HOW AUTHENTICITI IS TRANSFORMING THE TRADITIONAL SUPPLY CHAIN INDUSTRY

Executive Overview

Supply chains are complex ecosystems spanning over hundreds of stages, in multiple international locations, including a multitude of invoices and payments, involving several people and entities, and extending over months or years. With this complexity comes a multitude of challenges such as lack of visibility, which in turn leads to lack of trust, transparency, and traceability. Even as supply chains have transformed, most companies have not updated the underlying technology managing them in decades, leading to significant inefficiencies.

Authenticiti is a **supply chain data platform** that provides real-time asset tracking visibility, secure exchange and validation of documents, secure data sharing, and reconciliation of siloed data-lakes across an enterprise and its partners. With Authenticiti, supply chains can reduce: inventory-holding costs, the number of disputes, days sales outstanding (DSOs), and lead times in the procure-to-pay and order-to-cash cycles.

Visibility Challenges in the Industrial Supply Chain

Industrial manufacturers are under intense pressure to deliver the *right* part to the *right* place at the *right* time. Supply chains are complex networks involving multiple enterprise applications such as enterprise resource planning (ERPs), customer relationship management (CRMs), financial and warehousing software scattered across various departments such as production, logistics and finance. Information exists in silos with excel spreadsheets and PDF documents typically acting as systems of record, resulting in lack of visibility and transparency in key stages of the supply chain: upstream in the *procure-to-pay* process and downstream in the *order-to-cash* process.

According to a survey from GEODIS[1] in 2017, only 6% of the respondents reported having full supply chain visibility; nearly 80% said they have either no or restricted visibility of their supply chain.

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[1] GEODIS - 2017 SUPPLY CHAIN WORLDWIDE SURVEY: https://geodis.com/in/newsroom/press-releases/geodis-unveils-its-2017-supply-chain-worldwide-survey

Today's supply chain inefficiencies such as siloed legacy ERP systems, outdated methods of data exchange between internal and external stakeholders, and heavy reliance on email and manual processes involving hundreds of people to perform tasks, etc., lead to:

- **Over Production of Inventory**: Due to limited or no visibility into supplier stock, inventory is over-produced and components are over-stocked to prevent supply chain bottlenecks for customers downstream.
- **Unreconciled Invoices**: It takes time and cost to manually reconcile invoice, PO and shipping receipts because they are in disparate ERP systems and systems of record.
- **Extended DSO**: Due to manual reconciliation and lead-times needed for finance teams to retrieve and validate the necessary data to invoice customers and to approve invoices, DSO is usually extended significantly beyond the original payment terms.
- **Increase in Person-Hours**: Companies hire many people to audit their orders to expedite payment lead-times. In addition, production, logistics, and finance departments allocate human capital and time for manual data reconciliation between disparate systems and dispute resolution.
- **Unrecognized Revenues:** With strict MSAs, parts shipped to a customer ad-hoc are often unable to be matched to POs due to disparate systems and may be invoiced for multiple times, creating millions in unrecognized revenue with a backlog extending years.

Authenticiti Breaks Down Supply Chain Data Silos and Increases Visibility

Authenticiti is a blockchain-based supply chain integration platform for the industrial enterprise. Built on open-source technologies, Authenticiti provides middleware services for bi-directional integrations with enterprise systems as well as ingestion and parsing of Excel and PDF documents to standardize and aggregate critical information in real-time. The platform supports custom alerts, no-code workflow automation services and deployment automation to any enterprise public cloud, hybrid cloud or on-premise server. Authenticiti leverages distributed ledger technology combined with encryption to ensure high data integrity so that each platform user has complete, federated control over how their data is shared or accessed by other internal or external platform users.

