BT Supply Chain Solutions
Transforming supply chain performance, service and efficiency
Improving business performance

As the global economy recovers from recession and business prepares for growth, supply chain management is a boardroom issue. Supply chain initiatives can positively impact eight out of CIOs’ top ten business priorities (as identified by Gartner) and improving supply chain effectiveness can have a major impact on every area of business performance.

Global visibility and end-to-end management of inventory and assets can help fulfill service obligations to customers and partners, strengthen the balance sheet and improve risk management. Accurate information about what is selling enhances forecasting and response to market trends. Supply chains can represent as much as 90% of operational costs for some manufacturers, so better information about location and flow of goods help keep expenditure under control.

Continued civil unrest in many parts of the world and piracy at sea threaten supply chain integrity. Natural disasters have also focused boardroom attention on supply chain resilience and the organization’s ability to respond to unexpected events. Unsurprisingly, more than two-thirds of senior executives surveyed by McKinsey expect supply chain risk to continue to rise.

Up to 60% of a company’s carbon footprint can reside upstream in its supply chain and so improving supply chain performance is at the heart of complying with environmental legislation and improving the corporate carbon footprint. Traceability is already an essential component of food and pharmaceutical supply chains and will extend into other industries as demand grows for ethical and environmental accountability.

The need for better management of inventory and assets is not restricted to commercial organizations. In the UK, the Ministry of Defence is reported to have lost track of assets worth £6.3bn. The time hospital nurses spend looking for missing equipment costs the NHS £1 billion annually. When government spending is constrained in many countries, the public sector is increasingly embracing the need to control and manage its assets more effectively.

Supply chain challenges

Business leaders face multiple supply chain challenges:

Visibility & resilience. Ninety per cent of global trade flows through only 39 ‘bottleneck’ regions. An inability to locate and track assets creates congestion and delays.

Cost. A survey by McKinsey found that companies’ top goal for supply chain management is to reduce costs.

Inventory management. Inaccurate inventory inevitably means the wrong goods are on the shelves, losing sales and disappointing customers. It can also result in over-ordering and wastage.

Speed and accuracy. Slow information flow through the supply chain has been estimated to cost British business £1.2 billion per year.

Counterfeiting and shrinkage. According to the International Chamber of Commerce (ICC), the global economic and social impacts of counterfeiting and piracy will reach US$1.7 trillion by 2015 and put 2.5 million legitimate jobs at risk each year.

Sustainability. The need to reduce CO₂ emissions in the supply chain is driven by demand from ethical companies, consumers and legislation. Any failure to comply with legislation and sustainability initiatives will damage corporate reputation.

The benefits of advanced supply chain management

The good news is that the development of robust technologies, widespread wireless networks and the establishment of global standards now provide a strong platform for global supply chain infrastructure.

Business and governments can invest with confidence in supply chain solutions that deliver wide-ranging benefits, including:

- Optimizing inventory and assets improves efficiency and reduces working capital.
- Improving inventory availability by 3% results in a 1% sales increase.
- An efficient, accurate and faster supply chain can enhance customer service, reduce customer churn and the cost of customer acquisition.
- End to end visibility of the supply chain helps you more effectively plan transportation, maximizing assets, reducing fuel costs and CO₂ emissions.
- Automating processes and removing error-prone manual workflows lead not only to process improvement but also increase employee productivity.
- 100% visibility of assets reduces the need to purchase new assets unnecessarily and controls costs.
- An agile, accurate and lean supply chain underpins business resilience, enabling you to respond to unforeseen circumstances and changing market trends.
- A high performing supply chain is the backbone of a truly agile organization, that can cost effectively compete in today’s challenging environment.
- Detailed and trustworthy information about raw materials, packaging, transportation, storage and handling ensure compliance with ethical, environmental and other regulatory standards.
BT Supply Chain Solutions

BT Supply Chain Solutions is a suite of practical, end-to-end solutions that address the varying supply chain and inventory management requirements of manufacturers, logistics providers, retailers and public sector organizations.

All BT Supply Chain Solutions are based on the same core principles and delivery model:

• We use proven technologies based on open standards, ensuring that your investment has a clear development path for the future.
• Our BT Professional Services team of specialist supply chain practitioners will work with you to analyze your needs and make the business case before delivering the right solution to meet your organization’s needs.
• We take responsibility for full integration of mobile data technologies, handheld and fixed readers and writers, application software, and infrastructure, delivered on a single platform.
• All our solutions are available as a fully managed service, leaving your IT team free to focus on your core business and enabling you to make a rapid return on investment.
• 24/7 support from a dedicated BT Supply Chain Solutions team ensure your systems and people remain fully productive.

