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Inflation in Logistics:

Breakdown of costs & mitigation tactics using AI

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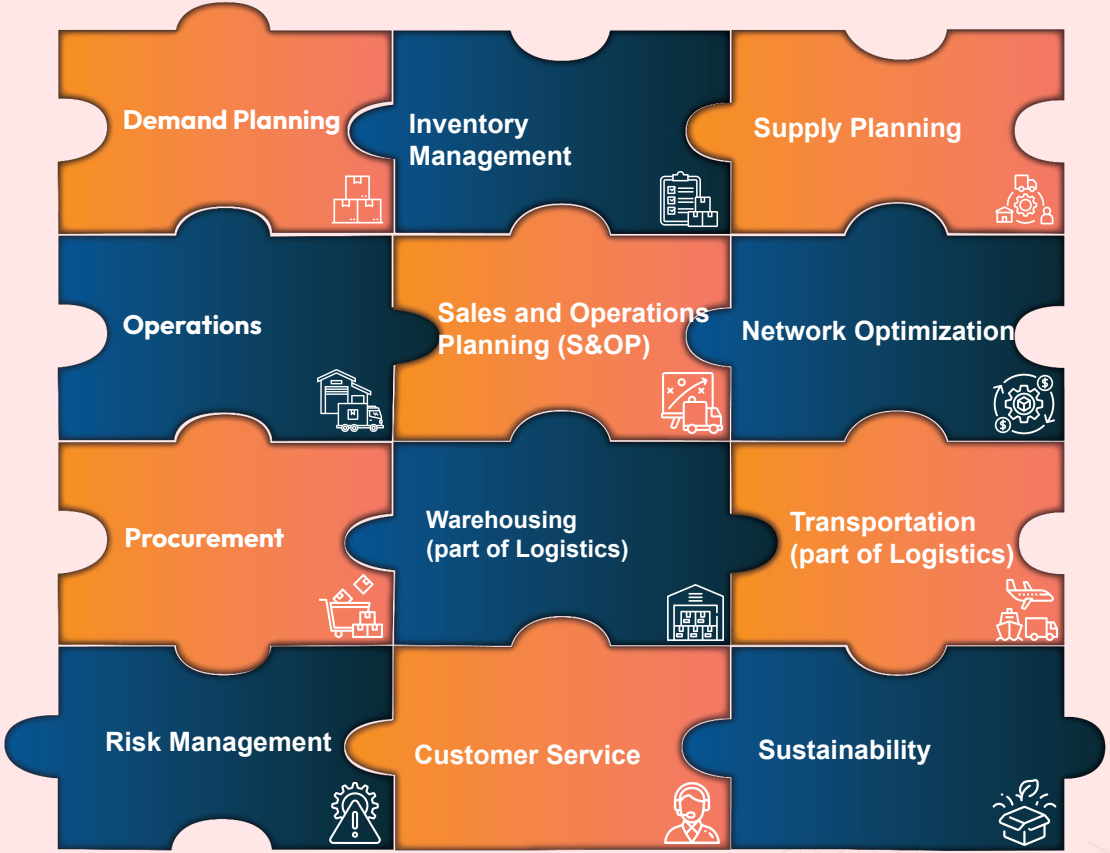
Speaker Bio – MJ Schoemaker

- Head of Customer Service, Logistics and Production Planning
- Project Lead Global Demand Planning
- Global Demand Planning Director
- Global Centre of Excellence Director
- Head of Supply Chain for Sub Saharan Africa
- President of the Board of SAPICS
- Top 100 most influential women in Supply Chain in Africa 2023
- Business Excellence consultant/advisor.

The supply chain puzzle



What are some of the current challenges for South African Supply Chain?

