

Logix®

New Features and Users in the News – January 2018



Logistix Solutions
On-Demand Solutions for Logistics Professionals

What's new at Logistix Solutions

The word we so often hear in describing today's logistics environment is "complexity". More rigorous customer demands, new service offerings, tighter controls and the expanding world of e-commerce add new layers of complexity to our customers' business environment and to the solutions they need to respond to these new challenges.

Logix continues to add new features and capabilities to address these needs. These capabilities strive to reduce and better manage complexity in the supply chain in order to cut costs and provide superior service.

What sets Logix apart is its ability to quickly provide straightforward solutions that can deal with all of the real world complexities while allowing the user to add one layer at a time to stretch the limits of the user's technology, processes and people skills.

Robert Camozzo

President
Logistix Solutions

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Supply Chain Network Strategy Achieving Clarity from Chaos

Distribution networks at their best are designed to fulfill customer demand at the lowest cost. When networks evolve from a narrow focus on just getting goods out the door today or from mergers or market expansion with little or no focus on overall strategy, chaos ensues and costs quickly get out of control.

The first step in the process of designing an optimal distribution network is modeling the current flow of products and materials through the existing network.

Logix makes this an easy process using historical demand data, usually trailing 12-month orders or sales, and modeling product flows using transportation, warehousing and inventory costs to give an accurate picture of the current state including all costs, service levels and performance metrics.

The next step is simply optimizing the flow through the same network of distribution points. This often results in substantial cost reduction and service improvements and just as often easily pays for the entire project in immediate savings.

The critical next phase of a network study is “Scenario Formulation and Optimization”, designing and evaluating alternative network designs and optimizing product flows throughout the network. The challenge is setting up the network components in the first place to model the following types of scenarios:

- Hub and Spoke distribution through a network of warehouses, consolidation or pooling centers to distribution centers and ultimately to customers.
- Cross Dock distribution through a network of distribution centers and cross docking product to consolidate loads and deliveries.
- Supplier Direct distribution with some products shipped directly from suppliers to customers and others shipped through distribution centers.
- Multi-tiered distribution of fast and slow moving products through a network of centralized warehouses and distribution centers.

Next, we show you how to set up and optimize these more complex distribution networks using Logix.

USERS IN THE NEWS



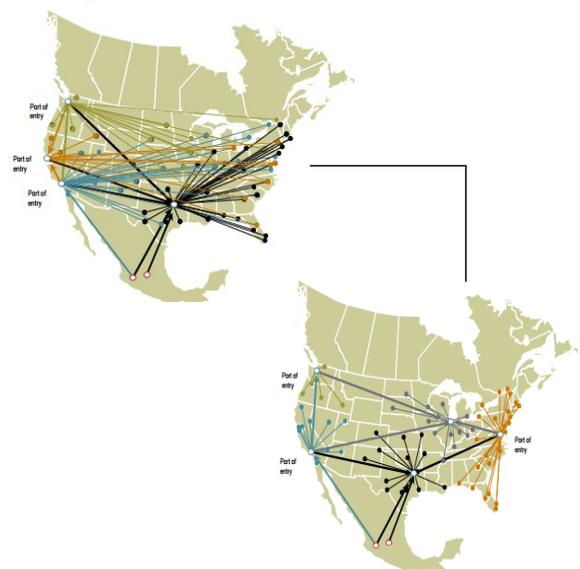
ONE OF THE LARGEST SUPPLIERS TO THE HOME IMPROVEMENT AND CONSTRUCTION INDUSTRY SHIPS PRODUCTS FROM OVERSEAS OR FROM ITS MANUFACTURING PLANT ON THE EAST COAST. EXPANSION, MERGERS AND THE DAILY EFFORT TO MAINTAIN PRODUCT AVAILABILITY RESULTED IN A CHAOTIC FLOW OF PRODUCTS AT A VERY HIGH COST.

LOGIX FIRST OPTIMIZED FLOWS THROUGH THE CURRENT NETWORK OF DISTRIBUTION FACILITIES AND THEN OPTIMIZED THE NUMBER OF FACILITIES TO REDUCE INVENTORY COSTS AND AN OVERLY COMPLEX PROCESS. SAVINGS WERE IMMEDIATE AT APPROXIMATELY 30%.

NEXT, LOGIX MODELED HUNDREDS OF SCENARIOS AND COMBINATIONS RESULTING IN A HUB AND SPOKE DISTRIBUTION NETWORK WITH MAJOR AND SATELLITE DISTRIBUTION CENTERS FURTHER REDUCING COST WITH EXPECTED SAVINGS OF SEVERAL MILLION DOLLARS ANNUALLY.

CONTACT info@logistixsolutions.com OR 571-426-5951 FOR MORE INFORMATION.

