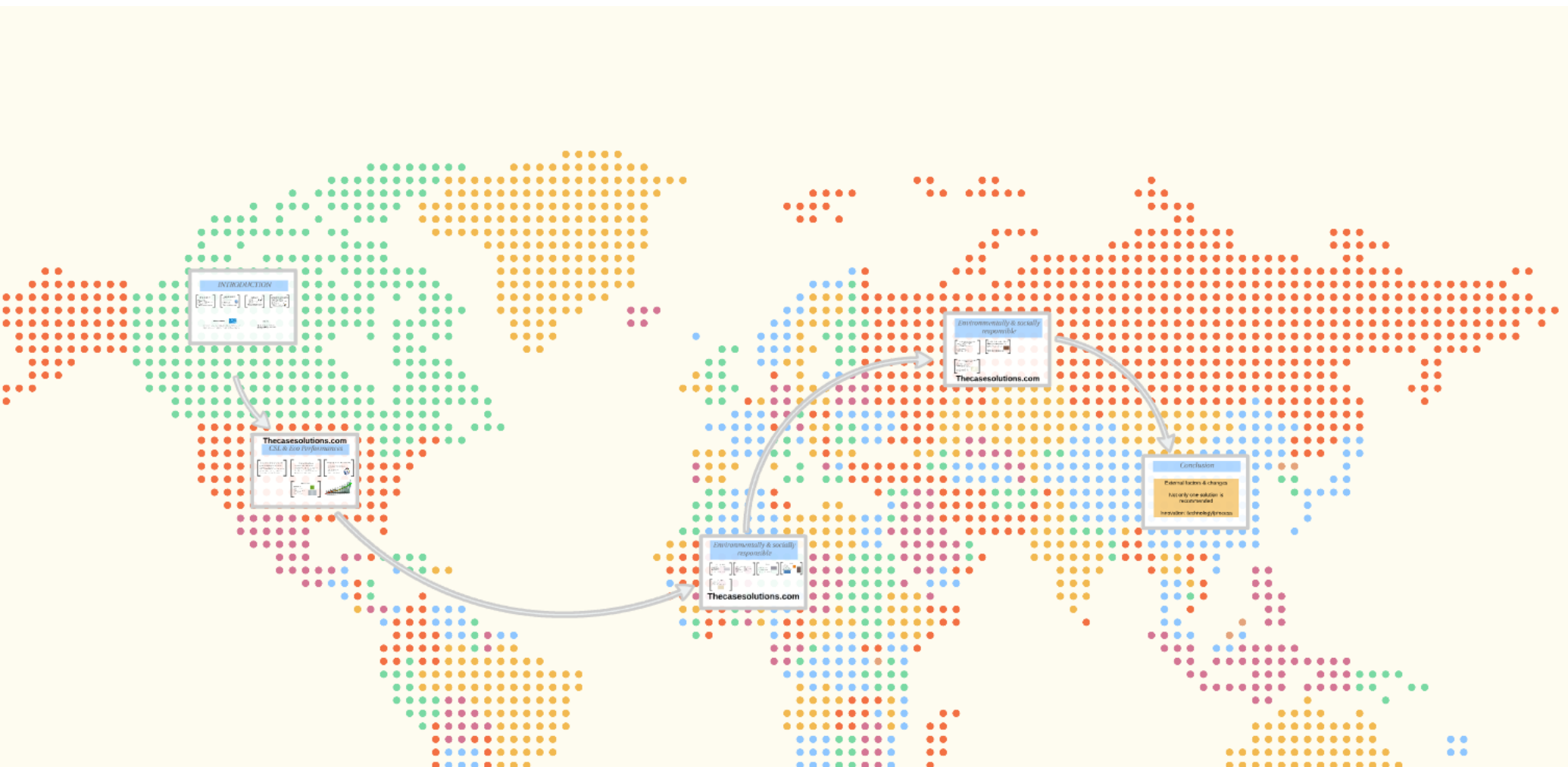


PepsiCo, Performance with Purpose, Achieving the Right Global Balance



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EXTERNAL CONTEXT

Internet revolution

Consumption changes

Digital trend: e-commerce, m-commerce

Demographic changes

Urbanization

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BUSINESS STRATEGY

Tailored-strategies

Real-time information sharing on
multi-devices

Worldwide faster deliveries

Efficiency and effectiveness



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DRAWBACKS

Congestion

Pollution

Loss of time in the last delivery

Bottleneck



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NATURE OF THE LAST KILOMETER

