

Five Steps to Transform Your Procurement and Supply Chain Operations



JABIL

SUPPLY CHAIN

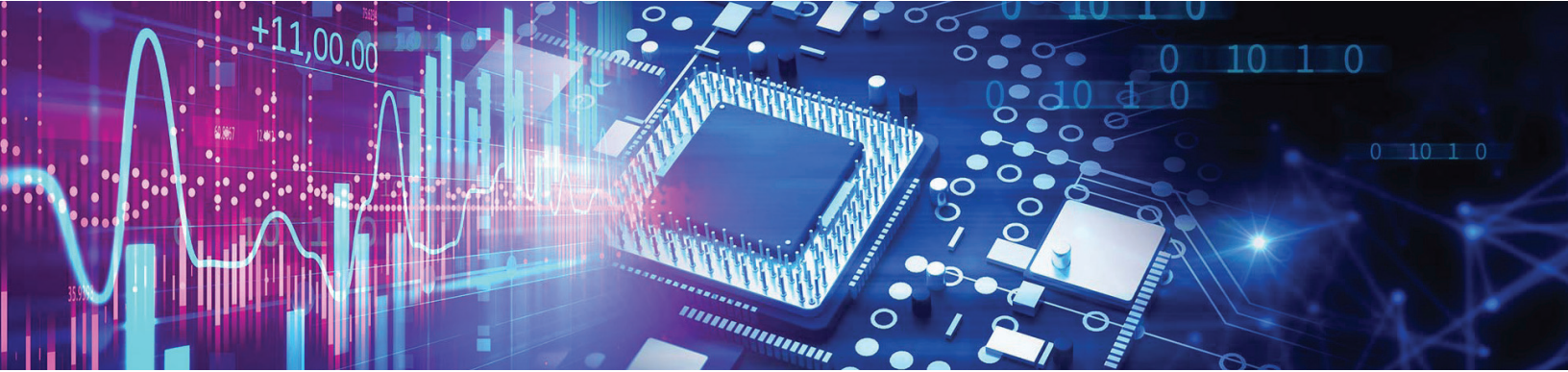


Efficient, effective procurement and supply chain operations are critical to staying competitive in today's market. But how does a company embark on the journey to transforming their supply chain network to be more efficient and effective?

For any project, especially a transformative one, breaking down the work into manageable steps can help. Having conducted our own successful transformation in these areas, we can walk you through our recommended steps and solutions along the way. Every day, we are working on the front lines of global supply chains, and we want to share the benefits of our experience with you.

Here are 5 steps you can take to transform your procurement and supply chain operations from tactical to strategic:

- 1 | Gather Intelligence
- 2 | Review Your Current Systems and Processes
- 3 | Evaluate Technologies
- 4 | Assess Your Current Logistics
- 5 | Outsource Execution



1 | Gather Intelligence

“ Jabil’s global supply chain team has really good market intelligence about what’s happening in the industry. We’re constantly getting updates on suitable vendors, so we often have a choice of multiple suppliers at a cross-section of prices, which is really valuable. ”

NEIL CHEYNE

General Manager of Electronics, Reliability and Compliance, Fisher & Paykel

Timely intelligence on market insights, technology trends, and supply and demand dynamics, help companies make better-informed decisions for their products and bottom line.

With up-to-date market trends and predictive insights, you’ll be well-equipped to make better design, sourcing, and planning decisions. Whether it’s satisfying a gap in a market, improving current product lines, expanding into new markets, or reducing efforts in specific areas – knowledge is power. For example, as more organizations evaluate their manufacturing presence in China, procurement and logistics data will be critical factors in where they decide to move their production and supply chains. This visibility can help companies preemptively address potential bottlenecks and maintain supply chain continuity, especially in the event of a crisis.

Additionally, tailoring your business’s strategy to current trends is necessary to achieve ongoing success. It’s not always the best end-product that wins the race, but who executes the best. With predictive insights into commodity pricing and availability, inventory trends, or end-of-life classifications, you’ll gain a competitive edge on product design and sourcing decisions. As a result, you’ll gain a holistic understanding of the supplier landscape so you can make strategic decisions that enhance operational resilience and competitiveness.