1. 
   Customs and Regulatory Issues

2. 
   Security Concerns

3. 
   Limited Skills and Expertise

4. 
   Inconsistent Power Supply

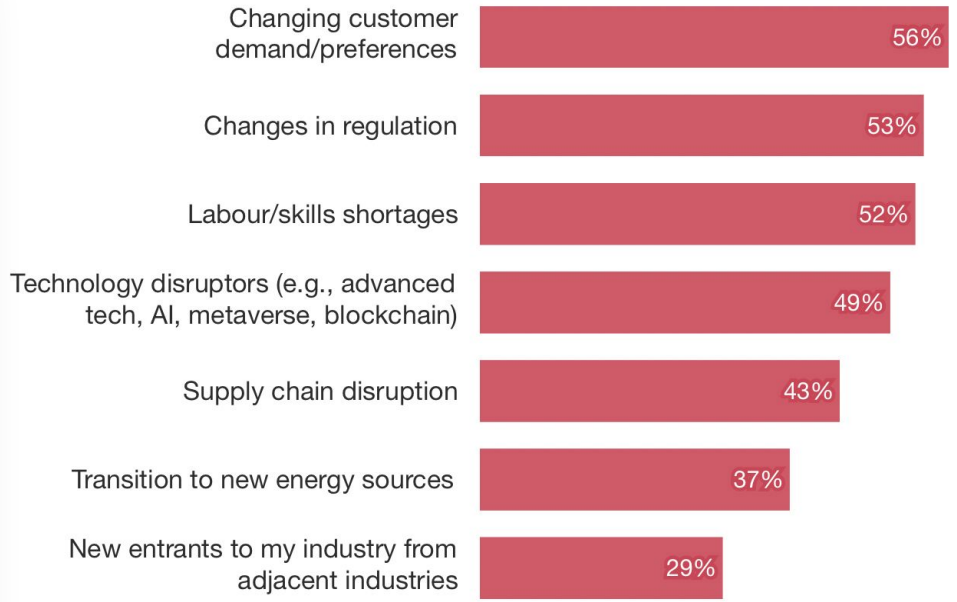
5. 
   Infrastructure

6. 
   Port Congestion

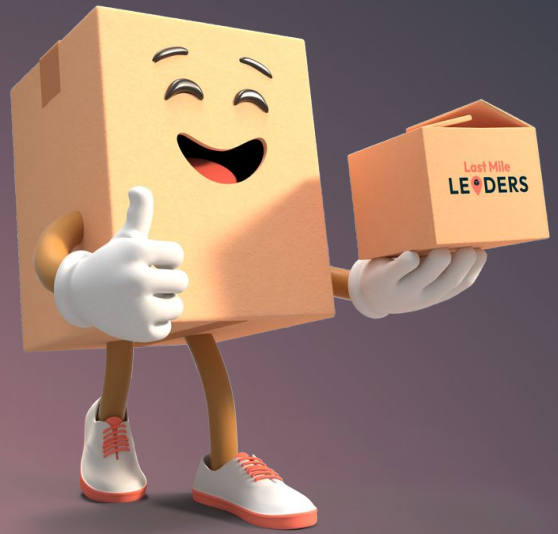
7. 
   Labor Unrest

Keeping up with customer demands

Customers want real-time visibility of their shipments which requires that logistics providers invest in real-time tracking technology to provide customers with transparency on where their goods are at any point in time.



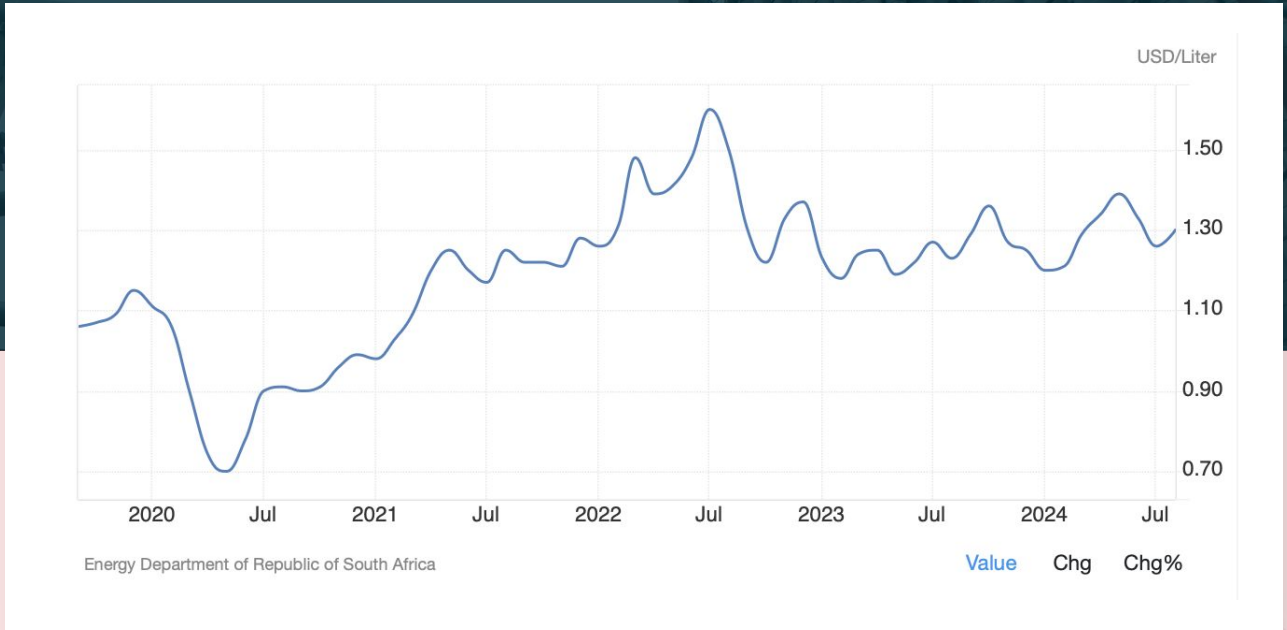
Source: PwC's 26th Annual Global CEO Survey



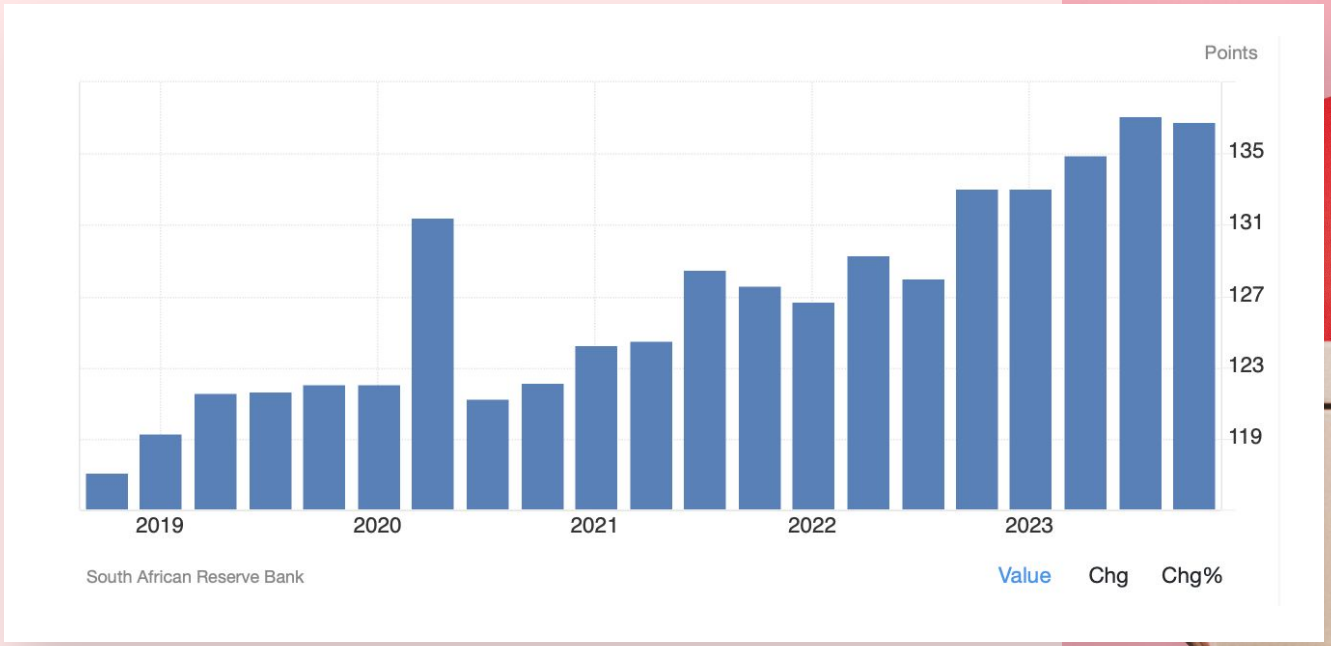
Inflation in Logistics:

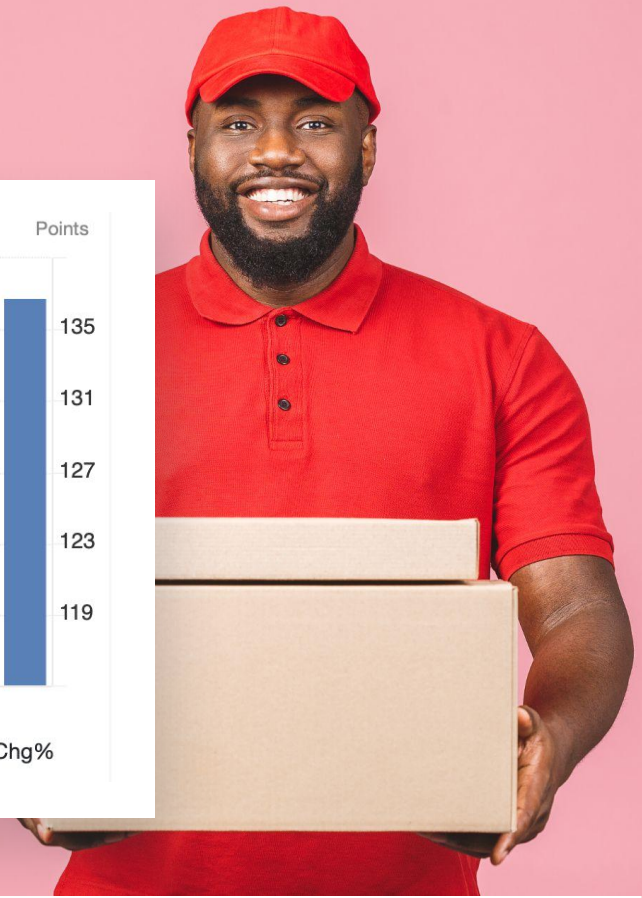
Breakdown of Costs & Mitigation Tactics

South Africa Petrol Price

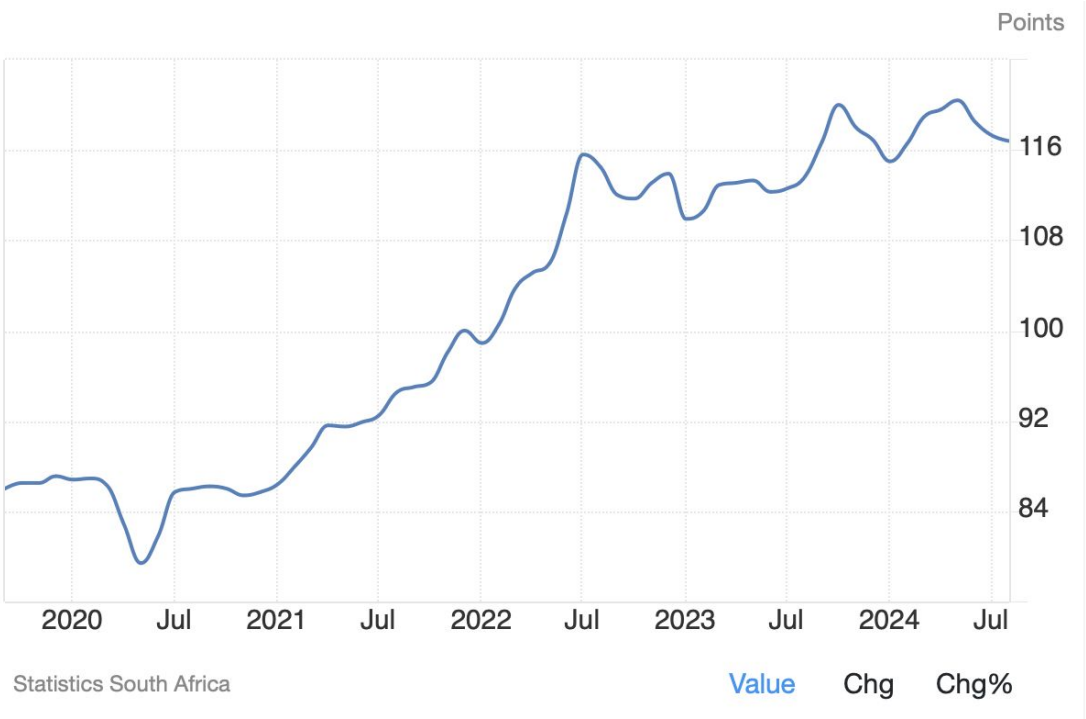


South Africa Labour Costs





South Africa CPI Transportation



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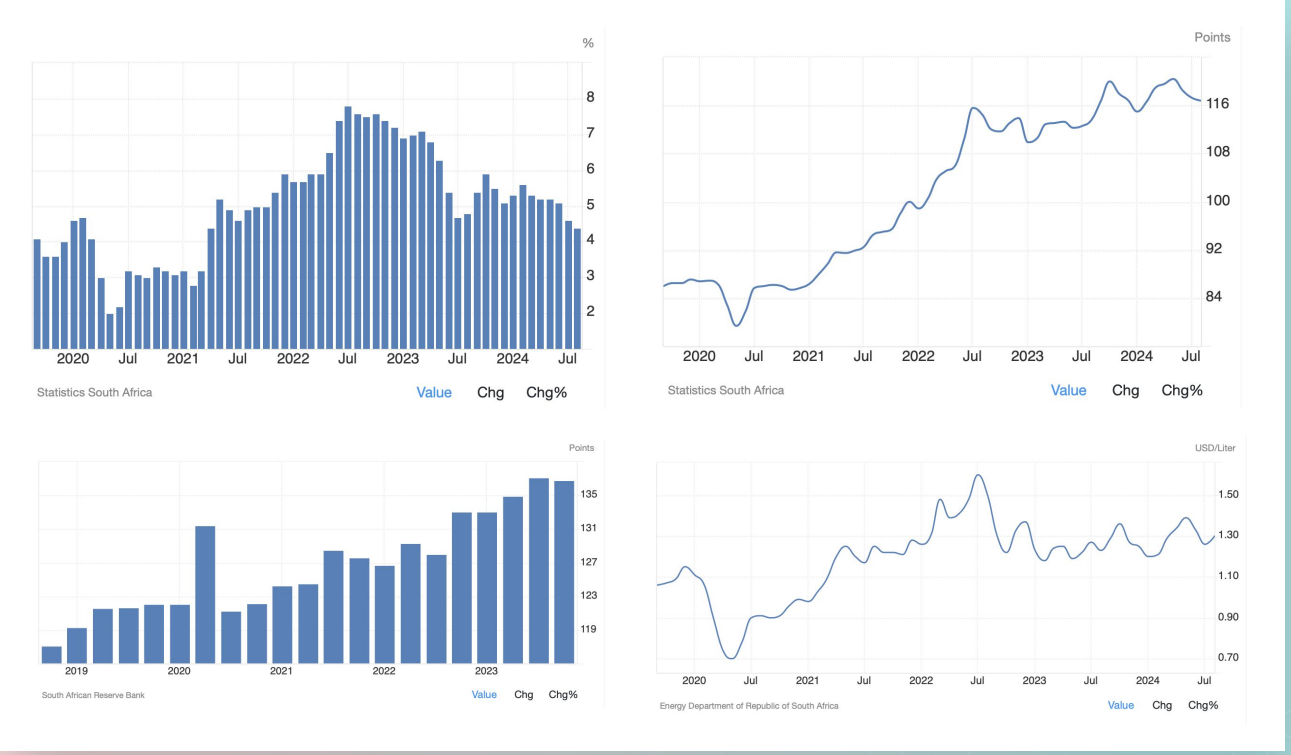
Influencing factors driving cost



Cost Management in Logistics

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Key Cost Metrics

CTS
Cost to Serve

CPK
Cost per kilometer

SOT
Supply on time

Last Mile Delivery Cost Management

Improving Loading Schedules	Ensuring Tyre And Suspension Maintenance	Correct Deliveries To Reduce Mistakes	Health, Safety And Training Of Drivers
