



LOGICAL

transnational logistics improvement through cloud computing
and innovative cooperative business models



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E-FULFILLMENT

Opportunities from Cloud Computing

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Agenda



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- Arcese Group Overview
- E-Fulfillment: Definition
- E-Fulfillment: Operational Model
- E-Fulfillment: Case History – Ferrari Store
- E-Fulfillment: opportunities from Cloud Computing

Arcese Group Overview

Market standing

1st privately owned logistics operator in Italy
One of the Largest 100 m³ truck fleet in Europe
IATA Top 10 air forwarder
One of the main sea freight forwarders in Italy

Structure

3.000 employees
over 500.000 m² warehousing surfaces
70 sites and a worldwide network



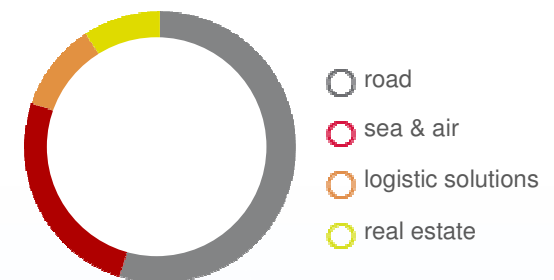
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2011 in numbers

Road | 620.000 LTL shipments
126.000 FTL shipments
Intermodal | 24.000 shipments
Sea | 46.500 shipments
Air | 26.500 shipments
Turnover | 540 mio/euro

REVENUE



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Arcese Logistics Solutions



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- Long experience in supplying inbound and outbound logistics services within industrial fields
- Capability to develop tailor-made projects in order to satisfy customer's different, ever-changing needs
- Qualified internal Project Management skills (PMP® Certification)
- High technological standards, experience and financial skills combined to engineer streamlined logistics services



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Sites and References: Italy

ALESSANDRIA – Tortona

total 10.000 sqm
12 employees

BOLOGNA - Castel S. P. Terme

total 50.000 sqm
160 employees

BRESCIA - Bassano Bresciano

total 24.000 sqm
75 employees

CHIETI - Atessa

total 6.000 sqm
12 employees

MILANO - Cavenago

total 13.200 sqm
30 employees

MILANO - Cesano Maderno

total 42.000 sqm
40 employees

VICENZA - Altavilla

total 4.000 sqm
15 employees

NAPOLI - Nola

total 5.500 sqm
5 employees

TORINO - Rivalta

total 18.400 sqm
15 employees

TORINO - Gerbole

total 11.000 sqm
8 employees

TRENTO - Arco

total 28.000 sqm
28 employees

TRENTO - Interporto

total 4.000 sqm
2 employees

TREVISO - Paese

totale 4.000 sqm
3 employees

CUNEO

total 20.000 sqm
70 employees

VICENZA

total 3.000 sqm
45 employees

BRESCIA

total 2.000 sqm
7 employees



Case New Holland



PIAZZA SEMPIONE



MARNI



ARCESE

ARCESE CUSTOMERS



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ITT Industries
Engineered for life



GIORGIO ARMANI



ATESSA



NOLA



Logistic Sites



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transnational logistics improvement through cloud computing



BELGIUM

total 30.000 mq
sheletered 7.200 mq

GERMANY

total 51.600 mq
sheletered 10.500 mq

POLAND

total 180.000 mq
sheletered 90.000 mq

SPAIN

total 40.000 mq
sheletered 30.000 mq

SWITZERLAND

total 40.200 mq
sheletered 10.200 mq

UK

total 27.000 mq
sheletered 5.600 mq



ARCESE-KECH LOGISTICS GmbH
Singen, Adelsdorf, Köln, Neu-Ulm



ARCESE TRANSPORT NV
Maasmechelen



ARCESE UK LTD
Tilbury



ARCESE FRANCE
Paris



IRISBUS



ARCESE SPAIN

A Coruña, Barcelona, Burgos,
Irun, Madrid, Zaragoza, Vitoria



MONCLER



ARCESE SWITZERLAND
Chiasso

ARCESE POLSKA Sp.z o.o.
Łódź, Bielsko-Biala,
Tychy, Sosnowiec



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E-Fulfillment: a definition



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"Order fulfillment includes all of the activities from the point of a customer's purchase decision until the product is delivered to the customer and he or she is fully satisfied with its quality and functionality."