Level of consumer service

Security and type of delivery

Geographical area & market density/
penetration

Fleet & technology

Environmental issues



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CSL & Eco Performances

Customer Relationship Management in Logistics

- Software for Data Collection of customer's needs and preferences
- Enable segmentation of the supply chain
- Allows the company to concentrate more on the varying needs of customer
- Develop mobile applications for customers (tracking, delivery time)
- Setup a quick response support team for customer queries.

ICT in Last Mile Delivery

- Develop softwares for end to end supply chain solutions
- Design and Development of mobile applications for customer and 3PL
- Finding location of a 3PL for last mile delivery using an app.
- Using real-time tracker to relay expected time of delivery to customer
- Applications to ensure the availability of customer

Benefits of ICT in Last Mile Connectivity

- Smooth transition of information and material flow
- Increased accuracy
- Less number of mis-deliveries
- Reduced inventory cost
- Improved operational efficiency



Collection points

- One place delivered
- No time window: easier for customer
- Needs good IS actualized in real time to avoid bottleneck
- Reduce GHG emissions & increase CSL



Environmentally & socially responsible

Electric/hybrid vehicles

New technology for the same mean of transportation:
 low change management
 Case of SDV in Singapore:
 23% less fuel consumption
 23% less CO2 emissions
 30% less NOx rejections



Government incentives to be taken into account

Advantages for company

Lower operating costs
 Green image
 Flexibility in capacity
 Good working conditions
 Cargo safety
 Low infrastructure needs

Benefits for customer

Cargo safety
 Noise and GHG reduction

Drawbacks

More expensive

Drones

Greener, faster, flexible



Legal barriers: first obstacle

Amazon: strategic way of shipment

Tricycles

Less GHG emissions

Healthy way to shipment

Answer to traffic jam issues

Obstacle: limited capacity, weather



Scale	Size
Up to 200 kg	Up to 100 km/h
4-6 km/h	10-15 km/h

Packaging

Size and weight have big impact on cost

Standardization vs adaptation

Use of information system to anticipate transportation mean



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Environmentally & socially responsible

Alternative to technology when global companies lack of material resources

- Situation
 - Sustainability reports to involve environmental and social issues
 - lack of physical resources for transportation
- Global companies involving local communities in last-kilometre delivery
- Partnerships with subcontracted trucking companies in Africa

Targeted companies: global companies
Advantage for companies: reducing final costs and environmental impact
Criticism: Only involving local communities in reports, difficult to measure performance



Alternative to technology when it is limited

- Situation
 - Post and government not required to deliver mail without given addresses
 - Satellites mapping unable to establish routing
- Carlos Pedro's local business taking in charge final delivery
- Mapping favelas by hand
- Receiving mail for post office and delivering to households



Targeted companies: Parcel delivery services
Advantage for global companies: potential partners with expertise
Drawbacks: technology improvement and loss of independence

Alternative to technology when it is not needed for efficiency and highest performance

- Situation
 - Achieving best performance without input of technology
 - Lean 6 Sigma application: 1 error /6million deliveries
- The Dabbawalas in Mumbai, India
- On-time delivery for lunch throughout urban cities
- The greenest way for last-kilometre delivery (foot, bicycle)



Targeted companies: catering, food delivery industries
Advantage for global companies: source of inspiration
Benefit to customer: respecting social habits, sell homemade food

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