Kimberly-Clark

Drop Ship & Parcel Fulfillment

June 2023

Presenters:
IT Digital eCommerce Team
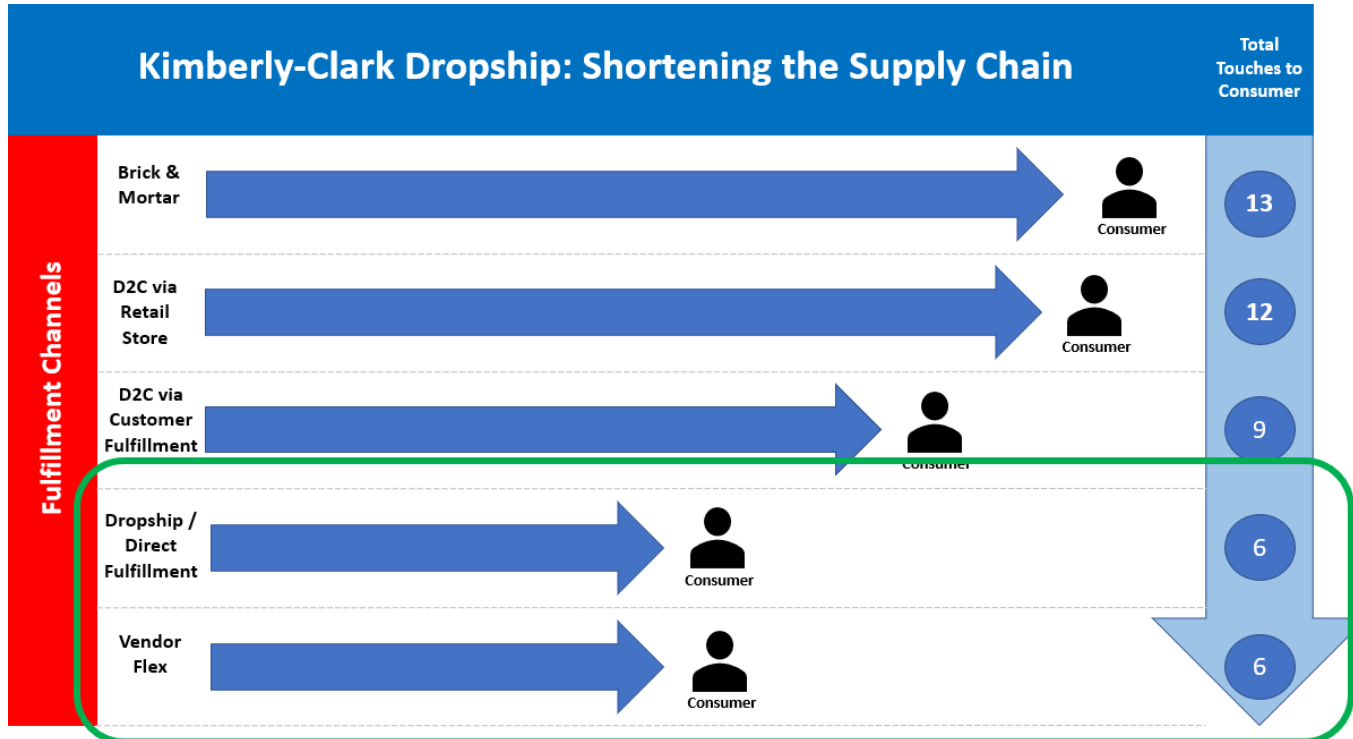- Megan Meyer
- Ann Powell

Agenda

❑ KC Drop Ship Parcel Program Overview

❑ Benefits

❑ System Process Flow

❑ Software

❑ Where we are now/Looking Forward

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Overview – Dropship

Dropship –

A supply chain program where consumers purchase K-C product from their e/retailer of choice who then transmits the individual consumer orders to Kimberly-Clark, and we ship product direct to the end consumer using the customer's preferred carrier and ship method

Kimberly-Clark Dropship: Shortening the Supply Chain

Fulfillment Channels		Total Touches to Consumer
Brick & Mortar	Consumer	13
D2C via Retail Store	Consumer	12
D2C via Customer Fulfillment	Consumer	9
Dropship / Direct Fulfillment	Consumer	6
Vendor Flex	Consumer	6