Source: Supply Chain Management Review, 2001

"E-fulfilment means performing or managing key functions in the physical process of delivering products in single units to individual end users, whether business or consumer, where the Internet plays a significant role in the ordering or execution; and providing or controlling the IT infrastructure to do this."

Source: e.Fulfilment Guide, 2003



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E-Fulfillment: a definition



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For e-tailers, E-fulfillment comprises the following five distinct processes that may be performed by the e-tailer or outsourced to other partners:

- 1.Order capture** (the process of taking a customer from the point of a buy decision through successful data capture and checkout).
- 2.Order processing** (preparing the order for pick and pack, including credit checking, pick list creation, invoicing, and address label generation).
- 3.Pick and pack** (physically selecting the correct items, inspecting them, and preparing them for shipment).
- 4.Ship** (transporting the goods from the warehouse to the customer's address).
- 5.After-sales service and returns handling.**

Source: Supply Chain Management Review, 2001



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E-Fulfillment: market trends



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amazon services

Solutions ▼

Resources ▼

News and Events ▼

About Us ▼

Go

Fulfillment by Amazon

Boost Your Sales with Amazon's World-Class Fulfillment

Get Started

Benefits

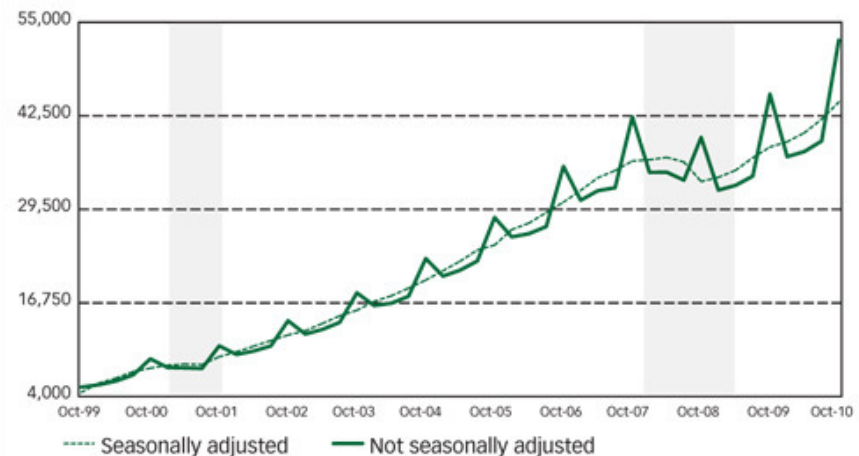
How It Works

What People Say

Let Amazon Pick, Pack, and Ship Your Orders

You sell it, we ship it. Amazon has created one of the most advanced fulfillment networks in the world. With Amazon (FBA) you store your products in Amazon's fulfillment centers, and we pick, pack, ship, and provide customer service for your orders. In a 2012 survey, 64% of FBA respondents said they scale their business and reach more customers.

[FIGURE 2] E-COMMERCE RETAIL SALES
(Millions of US dollars)



[SOURCE: U.S. CENSUS BUREAU]



E-Fulfillment at Arcese: the T buy partnership



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Online store web interface design

Application development (e-tailing)

Process Outsourcing: billing and payment, anti-fraud
control, Customer Care

Store editorial management

Web communication management: sending of newsletters,
design of pages dedicated to social networks



MOLESKINE®
Legendary notebooks

limoni
profumerie



E-Fulfillment: a definition



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1. Order capture (the process of taking a customer from the point of a buy decision through successful data capture and checkout).

t buy

2. Order processing (preparing the order for pick and pack, including credit checking, pick list creation, invoicing, and address label generation).

3. Pick and pack (physically selecting the correct items, inspecting them, and preparing them for shipment).



4. Ship (transporting the goods from the warehouse to the customer's address).

5. After-sales service and returns handling.



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Arcese Logistics Services for E-Commerce



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The activities include:

- Inbound goods check and storage
- Picking and packaging
- Shipping and distribution
- Real time update of items available on stock
- Order tracking
- Vendors management
- Returns, claims and anomalies management