New Fuel-Efficient Trucks And Vans	Innovative Route Management	Use Of Data And Artificial Intelligence	Security Management
Risk Management	Supplier Relationship Management	Track & Trace	Delivery Innovations

Innovative Last Mile delivery of medicine (Zipline Ghana)

https://www.youtube.com/watch?v=vuJfr84lWc8

Use of data and artificial intelligence

Customer Experience

- Customer Engagement
- EDD Prediction

Operational Efficiency

- Carrier Allocation
- Smart Suggest
- Smart Service

Process Intelligence

- Contract and Vendor Management
- Software Engineering

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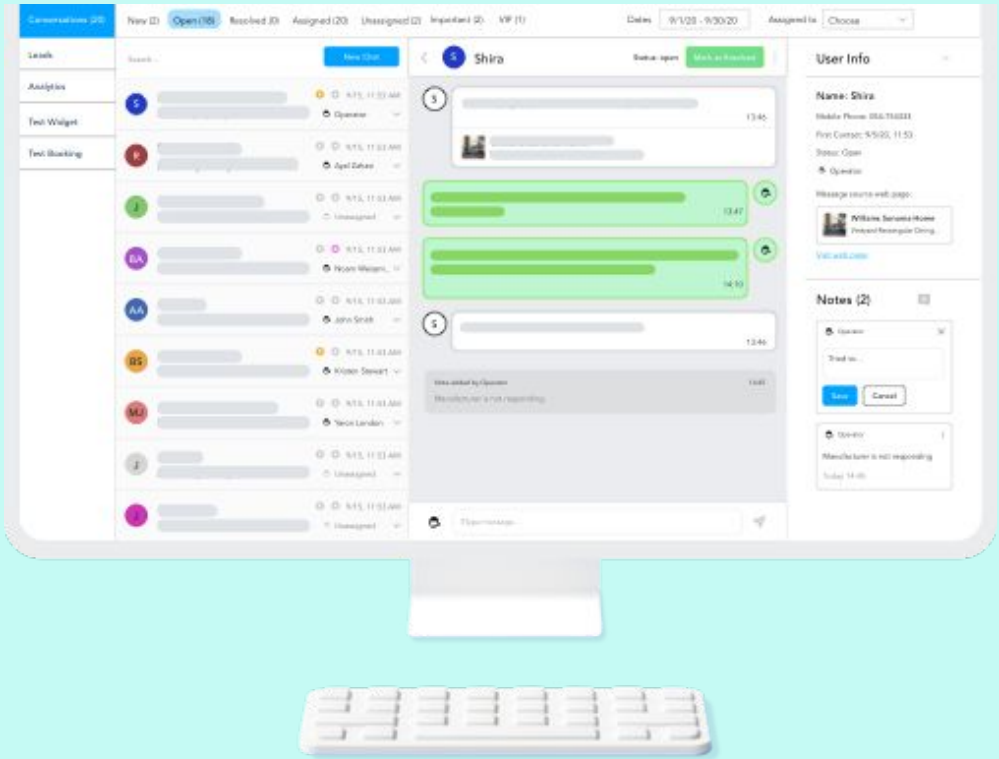
AI Powered Customer Experience

