



Refocus on the First Mile

Eliminate Pain and Mitigate
Downstream Risk by Focusing on
the First 120 Days of Your Order

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The Challenge

Issues identified downstream in the supply chain are often caused by problems that occur in the first 120 days of an order.

The face of the supply chain is changing dramatically. For the past few years, geopolitical turmoil and shifting consumer priorities have been setting the stage for gradual changes. Importers looking to appease the demands of the 'need it now' digital-savvy consumers rely on an efficient and well-connected logistics structure that helps them to provide a seamless customer experience every time – even in peak periods, when up to a third of deliveries traditionally arrive late or incomplete.

However while many international importers have turned their attention to the Final Mile – the last stage of delivering product direct to Distribution Centers or direct to consumers, be that at home, the office, or a drop-off point or smart locker – few, if any, are looking at the other end of the spectrum – what is known as the First Mile.

The Impact of the First Mile

The First Mile is typically defined as the first 120 days of the supply chain, where importers have the ability to affect the success of their product and inventory. It's here that decisions and changes surrounding the size, spec, and manufacturing of products can be addressed – long before they get anywhere near a plane or boat.

Few importers realize that once their goods are loaded onto a vessel, they have no way to change or manage their products until they arrive at destination. Without a way to manage orders more effectively earlier in the supply chain process, importers can suffer from:

- Increased time and cost dealing with rework
- Increased duty costs due to errors
- Reduced profitability
- Missed targets and promotional seasons
- Limited control over inventory and stock
- Poor WIP visibility of products at the supplier level

The Root of the Problem

The tools and systems importers have used for years are enhancing, rather than solving, these global supply chain issues. With many companies juggling multiple systems – including a heavy reliance on email and spreadsheets to manage millions of dollars' worth of inventory that don't track, log, and share data well – they have little to no way of managing product-level data between suppliers, manufacturers, and the myriad of other partners involved across the supply chain.



Too many siloed systems focused on managing inventory at destination and not enough attention on the First Mile of the supply chain make it impossible to reliably serve consumer demands, let alone meet internal goals and objectives.

ORIGIN PARTNERS RELY ON ANALOG ORDER MANAGEMENT PROCESSES

Despite most importers sharing information with suppliers and manufacturers electronically, many partners continue to manage the subsequent steps of the supply chain process offline, resulting in:

- A lack of visibility across production and manufacturing of products.
- Increased blind spots and lower level of control over production.
- Reduced ability to track and manage changes across a Purchase Order.

EMAIL & SPREADSHEETS REMAIN THE #1 TOOL FOR COMMS & TRACKING

With no way to track and manage a Purchase Order across the supply chain digitally, most partners rely on email to collaborate with importers on orders, tracking agreed changes on spreadsheets held on local servers, creating:

- No single source of truth across Purchase Orders.
- Reduce ability to identify issues as they arise.
- Increased levels of miscommunication.
- Blind spots where accurate, real-time data is unavailable.



A HEAVY FOCUS ON THE FINAL MILE

With a flurry of market disruptors cropping up to focus on the Final Mile of the supply chain, importers are turning a blind eye to the first 120 days where they can critically impact the decisions that affect products further downstream.