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The Authenticiti Platform enables your organization to:

- **Connect**: Integrate data from all sources
- **Store**: Rapid retrieval at scale
- **Validate**: Cleanse, join and combine
- **Automate**: Self-serve no-code workflow automation and alerts
- **Visualize**: Self-serve dashboard creation and data aggregation
- **Collaborate**: Built-in messaging and data sharing tools

With a suite of **rapidly configurable smart contracts** and **application templates:**

- **Track and Trace:** Part level tracking from production to delivery
- **Vendor Managed Inventory:** Automated inventory replenishment based on min/max rules
- **Delivery Based Invoicing**: Invoice generated and sent to customer upon shipment delivery
- **Part-Based Invoicing:** Dynamically generated invoices for shipments of parts auto-matched to PO for reconciliation and billing
- **Dispute Resolution:** Data audit trails for key events appended to each PO and real-time alerts if PO obligations are not being met (pro-active).
- **Payment Reconciliation:** Auto-matching incoming payments to correct invoices and POs to reconcile and eliminate misapplied and mismatched invoices.
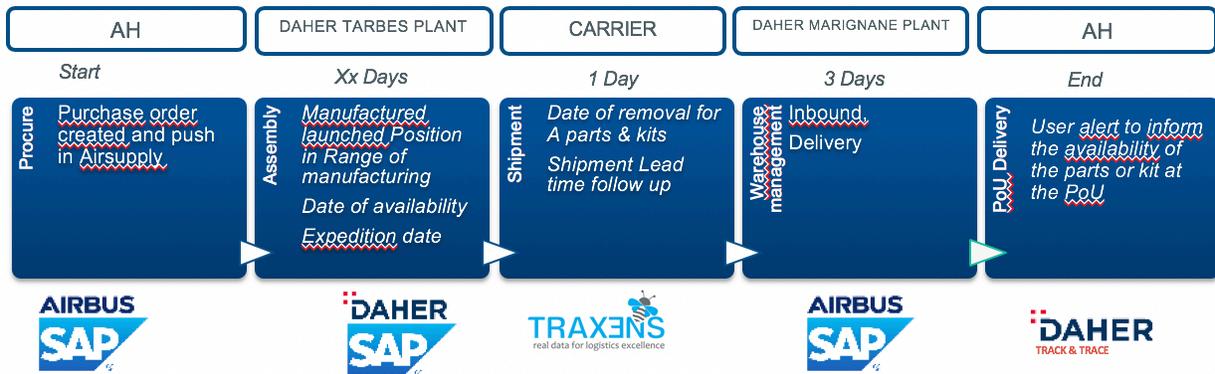
How Daher Aerospace Has Gained Visibility Into Its Supply Chain with Authenticiti

Founded in 1863, Daher Aerospace is a leading aircraft manufacturer, tier 1 supplier and logistics services provider to the aerospace and defense industry. Daher has 10,000 employees across 11 countries with an annual turnover of $1.5 Billion, and serves the commercial and military, regional, and business aircraft market.

The Challenge

Daher set out to solve a number of challenges related to lack of visibility across its supply chain operations. Critical supply chain data was heavily siloed among multiple ERP systems and track & trace applications causing a lack of visibility among production, manufacturing, and logistics teams. Daher used Excel spreadsheets with reconciled data, email and limited EDI connectors to share information among key stakeholders within the company and with their external

supply chain partners (suppliers/carriers/end-customers). Operational inefficiencies such as extended DSOs, overproduction of inventory, rejection of shipments because of missing parts, order/ invoice reconciliations, and high numbers of dispute resolutions became inevitable because information was fragmented across different applications and tools and there was no visibility across the supply chain.

The Authenticiti Solution

Daher deployed the Authenticiti Blockchain Platform and leveraged its transformative ability to:

- Integrate with their existing legacy applications and unite all critical supply chain data in a single source of truth so each individual part can be tracked in real-time from production to delivery
- Create unique identifiers for individual parts and digitized quality assurance documents associated with them
- Leverage supply chain data to trigger real-time alerts for key stakeholders
- Create smart contracts that enabled automatic and digital invoicing upon delivery of the shipment
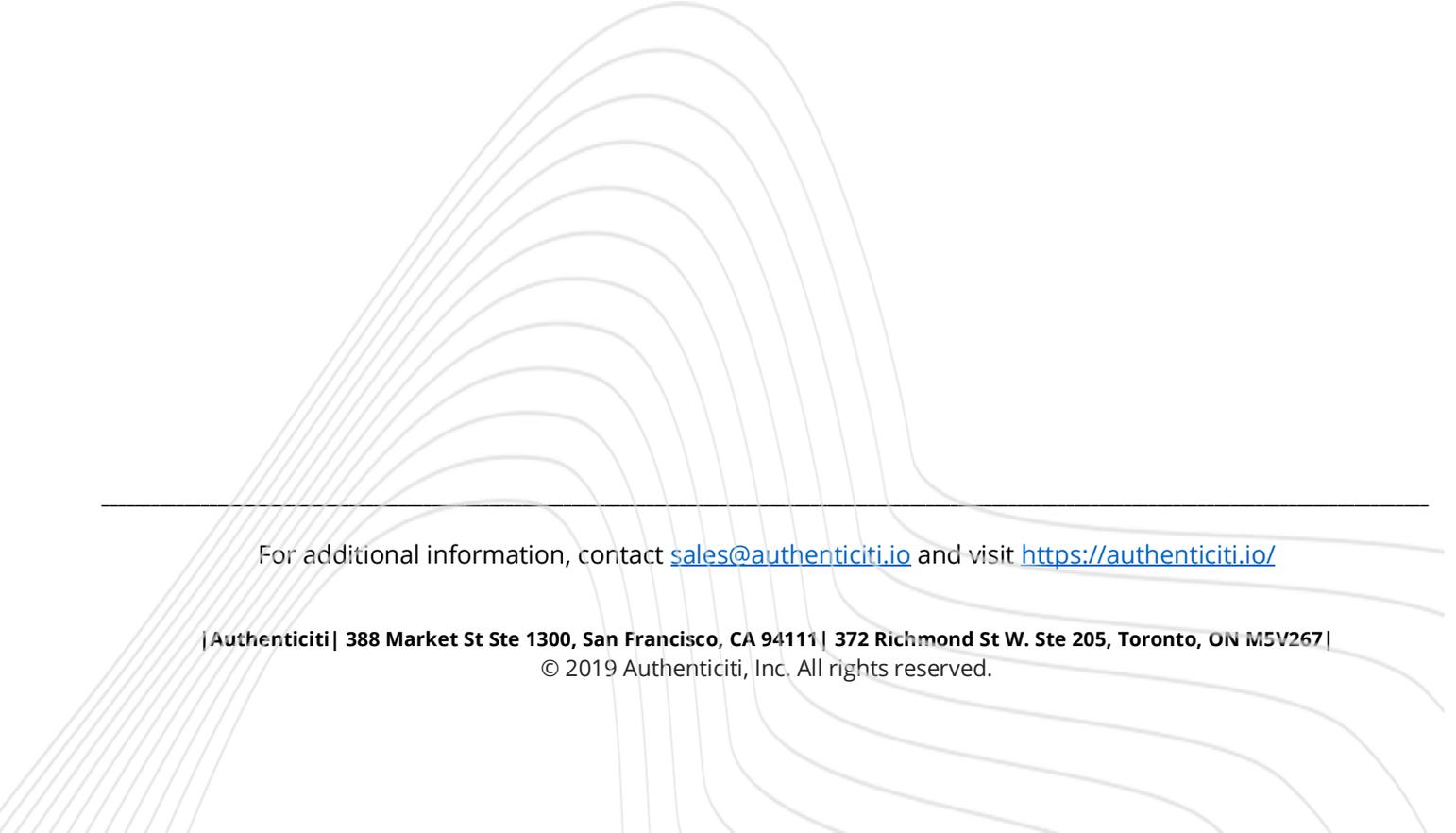- Eliminate the use of EDI connectors and/or Excel to share information

- Create an end-to-end data audit trail stored on a blockchain database to resolve any disputes related to purchase order obligations or SLAs

Within 3 months of deployment at Daher and one of its largest customers, Authenticiti enabled **_real-time supply chain visibility_** in the manufacture of key aircraft components. All parties can now track down parts to the component level – from the start of production through transport to delivery and to warehousing.

The Authenticiti ROI

With Authenticiti, Daher has full supply chain visibility and is:

- **_Managing Inventory More Effectively:_** Proper control and management of inventory is helping Daher gauge demand better, which will help avoid incurring losses due to unused and/or overproduction of inventory.
- **_Improving Demand Planning and Forecasting:_** Ral-time visibility into the supply chain is enabling Daher to make smarter decisions about inventory and production levels, and to get the _right part_ to the _right place_ at the _right time_.
- **_Minimizing Disputes & Accelerating Payments_**: Configuring alerts and automation rules to only issue customers an invoice after QA approval, delivery quantity and delivery reception is confirmed is minimizing the risk of disputes and cutting down DSO for Daher.

For additional information, contact sales@authenticiti.io and visit https://authenticiti.io/