ON LINE
PURCHASE



*data
exchange*



ORDER RECEIVING,
PICKING, PACKAGING

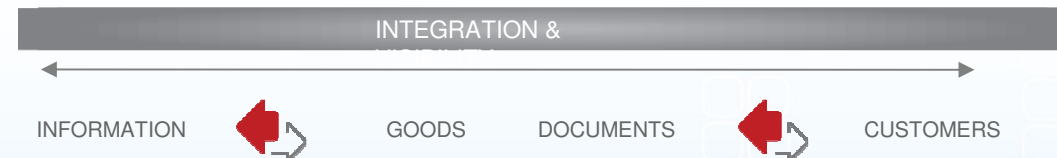


SHIPPING



*data
exchange*

TRANSACTION
COMPLETED



E-Fulfillment: the Operational Model



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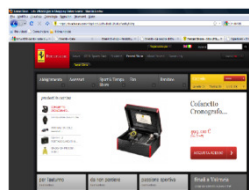
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WEB PLATFORM

t buy

data
exchange

LOGISTICS



ON LINE
STORES
DEVELOPMENT
ANAGEMENT



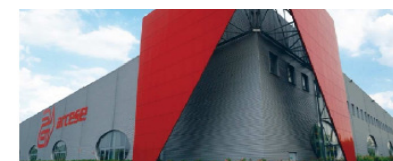
CUSTOMER CARE

MARKETING &
PROMOTIONS

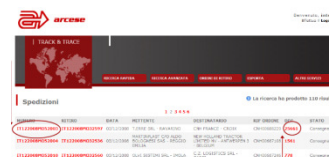


PayPal®

PAYMENT SYSTEMS



WAREHOUSE
MANAGEMENT



TRACK & TRACE

LOGISTICS
SERVICES



DISTRIBUTION



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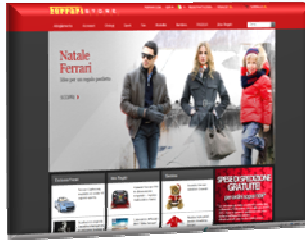
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Case History - Ferrari Store



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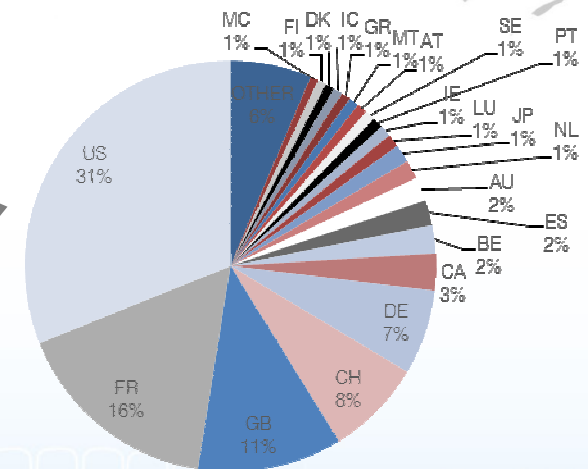
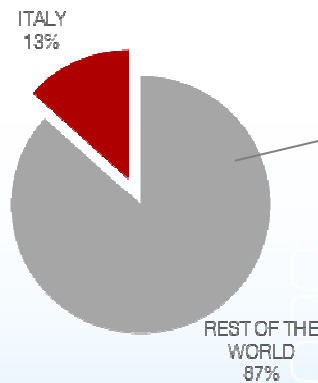
MERCHANDISING

Activity start: 2009

- Warehousing
- Deliveries BtoC All World
- Complete orders management

DATA

Shipments:	40.000 shipments/year
Pieces shipped:	80.000
Items on stock	20.000



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Case History - Ferrari Store: Operations

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ON LINE PURCHASE

Order Number	Order Date	Order Status	Order Type	Transport Number	Plants	Model/Service Code	Destination Type	Destination Code	Destination Name	Destination Address
2012-7	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2000	MAISON LANGE	VIA SANGRE 14
2012-8	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-9	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-10	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-11	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-12	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-13	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-14	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-15	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-16	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-17	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-18	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-19	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-20	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-21	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-22	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-23	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-24	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-25	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-26	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-27	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-28	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-29	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-30	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-31	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2454	MAISON LANGE	10000 JARRETT
2012-32	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D	2452	KUTCHENHOF	10000 JARRETT
2012-33	05.05.2012 09:54	1726	18.12.2012 00:00	000000			D</			