The BT Supply Chain Solutions portfolio optimizes inventory and manages assets at different points throughout the supply chain for manufacturers, logistics providers and retailers. It includes:

• BT Global Asset Visibility tracks and traces equipment, assets and goods across the global supply chain.
• BT Air Logistics provides fast, reliable data exchange between airlines, freight forwarders, ground handlers and customs.
• BT Retail Inventory Management optimizes inventory for retailers.
• BT Asset Visibility manages assets across your organization.

BT Supply Chain Solutions also provides two specific solutions for health care providers:

• BT Health Asset Visibility for real time tracking of mobile assets throughout the hospital.
• BT Patient Record Management to track patient records around a single site.

BT Global Asset Visibility

BT Global Asset Visibility enables manufacturers, logistics providers and retailers and other supply chain stakeholders to track and trace assets and goods globally, from factory gate to shop floor. It uses barcode and RFID technology to monitor products in the manufacturing line, aggregation and re-aggregation at distribution centers to create full visibility of the entire supply chain, helping to eliminate delay, waste, loss and fraud.

The solution is designed to support a broad spectrum of applications including tracking import and export elements of raw materials, food and beverage products, personnel safety, IT and valuable assets, and the drive for greater manufacturing control with just-in-time (JIT) supply chain management.

Delivered as a managed software service, BT Global Asset Visibility is scalable from a single location to multiple supply chain networks. It has been shown to reduce operational costs by more than 60%, improve customer satisfaction by over 50% and decrease loss of goods in transit and underutilization of assets by 40%11. BT Global Asset Visibility also ensures that you comply with diverse regulatory and legal requirements that goods encounter as they travel around the world.
BT Air Logistics

BT has been at the forefront of developing and deploying innovative solutions to the air logistics industry for over 35 years and BT systems process 95% of all air cargo into the UK.

Key services include:

- **BT Smart Customs** enables logistics providers to comply with the requirements of the EU’s Import Control System (ICS) legislation.
- **Route Management Service (RMS)** lets you monitor your performance against planned milestones, allowing you to meet your agreed levels of service.
- **Agent Plus & Consignment Monitoring Service (CMS)** allows users to generate electronic air waybills and track the progress of air freight without the need for costly software.
- **Web-FHL** enables forwarders to supply accurate and timely customs security information and fulfill regulatory requirements.
- **Cargo Community Services for the UK (CCS-UK)** helps customers gain faster UK Customs clearance.
- **Standard Messaging Service** can help you to communicate efficiently and securely with your customers, suppliers and partners.

BT Retail Inventory Management

BT Retail Inventory Management combines RFID technology and wireless connectivity in a solution that allows retailers to accurately track and monitor every individual item from the moment it is delivered to the store until it leaves the shop with a customer. The solution works alongside existing retail systems and leverages all their replenishment capabilities.

Key features include:

- RFID enabled stock counting delivering up to 98%+ accuracy and reducing manual inventory counting by 90%.
- Replenishment alerts ensure the full range is available on the shop floor to improve sales and customer satisfaction.
- Management information enables the retailer to respond more quickly to shifting patterns of demand.
- Order reconciliation identifies picking errors quickly and prevents the wrong stock from reaching the shop floor.

BT Retail Inventory Management is available as a stand-alone service or integrated with existing inventory management and/or point-of-sale systems.

To help you understand the operational impact and financial benefits of BT Retail Inventory Management, BT offers a competitive, fixed price three month pilot program that will clearly demonstrate the return on investment for your business.

Increasing sales and customer satisfaction

One of the UK’s leading retailers appointed BT to help it increase sales and customer satisfaction by making sure that in-store stock is replenished accurately and quickly. Garments are RFID-tagged at source by 20 suppliers in 40 factories in more than 20 countries including Egypt, Malaysia, China and Bangladesh.

The first phase covered 42 stores and six merchandise departments, including men’s formal wear and ladies’ suits, skirts and trousers – ranges where it is imperative to have all sizes and variations on offer to complete a sale. Following the success of the first phase, the solution was rolled out to a further 78 stores and 16 merchandise departments including lingerie and school wear. A total of 120 stores and 11 distribution centers now use the RFID-enabled solution.

BT Asset Visibility

BT Asset Visibility tracks and traces a broad range of assets including materials, packaging and manufactured goods as well as moveable items such as pallets, trolleys and roll cages, whose absence can impact efficient working. The solution will monitor the location of assets across your own operation.

BT Asset Visibility comprises a suite of applications:

- **Asset information** software gathers data such as location, time and date, enabling you to manage the supply chain asset workflow and identify any availability issues.
- **Asset management** software to provide accurate status reports and lifecycle management tools to monitor each asset through its life.
- **Asset optimization** for routing, demand forecasting and planning functionality to enable you to maximize your asset base.