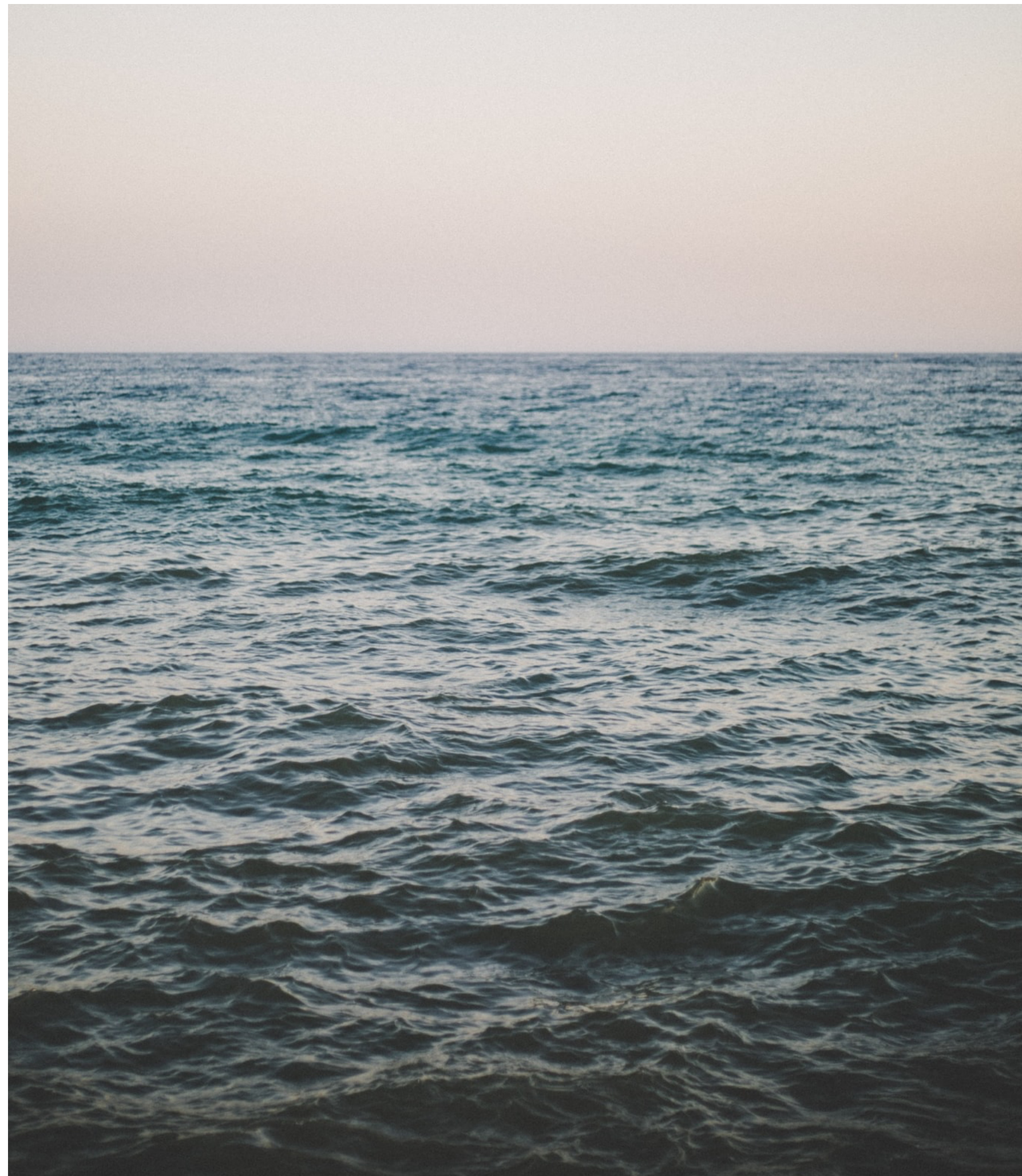
This results in:

- Hundreds of thousands of dollars of re-work to rectify errors.
- Frustration when working with partners over misalignment on production.
- Higher cost of time and resource to manage the early stages.

THE SOLUTION

TO ENSURE WHAT THEY ORDER IS WHAT THEY RECEIVE, INTERNATIONAL IMPORTERS MUST HAVE THE CONTROL AND VISIBILITY **ACROSS THE ENTIRE SUPPLY CHAIN TO MAKE SMARTER DECISIONS.**

AS INVENTORY MOVES THROUGH THE SUPPLY CHAIN, COMPANIES CAN USE A NETWORKED PLATFORM TO ADAPT TO DEMAND OR DISRUPTION IN REAL-TIME AND NOT WAIT UNTIL PRODUCTS ARRIVE AT DESTINATION. BY FOCUSING ON THE FIRST 120 DAYS OF THE PURCHASE ORDER, THEY CAN ENSURE ORDERS THE FINANCIAL VIABILITY OF SUPPLIERS, COLLABORATE WITH N-TIERS ON PARTS, WORK WITH N-TIERS ON RAW MATERIALS OR COMPONENTS, AND USE WIP MILESTONE DATA TO ENSURE TARGETS ARE MET.



Connect with partners on single, cloud-based supply chain network:

- Improved collaboration and change managed across Purchase Order. Greater visibility into inventory and WIP.
- Shift to address potential First Mile risks and issues, decreasing effect on downstream operations.

Use the Mercado platform to build a First Mile focused approach:

1. Collaborate with suppliers on a digital order, reflecting a single source of truth.
2. Automate manual processes and store relevant documentation against a Purchase Order.
3. Track inventory across identified WIP milestones and receive alerts to potential delays.
4. Manage order, receipt, and WIP status by exception, automatically.

The Value Mercado Brings

By adopting a cloud-based platform like Mercado that connects all suppliers and parties across the end-to-end supply chain, importers can solve the problems that typically arise within the first 120 days.

Tasks previously managed via email and spreadsheets are in turn completed with ease on the platform, ensuring importers can:

1

Increase automation and predictability

- Receive real-time information to ensure all aspects of your supply chain ecosystem are connected and streamlined.
- Better forecast and predict impacts on downstream processes.
- Improve transparency across all parties that touch the Purchase Order.

2

Avoid heavy costs of re-work at destination

- Minimize unforeseen issues or miscommunication that have costly effects if undetected before products arrive at destination.
- Digitally connect the First, Middle, and Final Mile to create seamless end-to-end operations.

3

Improve supplier relationship & performance

- Better supplier financial health leads to reliable production.
- Reduced DSO for suppliers through supply chain finance programs.



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For more information, please get in touch
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mercadolabs.com