

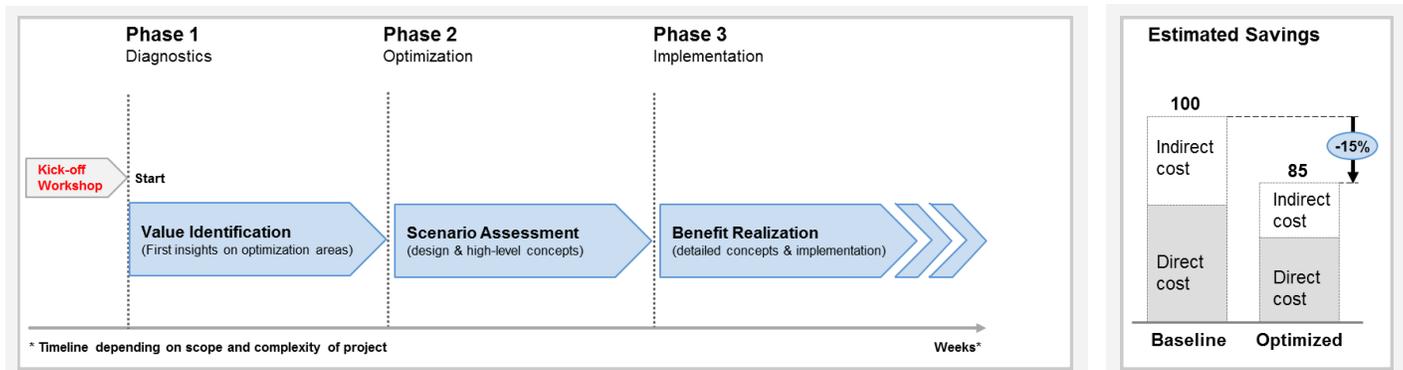
## Supply Chain Optimization (SCO)

### Capturing value in your Supply Chain

Supply Chain Optimization (SCO) is a methodology to identify inefficiencies in customer supply chains and provide solutions to improve total supply chain cost and respective processes. The service is segmented into a value identification, scenario assessment as well as an implementation phase and is aiming at supporting customers from an end-to-end supply chain perspective rather than engaging only in transactional relationships.

The objective is to identify key cost drivers in global supply chains by mapping relevant supply chain processes and thereby also comparing individual performance factors against best practice and industry benchmarks.

Taking into account dominant industry challenges as well as strategic company objectives, the methodology enables addressing the right optimization potentials and leveraging Panalpina's supply chain expertise.



Our experience shows that approximately 15% of total supply chain cost (direct and indirect) can be reduced by applying Panalpina's Supply Chain Optimization approach.



### The Supply Chain Optimization approach includes solid deliverables for our customers such as:

- Benchmarked performance of customer supply chains including identified key cost drivers providing direction on cost effective supply chains (**Supply Chain Diagnostics**);
- Re-designed supply chain network configurations with lower total cost, improved material flows and optimized positioning of logistics facilities (**Network Optimization and Design**);
- Harmonized Incoterm structures in customer supply chains with reduced inbound transportation and insurance cost as well as increased supply chain control (**Inbound Management**);
- Smarter order management solutions with better control over supply chain flows and reduced costs (**Order- and Freight Management**);
- Supply chain visibility solutions to enable performance analytics and evaluation (**Supply Chain Dashboard**).

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The Panalpina Group is one of the world's leading providers of supply chain solutions, combining intercontinental air and ocean freight with comprehensive Supply Chain Services and Value-Added Services in logistics.