Jabil offers market intelligence on Commodities, Categories, and End-Market Sectors, including:

COMMODITIES

- Passives
- Semiconductors
- Interconnect
- High-End Semiconductors
- Raw Materials
- Distribution
- PCB
- Mechanicals

CATEGORIES

- Global Logistics
- Capex
- MRO
- Infrastructure
- Contingent Labor
- IT
- Energy
- Global Trade Compliance
- Materials Compliance

END-MARKET SECTORS

- Automotive
- Wireless Infrastructure
- Mobile Devices
- Cloud & Storage
- Smart Home & Appliances
- Retail & Payment Solutions
- Healthcare
- Energy

2 | Review Your Current Systems and Processes

“ The flexibility that Jabil brought was a huge asset. When we looked at our manufacturing footprint, there was a ton of complexity. It’s very difficult for us to create an efficient global supply chain and logistics network. In working with Jabil, we were able to evaluate on a global scale what we wanted our manufacturing footprint to look like. ”

GEOFF CROUSE
CEO, Candela

Addressing issues across your supply chain operations can be daunting, but an outside perspective from a fellow practitioner can help you define your next steps. Identifying weaknesses in your current network and opportunities for the future will help you prioritize and develop your roadmaps.

While often taken for granted when it was functioning properly, global supply chain management had been growing increasingly complex long before the pandemic. Over the past few years, the global supply chain has resembled a line of dominoes, with an accelerating force knocking down each subsequent tile. The organizations that have best withstood these opposing forces tend to follow best practices on resiliency and agility and have a strong supply chain technology stack.

Building supply chain resilience requires companies use the latest practices and most efficient, flexible processes based on market benchmarks. As the world and global markets evolve, supply chains must also keep changing to keep up with them. And as new challenges arise, companies need to be able to quickly adjust their people, processes, and technology to stay ahead of the upcoming risks.

Have you found yourself wondering questions such as:

- What is the current maturity level of our procurement organization?
- What metrics should we be measuring and what are the benchmarks?
- How can I effectively build my buying organization and what skillsets are necessary?
- Which tools and technologies should we be utilizing?
- What are the best practices for procurement and supply chain processes and policies?
- Is my supply chain network optimized?

If so, Jabil’s Advisory Services can help. We’ll assess your company’s current procurement and supply chain management technology and processes while providing tailored recommendations for improved sourcing opportunities, technology applications, risk avoidance, team structure, and much more.

Consider this. For one customer, we conducted a Network Analysis and were able to simplify their manufacturing footprint through site consolidation, creating a lower overall landed cost. This resulted in \$159M+ (7%) bottom line savings over 5 years!





3 | Evaluate Technologies

In the realm of procurement, technology has emerged as a transformative force. The implementation of procurement technology platforms is known to increase transparency, centralize spend management, enhance data quality and compliance, deliver cost savings, and provide real-time insights.

One major challenge for companies with manual or older systems is that they have no comprehensive view into global spend. This can lead to paying different prices for the same product and an inability for Procurement to identify opportunities to drive standardization leaving volume incentives unachievable. Even with documented procurement policies, compliance can remain low, and spend with strategic suppliers falls short leading to reduced relationships with partners. e-Procurement systems offer many fixes, but if they are not optimized for your specific business needs, you could be missing out on opportunities for better supplier partnerships and cost leadership.

Making the most of your platform's features and functionality will enable you to increase visibility and procurement policy compliance while driving spend to your strategic suppliers, ultimately achieving better cost leadership.

Jabil can help you evaluate available platforms to achieve unified global spend management across annual purchases of indirect goods and services. The right technology can take your procurement office from a cost center to a strategic asset.

Jabil's experts, made up of practitioners like you, will consult with your team on the goals of your digital transformation. We'll help you find the right e-Procurement tool, then make the most of the platform's features and functionality so it's customized for your needs. With experience from our own implementation, we offer a range of customizable services, including:

- Strategic Roadmaps
- Application Management
- Supplier and Catalog Enablement
- Geographic Expansion
- Guided Buying
- On-site and Virtual Training
- Staff Augmentation



4 | Assess Your Current Logistics

“ This innovative thinking helped us optimize logistics, reduce costs, and simplify our product range for faster deliveries to end customers. ”

MATTHEW FISH

Purchasing Manager,
EVBox

Optimizing global logistics by making them predictive and proactive is crucial to building a network that can withstand inevitable disruptions. In a recent study, almost a quarter of respondents (23%) said they implemented a transportation management system during the pandemic to improve supply chain performance, while 24% are considering implementing one in the next 12 months ([link to survey report](#)).