Features include:

- A holistic view of data across all manufacturing locations, with all data hosted at a BT data centre, to provide complete backward and forward traceability of all materials.
- Centralized reporting and search facilities including order status at site and aggregate levels.
- The facility for disaster recovery of data.
- Full visibility of the location of pallets and the flow of goods.
- Accelerated order-to-cash process which helps to reduce costs.
Ensuring regulatory compliance

With substantial business in the aerosol, beverage, food, metal closures, and specialty packaging sectors, the company provides one in every three items of metal packaging worldwide. Stringent traceability requirements in the food and beverage industries along with the EU Food Traceability Directive and others, dictate the need for a full history of every component that makes up an item of packaging, from the batch of raw steel or aluminum to the protective lacquer that comes into contact with foodstuffs.

BT Asset Visibility uses information drawn from the BT application to apply bar code labels automatically applied to pallets of raw materials when they arrive at the production plant. Other bar code labels are applied as materials progress through the manufacturing process. BT Asset Visibility provides the company with enhanced, standards-based, traceability for its packaging products, right up to the point of delivery at customers’ premises.

BT Health Asset Visibility

When the average hospital mislays or loses as much as 15% of its high value assets every year, the time and cost of staff looking for missing equipment is significant. BT Health Asset Visibility uses RFID technology to enable staff to quickly locate key mobile equipment such as IV pumps, portable X-ray machines and defibrillators. The solution can also be used for items such as trolleys, beds and wheelchairs that are essential for the smooth and efficient running of a hospital.

Highlights include:

- Hospital-wide visibility of equipment location, condition and status so staff have a complete view of what is available.
- Improved availability of equipment can speed up the treatment of patients and reduce bed blocking.
- Full visibility of equipment inventory and usage enables more informed spending decisions.
- Automatic alerts for missing equipment and low inventory ensure items can be replenished in a timely manner.

Improved asset utilization releases cash

Worcestershire Acute Hospitals NHS Trust implemented BT Health Asset Visibility across several thousand items of mobile equipment valued at tens of millions of pounds over three hospital sites. The Trust estimates that improved visibility will help reduce overall inventory by five to ten per cent through optimum utilization. The solution also ensures that calibration and maintenance regimes are adhered to for better patient safety and reduces the possibility of theft as equipment becomes ever more complex and expensive. Valuable nursing hours are saved because staff no longer have to hunt for vital equipment.

BT Patient Record Management

Searching for paper-based patient records is a major source of inefficiency in hospitals; some 20,000 UK doctors spend an hour every day waiting for patient information and 4,000 wait more than four hours. BT Patient Record Management replaces manual inventory and searching with electronic tracking. Staff can remove records from the central library and process them around the hospital as required, confident that the location of every record is constantly monitored.

The visibility and transparency of the patient record flow that BT Patient Record Management delivers can also assist hospital managers to comply with data protection legislation and other statutory requirements.

Highlights include:

- Secure PC access to maintain confidentiality.
- Portable RFID tracker device so staff can quickly locate wrongly filed records in the library.
- Audit trail to track down missing records.
- Enhanced patient record management facilities such as the rapid creation of patient record inventories and consolidation of multiple records into one.
- Compatible with Cerner Millennium and all other leading health information systems.

Research suggests that savings of £400,000 per annum can be achieved for a typical acute hospital trust.
Why choose BT?

BT has a proven track record in global supply chain solutions. We have undertaken the largest RFID deployment of its kind in the world for a leading UK retailer and provide supply chain solutions employing RFID and bar code technologies to retailers, manufacturers and logistics services providers throughout Europe and Asia. Using RFID-based supply chain solutions to manage our own stock and mobile assets helps BT to reduce equipment and product losses and improve internal processes. We take a lead in the setting of global standards and have participated in and chaired a number of working parties for the global supply chain industry bodies GS1/EPCglobal.

Our professional service team will work with you to establish the business case for investing in supply chain solutions, ensuring that you maximize the return on your investment and reap the benefits for your organization.

In addition to our understanding of customers’ supply chain challenges, we also understand the range of technologies deployed in supply chain solutions. As a leading technology company committed to open standards, BT customers always have a technology pathway to follow so your investment is future proof. We work with leading industry partners to ensure that you benefit from the best technology available. We are expert in integrating technologies and software to create practical solutions that deliver for customers.

Our managed services de-risk implementation and accelerate the return on your investment. Managed services and our cloud based solutions also give you the commercial and organizational flexibility to respond to seasonal demand or other competitive pressures. Modern global supply chains generate industrial quantities of data – every 100 million RFID tags generate one billion transactions – and BT has both the scale and infrastructure to support such large information ecosystems.

For more information, please contact your BT Account Manager or log onto http://www.btglobalservices.com to find out how BT Supply Chain Solutions can transform your supply chain performance, service and efficiency.

1 Gartner EXP January 2011
2 McKinsey. The challenges ahead for supply chains
5 GS1 & Nursing Standard, April 2010
10 Avery Dennison
11 Omnitel
13 AeroScout 2009
14 GS1 & HospitalDr.co.uk July 2010
15 BT Patient Record Management