Supply Chain Network Strategy



*Supply Chain Network Strategy
Achieving Clarity from Chaos.*

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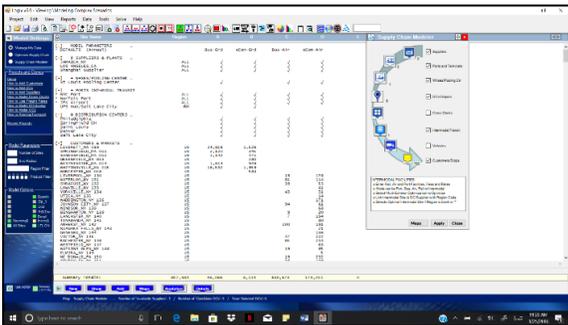
Logix 6.0 - Modeling Complex Distribution Networks

Complex networks start with the basics and progressively add more details and network components

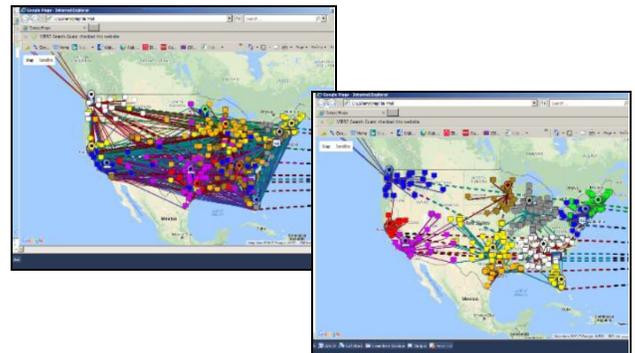
1. **Enter Data**
 - o Customer or Demand Data – enter demand using the Logix Data Import Wizard. Use Logix Product Categories to differentiate line of business, frequency of delivery, transport mode, etc.

For example, model Fast Moving demand as Product Category A, Average as B, Slow as C and e-commerce as D. Logix supports up to 25 Product Categories and an unlimited number of actual products.

- o Distribution Center Data – enter any existing or candidate distribution centers using the Data Import Wizard. Specify if the Distribution Center supports Product Categories A, B, C, D and/or E.
 - o Supplier Data – Using the Logix Data Import Wizard, enter your suppliers including throughput or manufacturing capacity, pricing, and other information.
 - o Warehouse and Pooling Centers – enter any candidate site, again specify if the facility supports Product A, B, C, D and/or E. Enter handling fees and other charges.
 - o Transportation, Warehousing and Inventory Rates. – enter transportation rates in cost per mile or fixed cost, fixed facility cost and variable cost per storage unit, inventory factors and any other rate information.
2. **Run Simulation.** Logix calculates distances and transit times automatically as well as all transportation, warehousing and inventory costs and displays the total cost and service level for the baseline case.
 3. **Run Optimization.** Enter “Number of Sites” or leave this blank to have Logix optimize both number and location of distribution centers. Run “Multi-Echelon” optimization and view the Analytics Monitor screen to review cost savings, service levels and performance metrics for each solution.
 4. **Run More Complex Scenarios.** Next, turn on “Cross Dock Optimization” and rerun “Multi-Echelon” optimization. Review Logix’ choice of warehouse or pooling centers, optimized product flows either through or bypassing these centers and compare total cost and service levels to previous solutions.
 5. **Product Categories.** Using the “Product Filter”, run a simulation or optimization on all or any combination of products. Model the entire supply chain at once or differentiate e-commerce from your other product categories.



Logix Data – Suppliers, Warehouses, Customers and DCs



Current Baseline vs Optimized and Cross-Dock Solutions



LOGISTIX SOLUTIONS – On-Demand Technology for Logistics Professionals

Logistix Solutions was established in 2006 as a software and consulting company to provide premier technology solutions and in-depth industry knowledge for logistics professionals. We offer award-winning, on-demand Supply Chain Planning and Execution applications at a revolutionary value for rapid ROI and benefit realization.

- ❖ *Supply Chain Planning and Execution (SCP&E) software solutions offered:*
 - *Distribution Network Design and Supply Chain Optimization*
 - *Sourcing and Procurement Optimization*
 - *Service Time Optimization*
 - *Product Flow and Inventory Optimization*
 - *Transportation Optimization*
 - *Transportation Resource Scheduling and Execution*
 - *Transportation Management System*
- ❖ *Support, training and consulting services provided by experienced supply chain practitioners and logistics software experts.*

Based on extensive development working with Fortune 1000 companies, Logistix Solutions provides full-featured, on-demand supply chain solutions and consulting services for commercial real estate services, retailers, manufacturers, third party logistics providers, consultants, food and beverage and other distributors to support strategic planning and logistics execution requirements.

Logistix Solutions is proud to have won prestigious awards from Food Logistics, Supply and Demand Chain Executive and Inbound Logistics.

For more information on these awards and publications, visit our website at www.logistixsolutions.com/InTheNews.



For more information on the Logistix Solutions suite of products, visit our website at www.logistixsolutions.com
contact Logistix Solutions at 571.426.5951 or e-mail info@LogistixSolutions.com.