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Arvato Supply Chain Solutions establishes digital unit

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Guetersloh – With Arvato SCS Digital, Arvato Supply Chain Solutions has now established a new unit with almost 300 employees. For the company, this is an important step in driving forward its digitization strategy and developing new digital solutions and products for its customers at all levels of collaboration.

"With the digital unit, we are strengthening our market position by combining two factors – the development of digital offerings for clients and their end customers and the implementation of digital solutions along the logistics value chain," emphasises Frank Schirrmeister, CEO of Arvato Supply Chain Solutions. Because the competition is changing: "In order to meet the increasing demands of clients and their customers, there is no way around the digital supply chain".

Customers of the supply chain and e-commerce specialist will benefit even more from industry-specific digital solutions and products in the future. "In our corporate structure, we are organized by industry and have deep industry and logistics expertise in these areas. With the new digital unit, we are now creating competencies that dovetail this know-how with digital expertise at all levels," explains Boris Scholz, who leads the new unit as Chief Digital Officer of Arvato Supply Chain Solutions.

The focus here is on the benefits for the end customer. "The better our customers can serve their customers, the more competitive they are," says Boris Scholz. One project that has already met with a good response from customers in the fashion industry is the Customer Experience Cloud, which aims to provide end customers with a more convenient buying experience when shopping online. Boris Scholz: "This includes, for example, requested date deliveries, comprehensive tracking and tracing information also for marketplace orders and international shipments, in-store apps to support omnichannel processes, analysis functions, and pre-registration of returns with the option of triggering credits directly with the first scan by the carrier or parcel station. It's a digital product with clear added value for customer loyalty, because in all processes the customer acts as the contact person for the online shopper, while we handle the services in the background."

The basis and increasingly important factor for such digital solutions is the use and analysis of existing data. Arvato Supply Chain Solutions can draw on an extensive stock of information for this purpose, as the company manages the entire value chain and thus has data from the warehouse, end customers, clients, suppliers and transport service providers. "There is still a lot of potential lying dormant here, which will be turned into real added value in the future by bringing together data experts and developers," says Boris Scholz. "One current development, among others, is the so-called AI Control Tower. This is a modular digital solution that uses artificial intelligence to provide our colleagues in logistics with important decision-making aids – for example, in

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better shift planning, the optimization of pick and pack processes, or the visualization of shipments in outgoing goods that are assigned a particular priority. Employees can make system-supported, data-based decisions that previously had to be made by foremen based on their wealth of experience."

Arvato also uses artificial intelligence and algorithms in the area of digital image recognition. A pilot project is currently underway for the camera-based analysis of returns. In addition, this technology will be used in the future for automated quality assurance in additional logistics services – for example, in the repackaging of goods. Furthermore, automated image recognition processes could be used for inventory counts. Integrated image analysis data already scans barcodes today while logistics processes continue. "All of these are examples of greater efficiency along the logistics processes and ultimately mean a higher service level or even lower costs for our customers," explains Boris Scholz.

"In order to be able to offer solutions for the digital supply chain, we have recently invested massively in cloud technology and are now positioned for the future," says CEO Frank Schirrmeister. As an important strategic pillar, all applications as well as the SAP R/3 systems are currently being migrated to SAP S/4 HANA in the Microsoft Azure Cloud. This will allow, for example, advanced analytics tools to be used, external suppliers to be integrated more easily, and real-time reporting to create digital added value for clients. Investments were also made in employee training to prepare them for digital challenges in areas such as cloud, data analytics or applications around machine learning. Since the beginning of the year, all collaboration tools such as Office 365 or Microsoft Teams and Sharepoint have been migrated to the cloud. Especially in the pandemic period, virtual collaboration could be massively strengthened as a result.

Boris Scholz: "We have laid the foundations for promising future growth with the new unit – and we have a customer base where I am more than optimistic that we can land successfully with digital projects. We haven't even tapped into that potential yet." Frank Schirrmeister agrees: "Our vision is to develop Arvato Supply Chain Solutions into the internationally operating supply chain company with the greatest customer orientation and the strongest focus on data and IT. With our consistent 'Cloud Only' strategy and the establishment of the digital unit, we have laid a very solid foundation for this."

About Arvato Supply Chain Solutions:

Arvato Supply Chain Solutions is an innovative and internationally leading service provider in the field of supply chain management and e-commerce. In the areas of Telecommunications, Tech, Corporate Information Management, Healthcare, Consumer Products and Publisher, each partner meets its industry specialist. Around 15,000 employees worldwide work on services and practical solutions. Using the latest digital technologies, Arvato develops, operates and optimizes complex global supply chains and e-commerce platforms, making it a strategic growth partner for its customers. Arvato

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combines people expertise with the right technologies and suitable business processes, measurably increasing the productivity and performance of its partners.

You can find more information at www.arvato-supply-chain.com.

Arvato Supply Chain Solutions is part of Arvato, an internationally operating service company. More than 70,000 employees in almost 40 countries develop and implement innovative solutions for business customers from all over the world. These include SCM and IT solutions as well as financial and customer communication services and are continuously developed with the innovation focus on automation and data/analytics.

Globally renowned companies from a wide range of industries rely on Arvato's portfolio of solutions - from telecommunications providers and energy suppliers to banks and insurance companies, as well as e-commerce, IT and Internet providers.

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