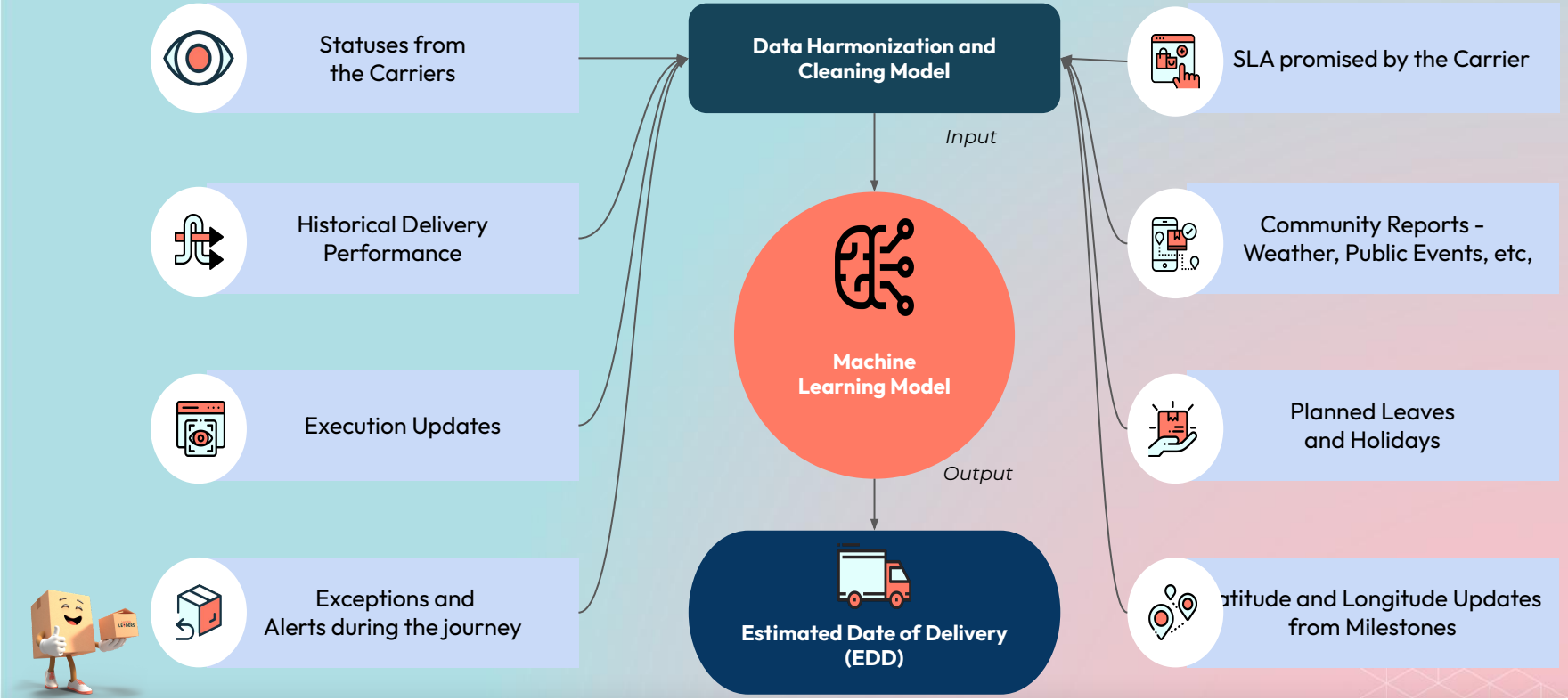
Zero Touch

Customer Engagement

Interactive and automated scheduling, routing and delivery operations that place your customer in the center, while cutting operational costs



