

Walmart Canada Transportation Blockchain Payment System Walmart Canada Transportation

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Before innovation comes a good operation. Innovation requires a strong

foundation

Fundamentals Win.

Football is two things:
Blocking and Tackling.
I don't care anything about formations or new offenses or tricks on defense. If you block and tackle better than the team you are playing, you win.

- Vince Lombardi







"Smart Transportation" at Walmart

Canada

Integrating modern technologies to simplify work, improve service and lower

cost

Paperless Process End to End

Elimination of paperwork for stores, suppliers and Drivers

Tech Enabled Safety

- Collision detection, break assist, adaptive cruise included in all vehicles
- External facing on-board cameras to monitor route and enhance safety reviews

80% Alternatively Powered

- Day cabs powered by Tesla fleet
- On-site battery storage to build supply offpeak, option to close loop with solar on DC roof
- Unit information and data/analytics fed into planning, delivery engine

Payment via Blockchain

Reduce manual intervention to <2%

3. Visibility & Support

- Incorporate IoT
- Unified record for each load



- and fleet / dispatch Integrated retail & parcel rating,
- routing, and optimization



- 2. Planning, Sourcing, Delivery Automated process to build, and rate loads based on carrier capacity, carrier performance, delivery schedules, etc.
 - Integrated with o9 AI integrated planning tools to optimize for time, capacity, cost

Machine Learning in CI/Planning

- Pattern recognition at route, carrier, equipment, store, driver level and adjust plans for trends
- Suggestions for optimization created & flagged for management review (e.g. Adjustment to

Smart Assist in LSS Centre

4. Assets & Equipment

RPA rolled out for routine asks

1. Payment & Audit

ChatBots deployed for initial triage

Real Time Visibility

- FourKites tracking on 97.5% of loads
- IoT tracking on temp controlled loads
- Real time visibility via mobile app







Freight Payables - Opportunities

Walmart's current third-party payment system and related processes has a 16% match rate between Walmart order and carrier invoice leading to:

- ☐ Delayed payment to Carrier term
- ☐ Over 300,000 transactions requiring manual intervention
- ☐ Limited data integration to validate charges
- ☐ High frequency of audit exceptions

- Lack of trust between parties
- Strain on Carrier Relations
- Lack of data integration





End state aspirations

- Blockchain

 enabled payment
 solution hosted in
 Walmart's
 environment
- Transformational project that is industry leading
- Complete
 Transparency in the payment process

Collaborative freight management platform to resolve:

- Improved payment accuracy
- Systematic integration of current IOT feeds
- Increased personnel efficiencies less manual auditing
- Deliver an EDLC solution
- Industry leading adoption of new technology
- Near real-time invoicing
- Open trust network, eliminates need for separate audit
- Develop internal capability to leverage Blockchain across the business





Solutioning

- ☐ Gained Executive Sponsorship, engaged Strategic Sourcing and ISD —scope and launch RFI
- Selection of DLT to provide services after vetting RFI of potential partners
- Deep dive into current and future state build, test and execute (10 months)







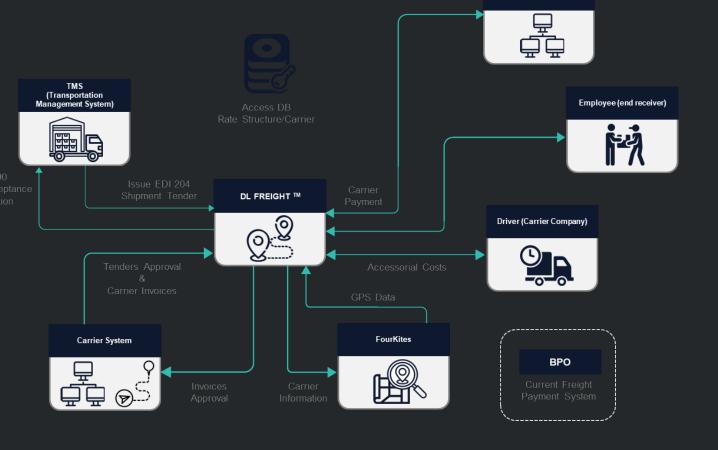


Conceive and Build

SUPPLY CHAIN INNOVATION AWARD IN SUPPLY CHAINBRAIN

ERP System

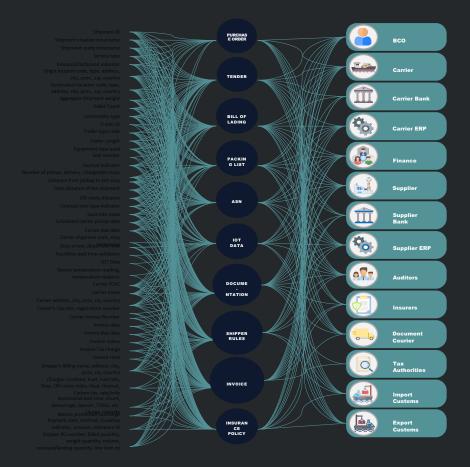
- Walmart hosted agile solution developed with DLT Labs
- Elimination of order/invoice match and discrepancies
- Utilization of SMART contract to provide:
 - Trust through transparency
 - Pre-aligned agreed to rules
- Utilization of modern data feeds (FourKites, API, EDI etc) to validate:
 - Pick up
 - Delivery completion
 - Accessorial charges
- Payment will be made directly to carriers to term through SAP/Ariba







Before



After









2020-2021 Supply Chain Chaos



- 1. BC Flooding
- 2. Texas Freeze
- 3. Port Back ups
- 4. Trade wars, variable supplies



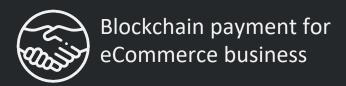


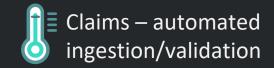






Evolution











Further automation of



Real time KPI and late mitigation







Summary

☐ Cross functional collaboration success; Strategic Sourcing, Compliance, Finance, Tax, ISD, Legal and International teams.

☐ Inclusion of end customer (Bison Transport) involved since inception

☐ Match rate success moved from 16% to 98%



☐ Transparent, mutual invoice creation functionality with IoT integration (Fourkites) for audit guardrails

☐ Transition to SAP payments via Walmart Treasury from externally managed process including quick pay option

☐ 65 carriers (all) transitioned, and the system is performing as desired with positive feedback from carrier partners on all of the efficiencies and improvements.

How Walmart Canada Uses Business Blockchain to Solve Supply-Chain Challenges



Walmart Canada partners with DLT Labs to create world's largest blockchain solution

Walmart Canada and DLT Labs launch the World's largest blockchain solution for Walmart Canada's supply chain to improve efficiency, reduce costs and to better manage the complex shipment, invoice and payment process.

Walmart Canada and DLT Labs™ launch world's largest full production blockchain solution for industrial application

MARKETSINSIDER





Thank-you & Questions





