



Improve Speed to Market

How to Meet Customer Expectations
While Mitigating Risk and Eliminating
Pain in the Supply Chain

CUSTOMER
EXPECTATIONS ARE
CHANGING BUT THE
SUPPLY CHAIN IS GETTING
MORE COMPLEX. IT'S A
DOUBLE-EDGED SWORD
FOR IMPORTERS GLOBALLY.

The Challenge

Customer expectations are changing, but the supply chain is getting more complex.

Today's supply chain environment is more intricate than ever. International importers must continually manage increased customer demand for greater quality and variety at lower cost with traditional planning, buying, and shipping processes and methods that were never designed to operate with such complexities.

Importers must make purchasing commitments to suppliers long before they can accurately predict consumer demand and trends, with 'fast fashion' dictating decisions up to 18 months in advance for industries such as fashion and apparel. To make matters worse, Purchase Orders are then managed manually, with email and spreadsheets the tools of choice to manage orders across the supply chain. The large variety of products and the numerous changes and updates at various stages of production lead to increased lead times and added costs at every step.

The Impact of Slow Speed to Market

With customer demand driving the speed at which product must get to market, importers are being forced to either expedite production, pushing the problems further downstream as issues during the First Mile (the first 120 days of the supply chain) aren't identified or detected in time, resulting in high levels of re-work and reduced profitability during the Final Mile.

Poor planning and expediting products to get to market faster also results in:

- High expedited freight costs
- Substandard products arriving at destination
- High costs due to re-work
- Brand erosion and decreased customer satisfaction and loyalty
- Greater waste due to overproduction and manufacturing

The Root of the Problem

This changing landscape is not unique to any one industry, with most feeling the pressure from customers to deliver faster, cheaper, and at the same (if not higher) level of quality. International importers reliant on traditional systems lack the visibility and agility to better plan, manage, and deliver on orders across the supply chain.

PRESSURE FROM CUSTOMERS TO PLAN 12-18 MONTHS IN ADVANCE

In order to source, order, and produce the volumes of product demanded by customers, brands are being forced to commit to trends 12-18 months in advance of delivery. With consumer tastes rapidly changing however, many importers do not have the ability to change and correct Purchase Orders, resulting in:

- Suppliers manufacturing to out-of-date order specifications
- Incorrect products arriving at destination
- Lost sales as end-customers choose to shop elsewhere

INCREASED COMPLEXITY IN PURCHASE ORDERS

With the increase of globalization over the past 20 years, expectations have shifted from a brand-driven to a customer-driven relationship. Importers must balance careful planning with fickle demand, else risk:

- Over-manufacture of redundant inventory
- Low ROI as products have to be sold at a lower cost to shift stock



A LACK OF TOOLS TO MANAGE VISIBILITY OF ORDERS

Most systems used to manage orders were not designed to keep pace with the shifting expectations importers experience at every step of the supply chain. With virtually zero visibility of an order from the point it is made until the time their product arrives at destination, international importers must:

- Manage communication surrounding an order using email
- Keep tabs on millions of dollars' worth of inventory through excel

THE SOLUTION —————

INTERNATIONAL IMPORTERS NEED TO
KNOW WHEN TO PUT **THE RIGHT**
STRATEGIES IN PLACE BASED ON
EACH ORDER.

MERCADO'S CLOUD-BASED SOLUTION EQUIPS IMPORTERS WITH THE TOOLS THEY
NEED TO DEAL WITH PREVIOUSLY UNIDENTIFIED CHANGES OR DELAYS
ASSOCIATED WITH AN ORDER, HELPING TO REDUCE OVERHEAD COSTS AND
LOWER LEAD TIMES.



Align supply and demand on a cloud-based platform:

- Collaborate with n-tier suppliers on capacity, plans, forecasting, changes, and work-in-progress (WIP)
- Gain visibility to production status across the supply chain
- Plan and manage orders down to the required detail through milestone management
- Meet social, regulatory, and supply chain compliance requirements

How to improve speed to market and create a responsive supply chain:

1. Manage order expectations with suppliers before a Purchase Order is even created.
2. Collaborate on Purchase Order changes across the entirety of the supply chain lifecycle.
3. Monitor, track, and amend goods through to completion and against commitments to limit unforeseen risks and issues.

The Value Mercado Brings

Importers using Mercado gain visibility into supply and production and meet the demands of the complex international supply chain.

With a cloud-based solution like Mercado, they can:

1

Increase sales and margins across inventory

- Plan and manage inventory closer to market, reducing overspend and waste at destination.
- Protect against brand erosion.
- Increase end-customer loyalty.

2

Reduce lead times

- Manage commitments to suppliers at every step of a product's lifecycle.
- Reduce buffer times by providing visibility to capacity plans and forecasts in real-time.

3

Improve on-time delivery rates

- Share forecasts and commitments with all parties involved.
- Receive notifications and alerts to potential delays through WIP milestones.

4

Reduce overheads and cost

- Reduce expedited freight costs.
- Consolidate raw material purchases to negotiate lower material costs.



For more information, please get in touch
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