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Benefits

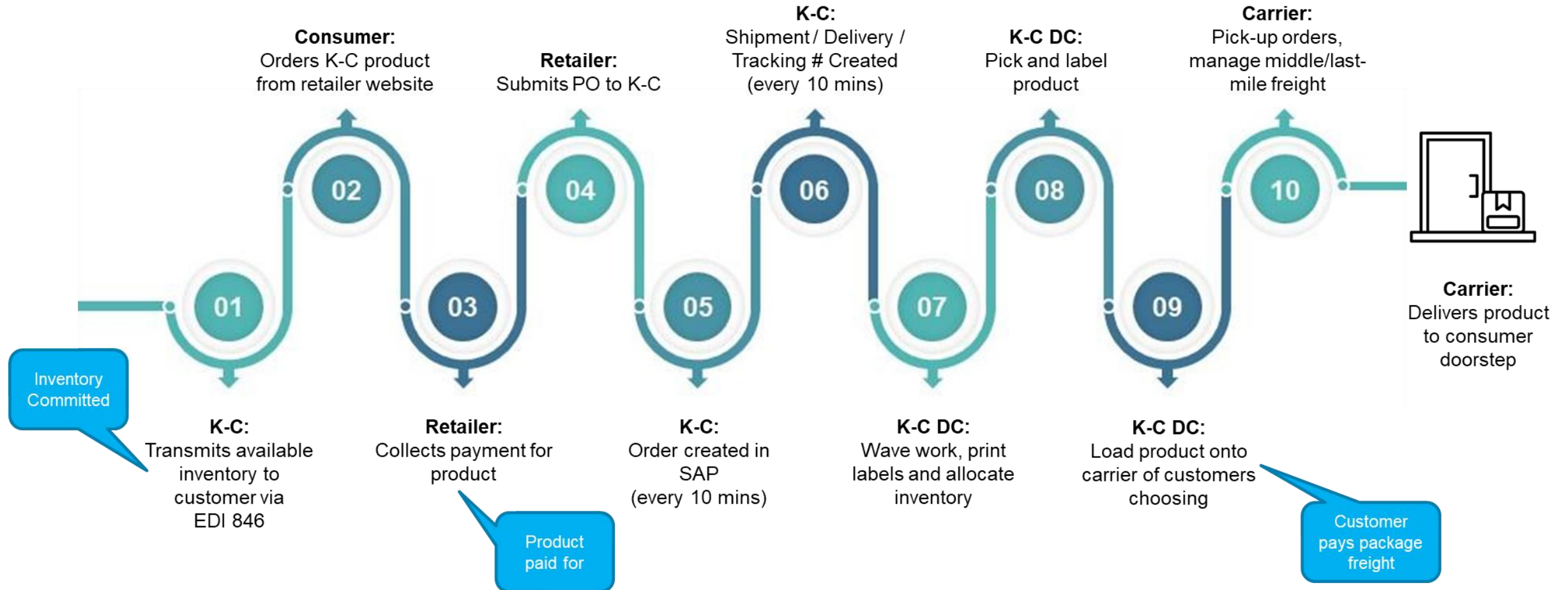| KIMBERLY-CLARK	CUSTOMER	END-CONSUMER	ENVIRONMENTAL IMPACT
• Stronger customer partnerships • Drives incremental Sales • Industry leadership • Freight savings • Lower chargebacks / fines	• Expanded portfolio without shelf/cost impacts • Higher sales • Alternate fulfillment channel when customer network / carriers constrained • Improved consumer experience	• Shorter lead time • Discretionary packaging for sensitive products • Convenience of shopping from home when desired or essential	• Fewer touches in customer network • Fewer trucks on road • Decreased handling costs

Dropship – How It Works

Consumer:
Orders K-C product from retailer website

Retailer:
Submits PO to K-C

K-C:
Shipment / Delivery / Tracking # Created (every 10 mins)

K-C DC:
Pick and label product

Carrier:
Pick-up orders, manage middle/last-mile freight

Carrier:
Delivers product to consumer doorstep

Inventory Committed

K-C:
Transmits available inventory to customer via EDI 846

Retailer:
Collects payment for product

Product paid for

K-C:
Order created in SAP (every 10 mins)

K-C DC:
Wave work, print labels and allocate inventory

K-C DC:
Load product onto carrier of customers choosing

Customer pays package freight

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Shipment Fulfillment Software

Add-on software to SAP that is a single, fully configurable platform to perform real-time multi-carrier shipping directly in SAP.

Provides future capability for rate shopping, improved analytics, address validation, and handling of hazardous material parcels.

Your Benefits

- Rate shop 250+ carrier services out of the box
- Automatically track & trace shipments within SAP
- Generate & send all required export documents
- Coordinate multi-carrier shipping in one platform

Your Return on Investment

- Increase number of processed shipments/day
- Drastically decrease shipment processing time
- Reduce shipping costs and get the best value
- Easily adjust shipping requirements in real time

KC's S4Hana Journey

- Technical upgrade to North America region
- Global template
- Certification of partners
- Built S4 compatibility class object (easy to migrate)

Opportunity - Dropship Parcel Automation

Automation of complex dropship picking, labeling and loading will:

- Lower labor costs by 35-45% (Reduction in labor and work complexity)

- Increase case throughput capacity by 3-4x

- Reduce service risks via improved scalability

- Unlock new capabilities such as multi-case consolidation

Automated label application

Questions