ORDERS MANAGEMENT

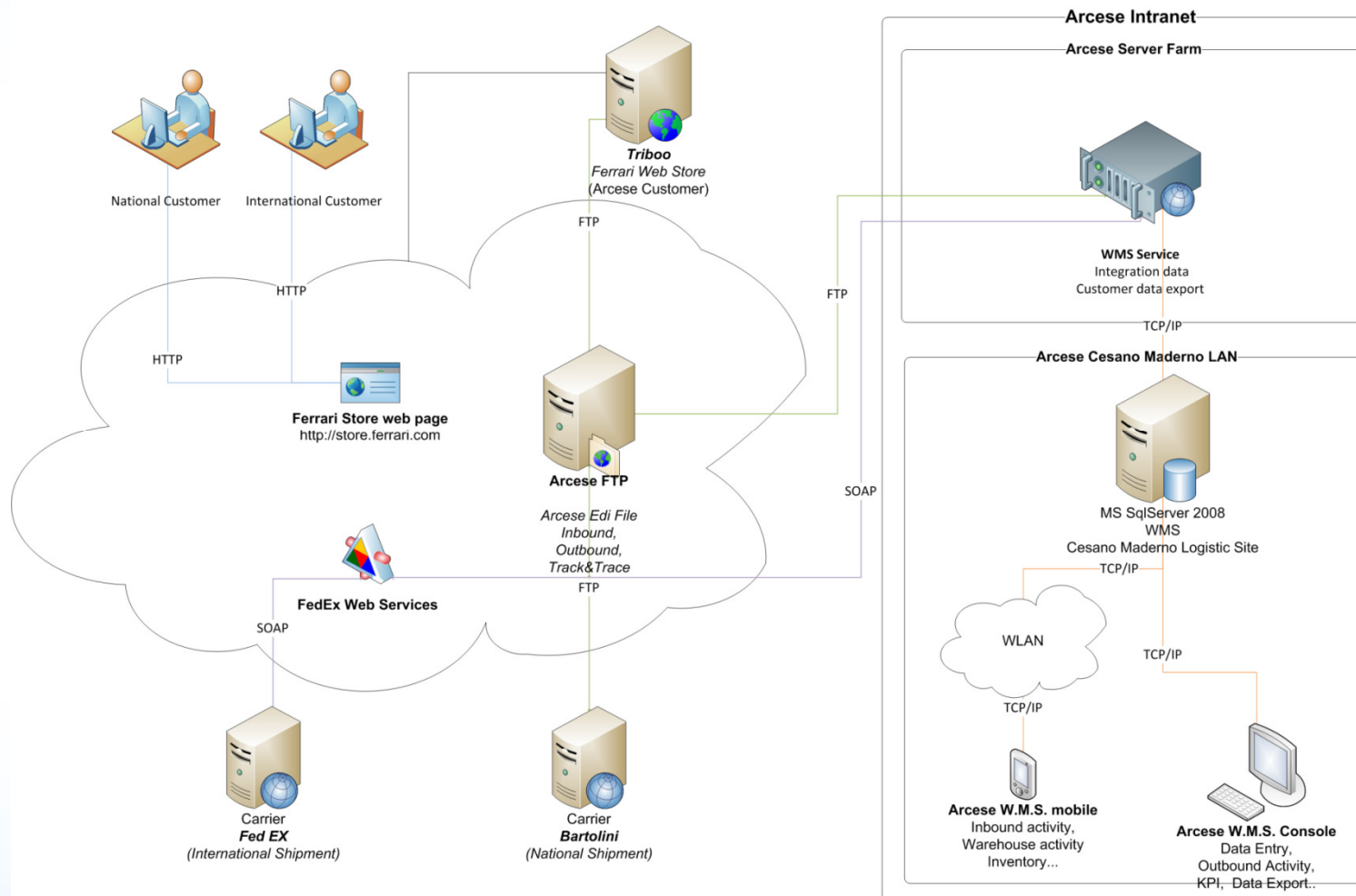


Case History - Ferrari Store: IT Architecture



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Case History – Ferrari Store: Data Exchange



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COURIER

Sends to Arcese:

Track & Trace

- Shipment status

Billing Information

- Cost of shipment

ARCESE

Sends to Triboo

Inbound Confirmation

- Item received
- Item Damaged

Outbound Confirmation

- Item shipped
- Item not found

Warehouse Stock

- Item quantity detail

Track & Trace

- Shipment status

Sends to Carrier

Shipment data

- Address
- Payment

TRIBOO

Sends to Arcese

Inbound Order

- Supplier
- Item code
- Item Barcode
- Quantity

Outbound Order

- Customer information
- Customer address
- Item code
- Item Barcode
- Quantity
- Payment