AI-Driven EDD for Streamlining Logistic Costs and Performance



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Operational Efficiency

On-Time, Every Time: AI-Powered Carrier Selection for Seamless Delivery

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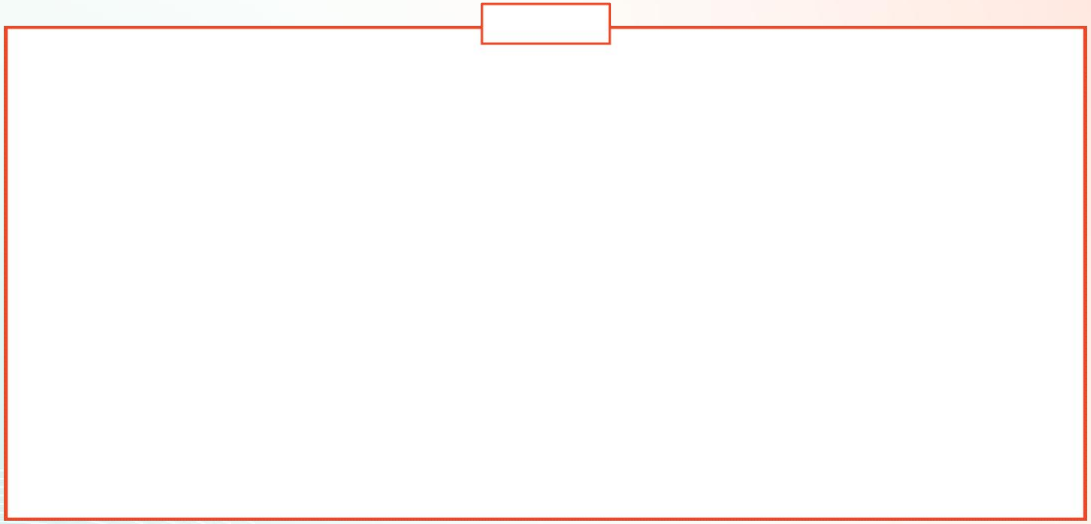
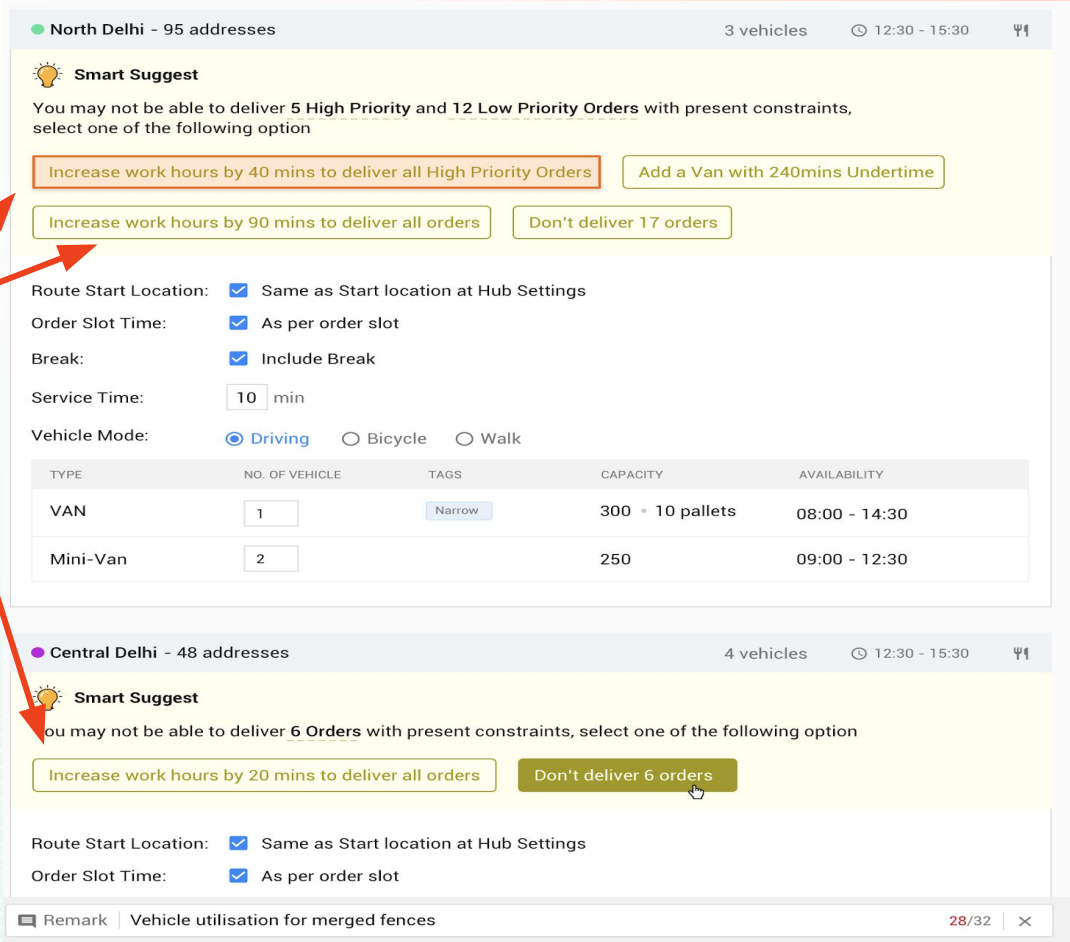


Route Optimization - “Smart Suggests”

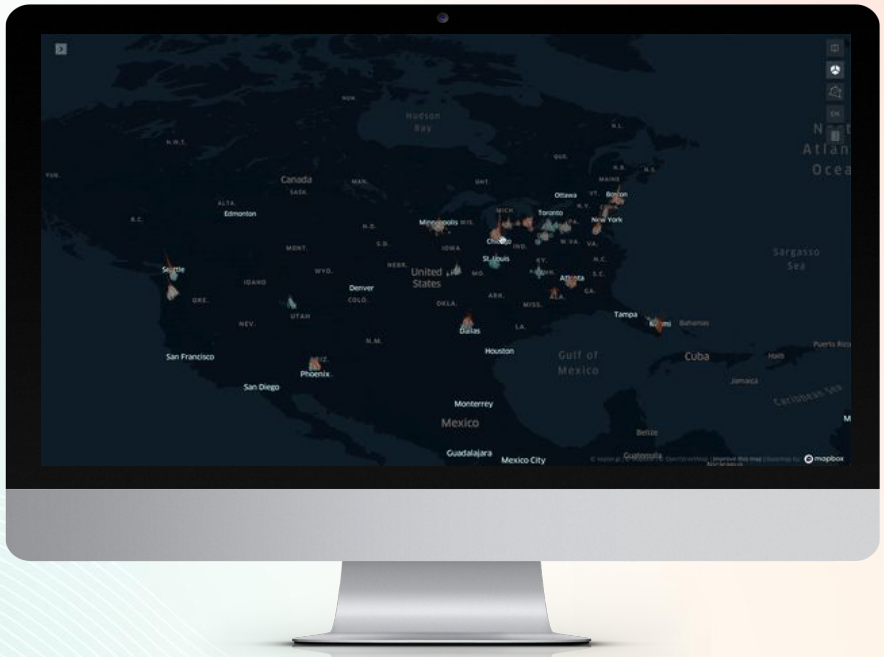
- **AI/ML** based recommendations based on past performance and artificial intelligence