And with the rise of e-commerce (also called “The Amazon Effect”), consumer expectations and buying behavior have changed. End-users have high expectations in terms of convenience, cost, control, and choice. This requires companies to adopt new business models to provide low-cost and on-demand delivery services.

Jabil offers Logistics Management Services to help our customers get their products where they need to go in the most efficient way possible. Customers can tap into our highly skilled team of logistics experts and proven technology to gain visibility and management of the full spectrum of goods flowing across your logistics ecosystem.

We use an automated transportation management system (TMS) with a comprehensive customer portal and dashboard that integrates with other logistics systems to provide you access to automated, real-time, in-transit tracking visibility.

LOGISTICS SOLUTIONS

- Carrier Management
- Logistics Benchmarking
- Trade Compliance Analysis
- Logistics Network Analysis
- Trade Compliance Analysis

VALUE-ADD SERVICES

- Product Warehouse & Distribution
- Assembly & Packaging
- Returns Consolidation
- Repackaging
- Fulfillment

FREIGHT MANAGEMENT

- Shipment Optimization & Planning
- Track & Trace
- Exception Management
- Freight Bill Audit & Payment
- Claims Processing
- Continuous Improvement

5 | Outsource Execution

“ We have benefited from Jabil’s turnkey approach, encompassing sourcing, purchasing, production, and logistics. ”

SHLOMO EHRLICH

Vice President of Operations,
Cardo Systems

Increased global outsourcing, the rise of big data, and the need to simultaneously support many different market segments make today’s multi-tier supply chain networks highly complex. In today’s market, companies are outsourcing procurement and supply chain management to reduce FTE resources, optimize processes, and improve access to better pricing and supply. Working with the right partner can enable your business to focus on core competencies while leveraging the expertise of specialized professionals.

Jabil’s offers Procurement Managed Services enabling you to scale your procurement practice more easily as needs change. Now, tasks such as transaction and order processing, and procuring to a customer’s MRP can be handled by Jabil experts. Whether you lack expertise in a specific commodity/category, face a tight labor market, or need to further reduce costs, this on-demand approach affords flexibility for business continuity. The level of partnership is up to you, from staff augmentation to managing your entire procurement operation.

Benefit from the buying power and expertise of a company with \$30B in spend across 36,000 suppliers. From buying to delivery, our in-region procurement experts work on your behalf to provide efficient operations to ensure cost savings and an assurance of supply.

Services include:

- Category and Commodity Management
- Strategic Sourcing
- BuyDesk Management
- Staffing Support
- Aggregated Demand and Supply
- PO Management
- Supplier Management

Jabil’s Supply Chain Managed Services are designed to build resilience, create efficiencies, and increase cost savings from raw materials through delivery to the end-user. Jabil stands ready to support your supply chain with adept, informed, and capable practitioners using a dedicated customer command center and near-real-time dashboards, providing end-to-end visibility for total supply chain orchestration.

Services include:

- Sourcing selection and qualification
- Supply chain design and network optimization
- BOM optimization
- Material compliance
- Centralized planning and forecast consolidation and analysis
- Distribution, warehousing, and global logistics
- Inventory management and financing
- Excess and obsolete management



Why Jabil?

Jabil is one of the world's largest manufacturing solutions partners operating a global supply chain for more than 300 customers across industries as varied as automotive, healthcare, and energy. Our resources include more than 3,000 supply chain, logistics, and procurement experts in 30 countries working with an established network of 36,000 suppliers.

Now, Jabil is offering access to our resources and expertise through a portfolio of procurement, logistics, and supply chain services. These services are built on hard-earned lessons learned and best practices developed over the past 50 years.

The best part – every service we offer is built for practitioners by practitioners.

36,000+

SUPPLIERS
RELATIONSHIPS

3,000

GLOBAL SUPPLY CHAIN AND
PROCUREMENT PERSONNEL

100+

LOCATIONS ACROSS
30 COUNTRIES

\$32B+

GLOBAL DIRECT AND
INDIRECT SPEND

For additional information, visit
jabil.com/SCservices

About Jabil

Jabil (NYSE: JBL) is a manufacturing solutions provider with more than 200,000 employees at over 100 facilities in 30 countries. The world's leading brands rely on Jabil's unmatched breadth and depth of end-market experience, technical and design capabilities, manufacturing knowhow, supply chain insights and global product management expertise. Driven by a common purpose, Jabil and its people are committed to making a positive impact on their local community and the environment.