E-Fulfillment

Lessons learned



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STRENGTHS

- Increasing volumes
 - +46% 2011 vs 2010
 - +31% 2010 vs 2009
- High visibility / Brand effect
- Lean/Efficient Operational model
 - Integrated platform with one single E-Commerce Process Outsourcer
- Intensive use of the storage area

WEAKNESSES

- Scalability of IT Systems
 - Managing peaks (up/down)
- Interoperability of IT Systems
- High costs of the logistics infrastructure
- High variety of items
 - Low efficiency in picking, packaging and storing
- Poor logistics know-how by the clients
 - Low stock rotation, high value of slow movers
- Weekly and monthly peaks
 - Diverse industries/businesses



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The Arcese IT department launched two initiatives in order to respond to the weaknesses highlighted by the E-Fulfillment operations:

1. Provisioning of a virtual infrastructure managed by a third party IT service provider, with pre-defined scalability and flexibility options. When completed, the virtual infrastructure will host both the WMS Service and the WMS Application;
2. Re-engineering of the WMS application and Integration Services to allow for a Software As A Service delivery model both for E-Fulfillment and other Logistics Services. The WMS application and the Integration Services are leveraging the virtual infrastructure mentioned above.



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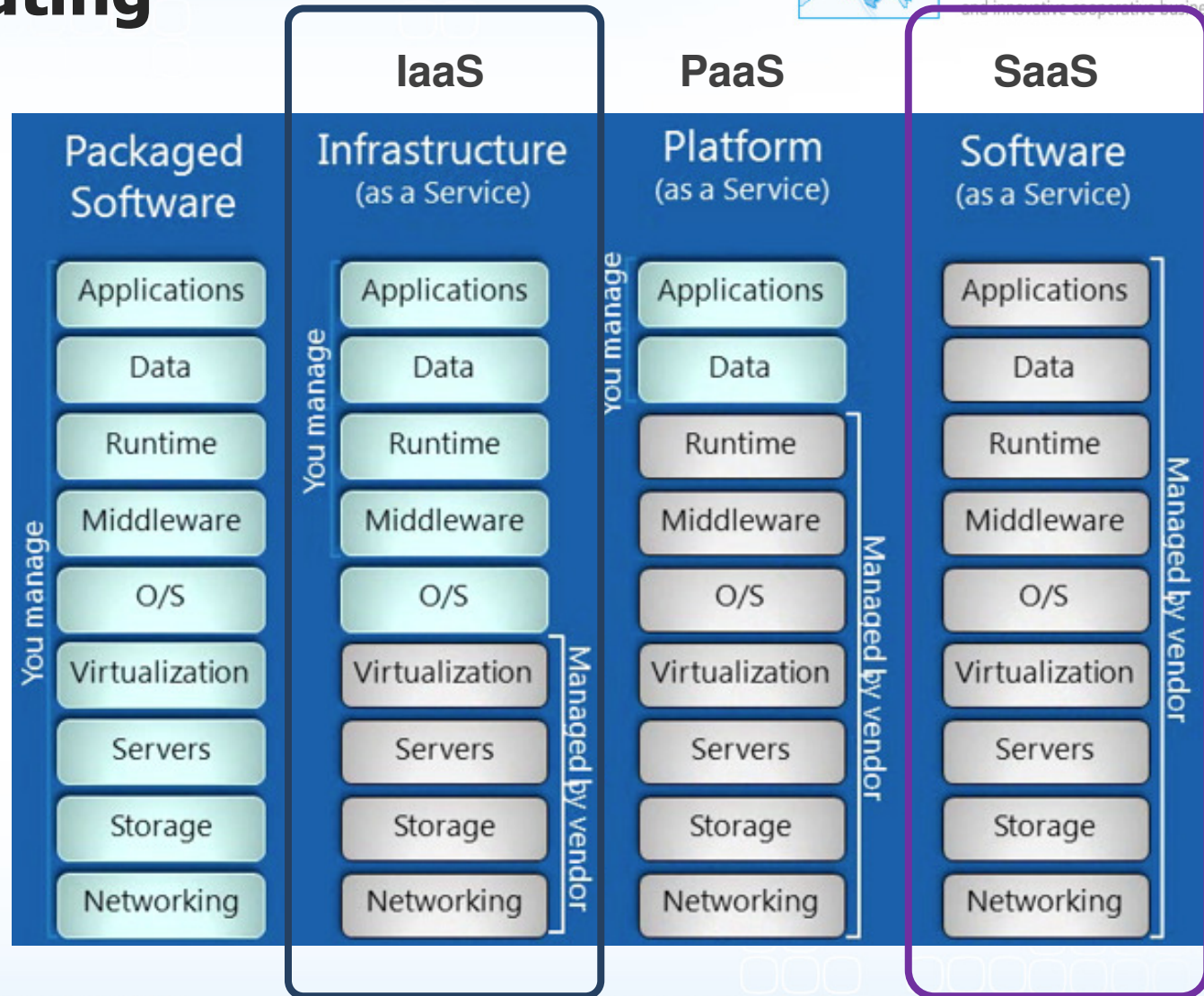
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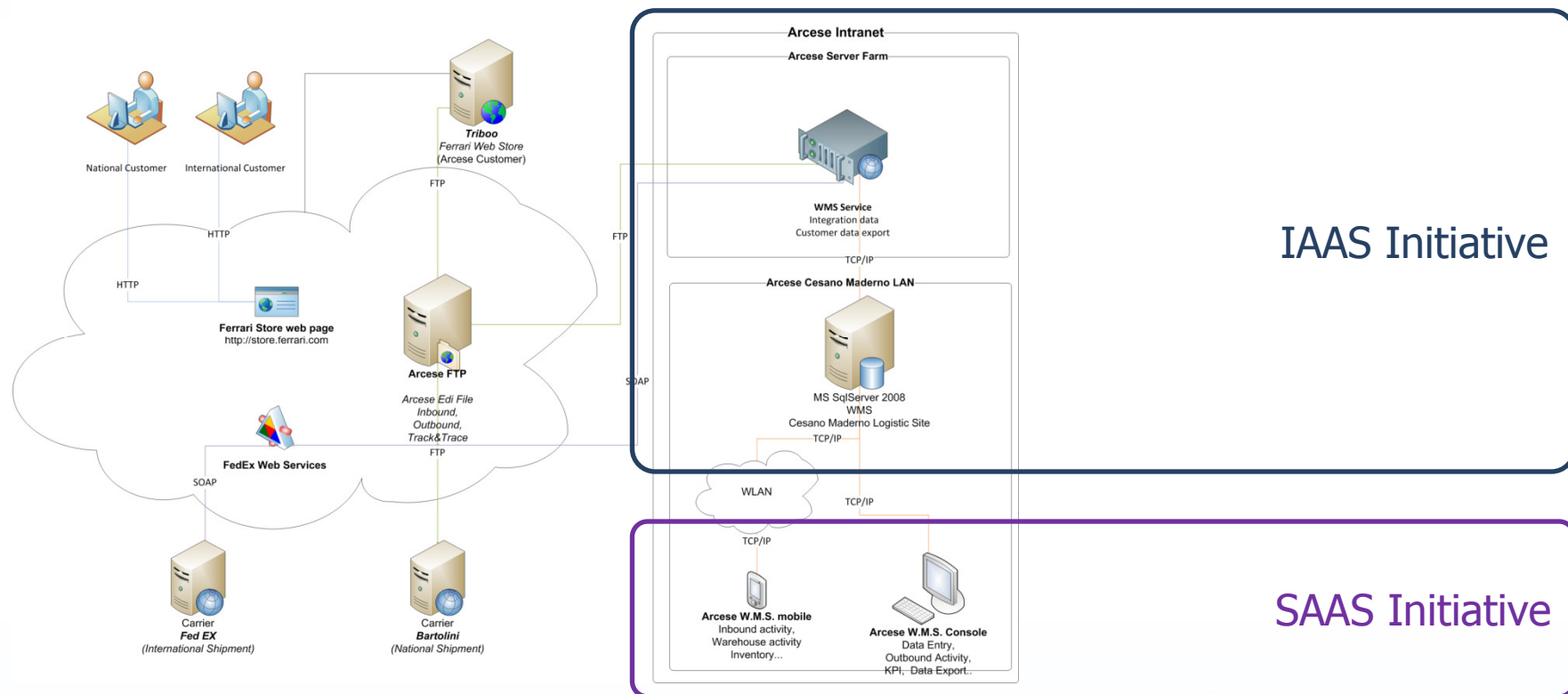
Source: edited from Microsoft

Opportunities from Cloud Computing



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Thank you.

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