- Recommendations are based on performance vs. prior week
  - Monday to Monday, Tuesday to Tuesday etc



Smart Service & Parking

Improve planning accuracy and delivery service time



Increase SPORH and learn where and how many minutes drivers are spending on delivering at a stop

Improve Planning accuracy with machine learning (ML) driven delivery service time specific to a zone and driver

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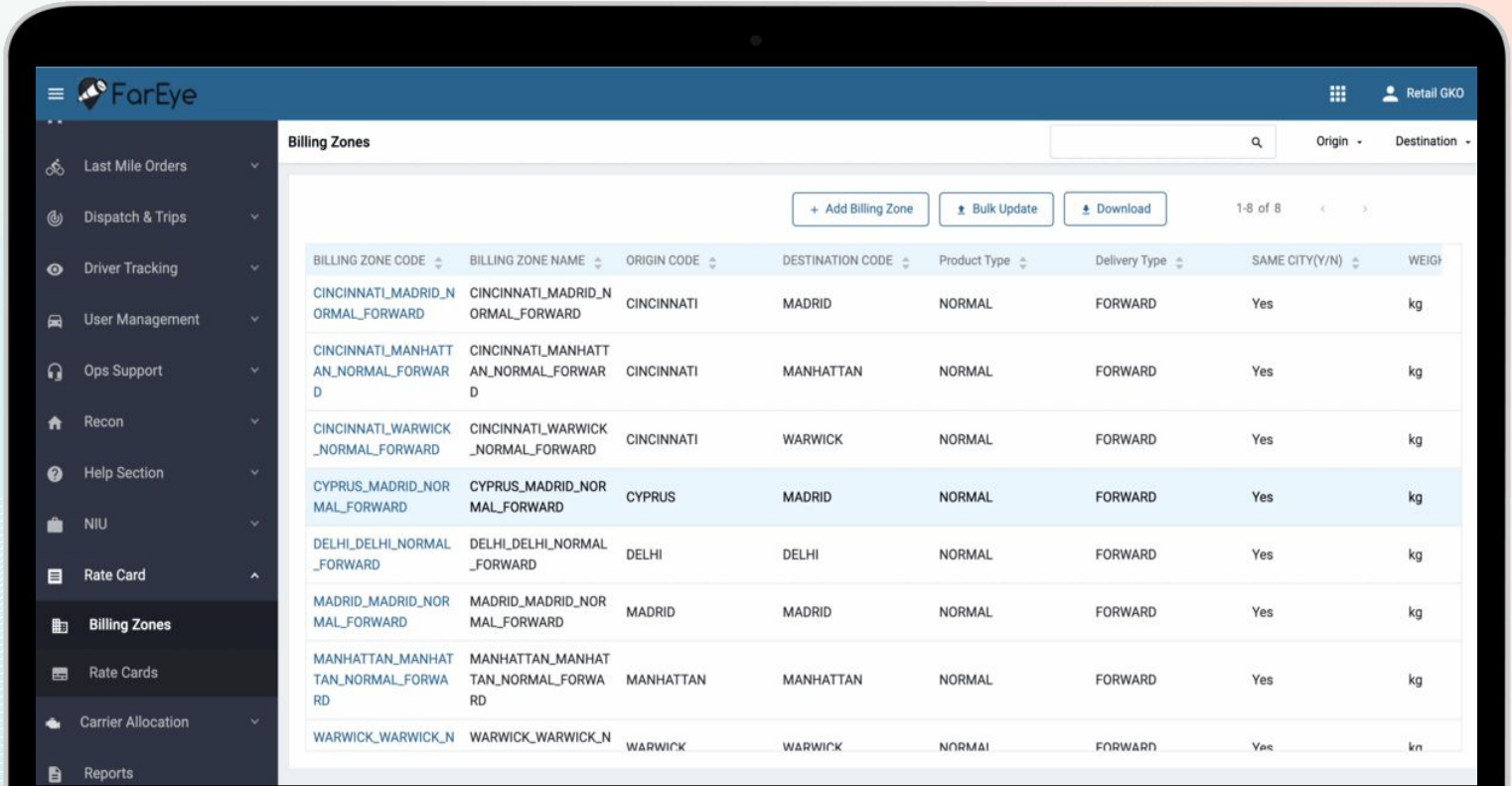
Intelligent Process Optimization

