - Continuous Improvement: Usage of an advanced tool from a dedicated team to identify further opportunities
- Top 3 Zones – absolute %:
 - North America (5%)
 - Brazil (7%)
 - Western Europe (8%)
- Top 3 Zones - % of T1 spend:
 - EUR (8.9%)
 - LAS (8.1%)
 - LAN (7.3%)

Proposed for new Ways of Working

Option		'17	2018				2019				2020			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Proposed Option	Basic	Create Technical Team	█											
		Create TMS Operational Manual		█										
Option 1: Centralize & Improve		Improve & upgrade BR, EUR, CN before onboarding other countries	█	█	█	█								
		Centralize SA to EUR and CO, PE to BR (from Barcelona)				█								
		Implement in AUS, IN and centralize in CN				█	█	█	█					
		Implement in new countries in Africa and EC and centralize in EUR					█	█	█	█				
		Centralize ARG, MEX, NA to BR					█	█	█	█	█	█	█	█
		Improve process & technical ARG, MEX, NA					█	█	█	█	█	█	█	█
Proposed Option		Improve processes in 6 Zones by Operational Manual & Technical team		█	█	█	█							
		Improve technical in 6 Zones			█	█	█	█	█					
		Implement in new countries : Africa and EC – Wave 1			█	█	█	█						
		Implement in new countries : AUS, CAN – Wave 2					█	█	█	█	█			
		Implement in new countries: PAN, SKO, IN – Wave 3									█	█	█	█
		Track & Monitor process standardization			█	█	█	█	█	█				
		Centralization Decision							█					
		Centralization Process								█	█	█	█	█

Excellence Program for TMS

Current TMS Issues

- Missing Transport Flows in TMS
- Unrealized Optimization Opportunity
- Missing or Partial Track & Trace Capability
- Missing or Partial Master Data Management
- Low TMS Process Knowledge and Training Material
- Lack of Internal and External TMS Solution & System Integration Expertise

Excellence

1. Operational Manual
Covering Full TMS Functionality

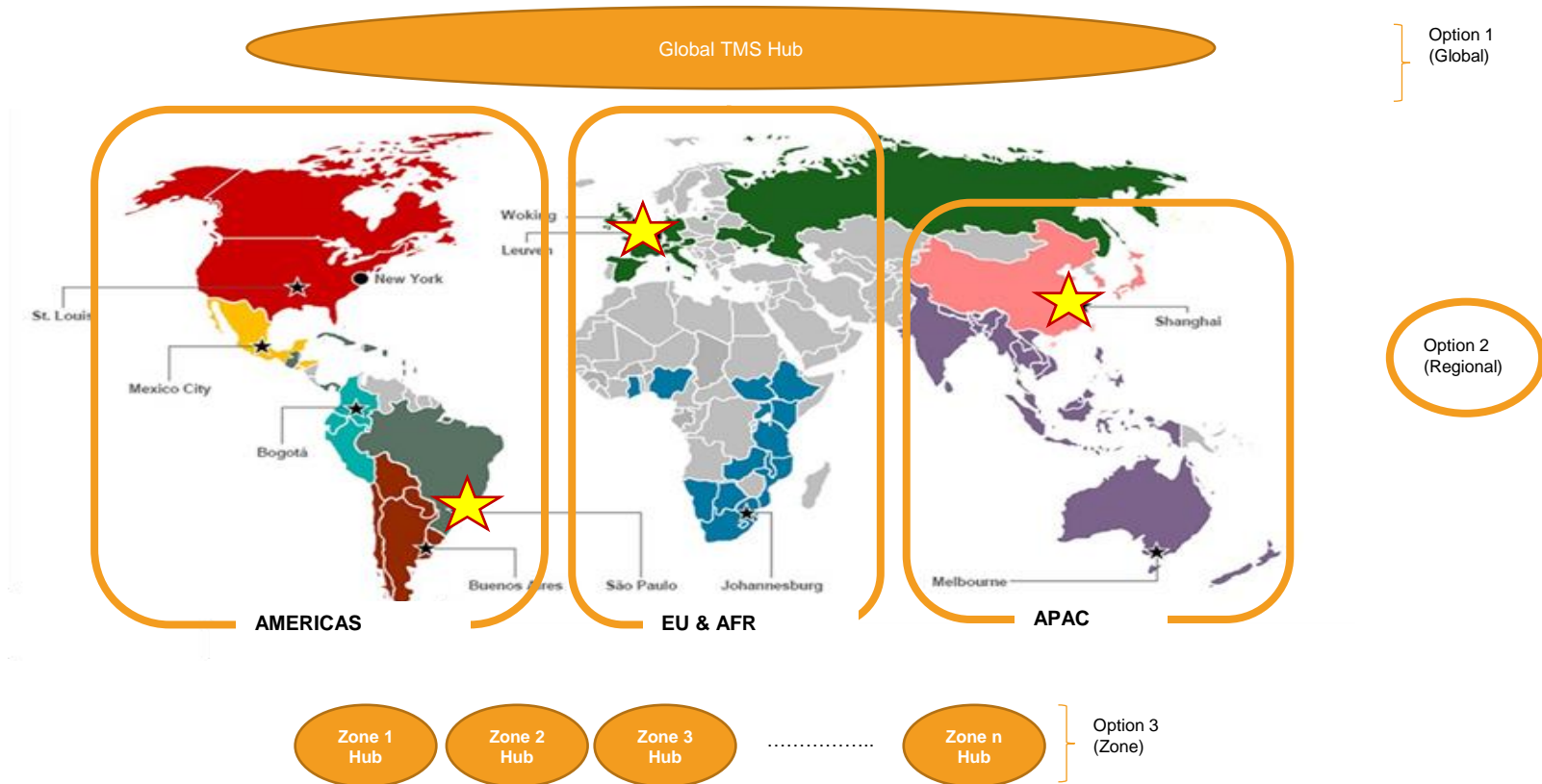
2. Technical Team
In-house TMS Expertise

Future State

- Full Coverage of Transport Flows
- Realization of Complete TMS Optimization Capabilities
- Standardized Track & Trace Functionality for All Transport
- Standardized Master Data Management Routine and Owners
- Core Knowledge of TMS Processes and Structured Training Routine
- Strong Internal Expertise of TMS architecture and Optimization setup

TMS Global Assessment - Strategy

Potential Savings – FTEs with centralization in 3 Hubs





Thanks for your time