



## *Reducing the cost and improving the performance of your international supply chain*

Australian businesses with growing global footprints can unlock a number of largely 'hidden' costs and performance improvement opportunities through a broader approach to international supply chain management.



### *Complexities of international supply chains*

- Longer lead times
- Less visibility
- Different cultural environments
- Multiple and more complex regulatory requirements



### *Why effective management of these complexities can be difficult*

- Specialist knowledge, skills or technology is needed
- In country knowledge and relationships are required
- Supply chain often managed through a myriad of third party arrangements

*A broader focus is needed in managing these complexities to reduce cost, improve performance and deliver compliance*



*Tax and regulatory opportunities and requirements*



*Effective movement through international logistics network*



*Reliable and cost competitive shipping and freight forwarding services*



*Purchase order management and supply chain visibility*



## A broader focus for managing international supply chain performance is needed

Our experience working with many Australian businesses has shown those who focus on the following broader areas within their international supply chain have reduced cost, improved performance and delivered compliance by:



Ensuring **trade, tax and regulatory opportunities and requirements** are fully considered and utilised



Ensuring goods move through the **international logistics network** in the most cost effective manner



Ensuring the delivery of reliable and cost competitive **shipping and freight forwarding** services



Ensuring an effective **purchase order management** process and **full status visibility** to optimise

### Are there 'hidden' opportunities in your international supply chain?



- Are you expanding into new markets to grow sales or low cost of sourcing?
- Do you operate a regional distribution hub outside Australia?
- Are you setting up of distribution facilities overseas to support importing/exporting?
- How do you ensure a full assessment and ongoing management of regulatory requirements of these expansions?
- Are you diligent in ensuring all available free trade agreements (FTAs) and duty concessions are being fully utilised?



- Do you have full understanding of landed cost?
- Do you regularly assess the lead times variations through your trade lanes?
- Can you quickly assess and make decisions on the is a most cost effective flow of orders through your international logistics network?



- Is your freight forwarder utilising the best value shipping lines?
- Can you quickly prioritise shipments when shipping space is constrained?
- Are you aware of all the management fees associated with shipping and freight forwarding?



- How do you measure the cost of processing transactions/orders?
- Do you measure international supplier performance?
- Do you use a shipping system that is integrated to ERP, WMS and Freight Forwarder systems?
- How quickly can you produce documentation and report on order status?



# Examples across the supply chain of where 'hidden' value has been unlocked

In working with a large array of importers and exporters, we have seen examples where this broader focus for managing international supply chain performance has realised cost savings at the various touch points and cost buckets across the end to end supply chain.



# Our full service international supply chain offering

Our integrated offering allows us to bring together a team of specialists across our supply chain, analytics and modelling, trade, tax and regulation with the skills and experience needed to identify and realise the 'hidden' opportunities in your international supply chain.



## Our specialist capabilities

- International Supply Chain operations
- International trade and regulation
- Global tax and value chain transformation
- Data analytics and modelling
- PwC Australia Asia practise
- PwC global growth market centre



### Trade, tax and regulatory optimisation

- Assessment of regulatory requirements for current and proposed countries of operation
- Assessment of preferential tariff and market access concessions available through FTAs
- Identification of duty concession and trade facilitation schemes available for all global trade relationships
- Design and establishment of customs approach and procedures in offshore operations
- Establishment of offshore regulatory relationships (customs, quarantine etc.)



### International logistics network optimisation

- Cost to serve analysis to baseline cost of the various offshore and domestic supply chain routes
- Network optimisation modelling to identify and test scenarios to improve flow
- Assessment of the best ownership and operating model options for overseas facilities
- Support in the selection logistics partners in overseas territories



### Management of shipping and freight forwarding cost

- Analysis and benchmarking of current shipping and freight forwarder cost and fees costs
- Invoice matching to assess planned versus paid shipping cost
- Assessment of the effectiveness of mode, carriers and route selection
- Support in the negotiation of shipping rates and the assessment of the best carriers



### Purchase order (PO) management and visibility

- Modelling to calculate full landed cost per product by source and channel
- Bespoke analysis and/or implementation of integrated freight management systems with functionality to enable:
  - Landed cost calculation (incl unbundling)
  - Integrated PO, shipment and FID matching and document storage
  - Rapid reporting of PO delays, shipping cost, supplier performance
- Re engineering of processes impeding the timely processing of orders and flow of goods



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