# JD Smart Supply Chain

JD's AI and big data driven **smart supply chain** enables the company to achieve unparalleled operational efficiency for its online and brick-and-mortar operations, and to deliver a level of customer service that is unmatched globally. As part of JD's Retail as a Service strategy, in which it shares its capabilities with its partners and suppliers to help them improve their operations, JD has built an open supply chain platform to enable brands, third party merchants and offline retail stores to increase their efficiency and boost innovation in the industry as a whole.

## As a result of its smart supply chain capabilities, JD has achieved:

- **37 day reduction** in inventory turnover days
- **23% reduction** in invalid runs in picking areas
- **10% reduction** in long and short-haul transportation costs
- **25% improvement** in delivery performance

- Smart Assortment and Optimization
- Dynamic Pricing
- Demand Forecasting
- Planning Management
- Procurement Management

Planning
Sensing
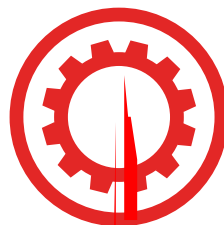
Decision
Response

- Network Planning
- Commodity Traceability
- Capacity Management
- Inventory Management
- Delivery Management



Manufacturers
Regional DCs
Headquarters
3PLs
Regional DCs
Headquarters
3PLs
Manufacturers
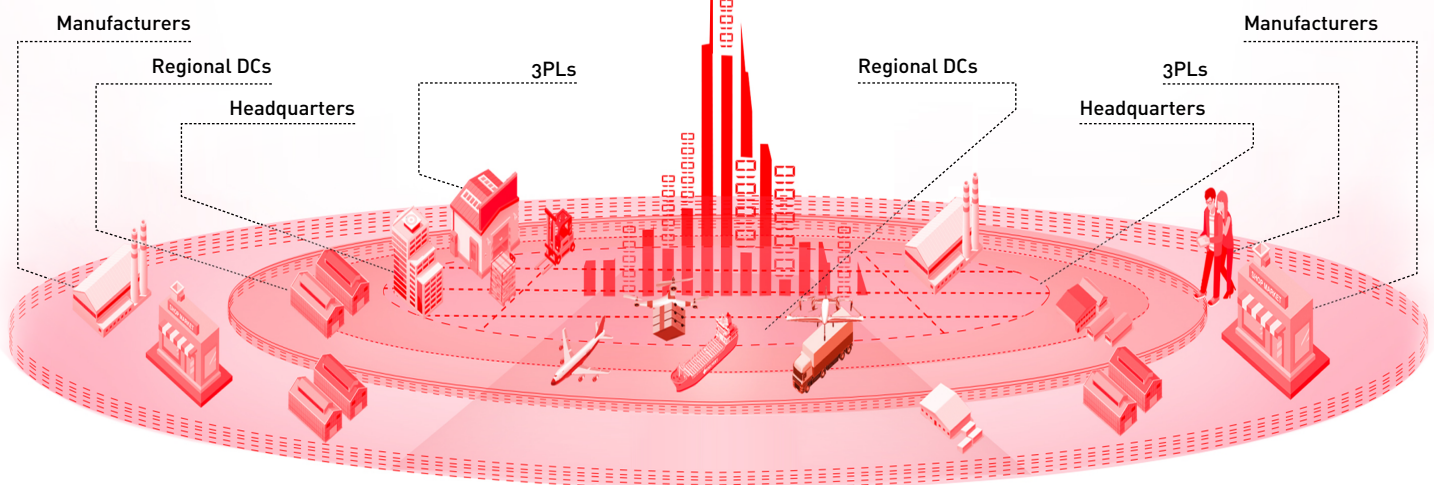
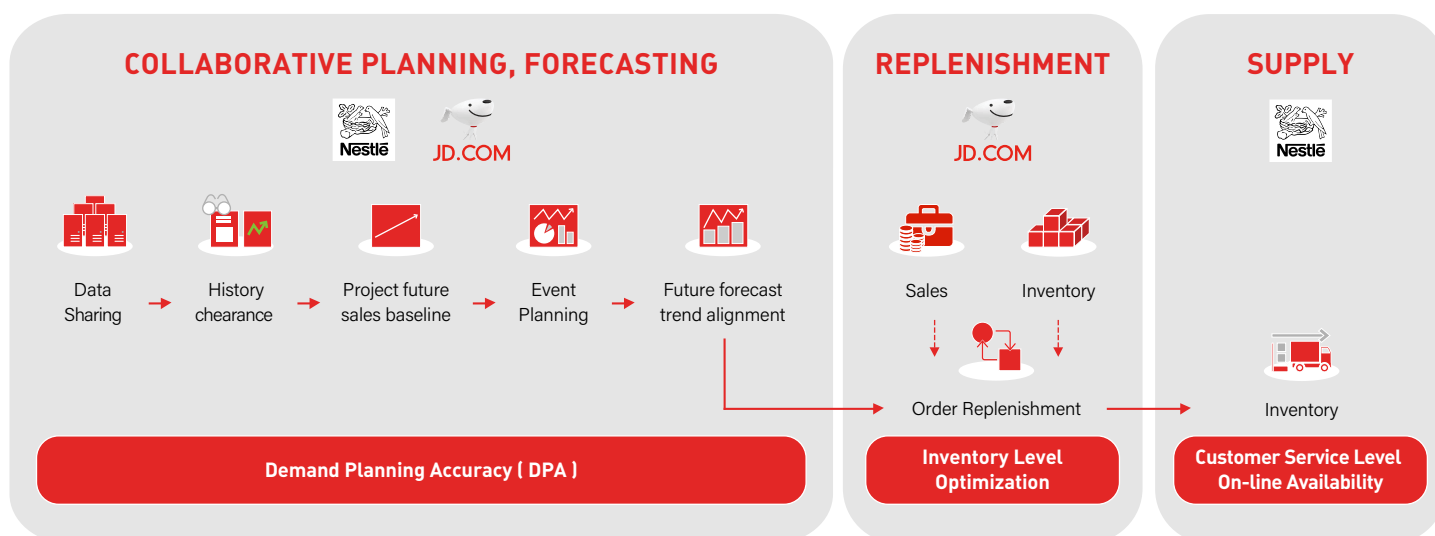| Cell Phones | PCs | Wearables | IoV | Robots | Smart Home | Smart Stores |

## Collaborative Planning, Forecasting and Replenishment

**Brands provide JD.com with key characteristics of products, including life cycle, termination information, volume limits for sales events, and promotions and advertising campaigns that may impact sales.**

**JD applies this information to improve the accuracy of forecasts.**

Nestlé JD.COM

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### COLLABORATIVE PLANNING, FORECASTING

Nestlé  JD.COM

Data Sharing → History chearance → Project future sales baseline → Event Planning → Future forecast trend alignment

**Demand Planning Accuracy ( DPA )**

### REPLENISHMENT

JD.COM

Sales   Inventory

Order Replenishment

**Inventory Level Optimization**

### SUPPLY

Nestlé

Inventory

**Customer Service Level On-line Availability**

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## Working with JD.com to optimize its supply chain efficiency, Nestlé was able to:

- Improve demand forecast accuracy from **45%** to **85%** for products sold on JD
- Boost in-stock service level from **73%** to **95%**
- Shorten order lead time by **50%**
- Shrink delivery lead time from **5-8 days** to **2-3 days**