AI-Driven Contract and Vendor Management



OpenAI driven Software Engineering

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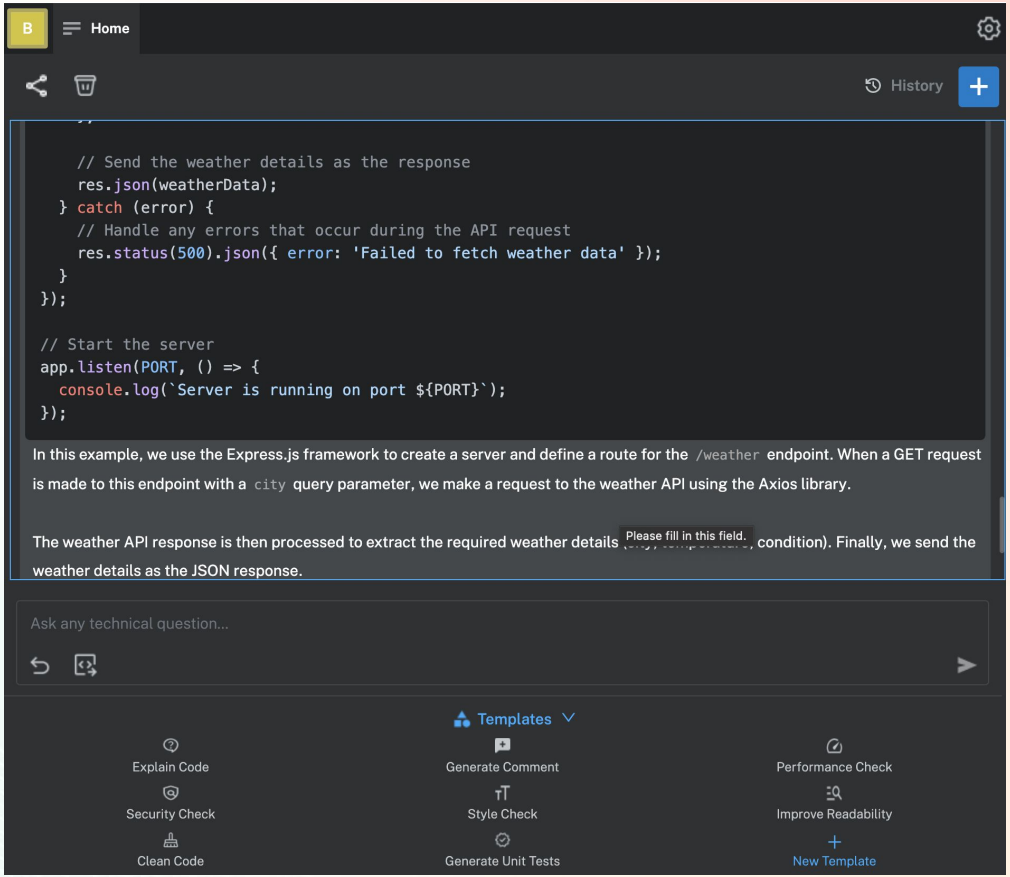
Incubating OpenAI in to software engineering for a game-changing quality and productivity.

Using Generative AI,

- Generate code
- Get the explanation of the code
- Build code comment
- Do Style, Security and Performance Check
- Perform code review
- Generate Unit tests



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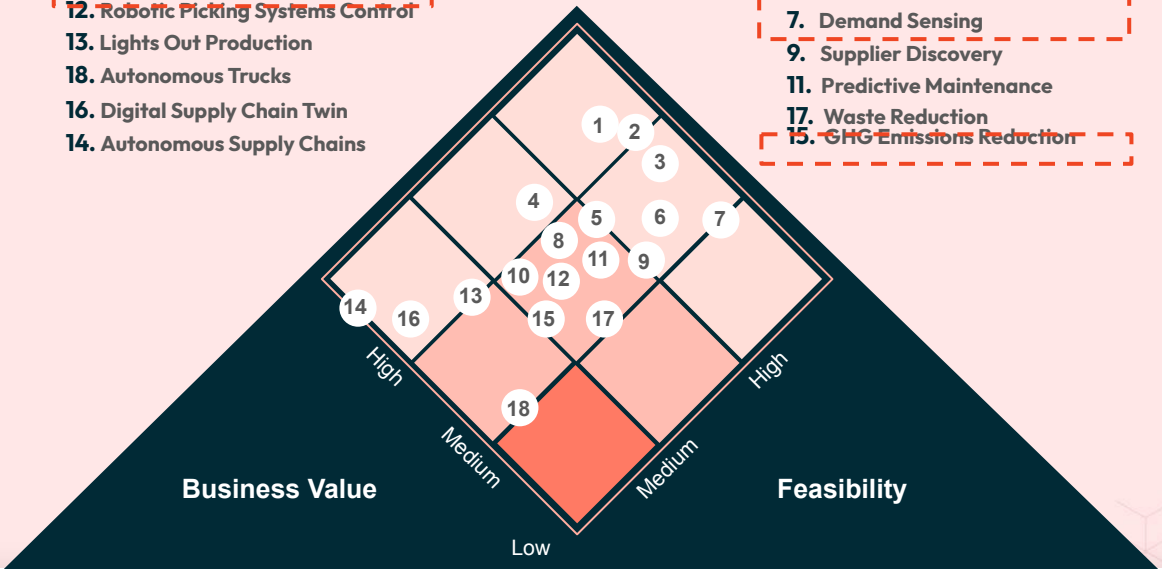
How Gartner quadrants align with FE-AI initiatives

Initiatives spread across **all quadrants of the Prism**, along high to low business value and high to low feasibility

AI Use-case Prism for Supply Chain

5. Connected Factory Worker
4. Auto Defect Detection
8. Supplier Risk Management
10. Customer Journey Analytics
12. Robotic Picking Systems Control
13. Lights Out Production
18. Autonomous Trucks
16. Digital Supply Chain Twin
14. Autonomous Supply Chains

1. Inventory Optimization
2. Predictive ETA
3. Data Cleaning
6. Mobile Robot Control
7. Demand Sensing
9. Supplier Discovery
11. Predictive Maintenance
17. Waste Reduction
15. GHG Emissions Reduction



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Thank You

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