H.O.W.
HELP ON THE WAY

inbound logistics
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Need to know the best way to turn data into supply chain action, transform the supply chain for omnichannel retailing, or manage your carrier relationships after the ELD mandate?

HELP IS ON THE WAY!

Matching supply to demand in today's volatile global environment requires tactical collaboration and strategic partnership to execute efficiently and cost effectively. *Inbound Logistics* is here to help guide you in the right direction. Over the past several years, we have solicited reader input and industry expertise to provide practical and instructive how-to guides that address fundamental transportation and logistics challenges. We are incrementally building a library of industry best practices to help readers turn interrogatives into imperatives.

Need more know-how? Go online for these other informative H.O.W. articles:

How to Decide if You Should Outsource Your TMS
bit.ly/OutsourceTMS

How to Choose a Single-Source Logistics Provider
bit.ly/SingleSource Provider

How to Optimize Demand Chain Management
bit.ly/OptimizeDemandChain

The next 3 installments in the H.O.W. library appear on the following pages:

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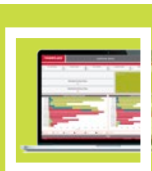
How to Turn Data Into Supply Chain Action

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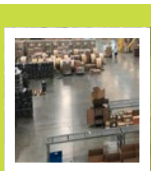
How to Transform the Supply Chain for Omnichannel Retailing

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How to Manage Your Carrier Relationships After the ELD Mandate

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How to Turn Data Into Supply Chain Action

To keep ahead of today's complex, fast-moving supply chain, shippers need tools that enable them to make smart, data-driven decisions and be proactive, not just reactive. Fortunately, transportation management technology now provides organizations with greater visibility and control over their supply chain than ever before.

But generating data simply for data's sake doesn't eliminate waste, reduce costs, or improve service. The systems must be in place to give managers the insights behind the data. The most effective transportation management systems (TMS) are available as customized solutions to incorporate a shipper's unique industry and supply chain requirements. A one-size-fits-all solution usually doesn't fit everyone very well.

Today's advanced transportation management systems incorporate a comprehensive, graphical view of a company's entire transportation network and dynamic dashboards of KPIs, while also incorporating relevant information from outside sources, including weather and traffic alerts. This "control tower" approach to transportation management gives shippers an all-encompassing, real-time view of their entire supply chain.

Along with capabilities that allow shippers to plan, execute, and track shipments, today's TMS also provides the business intelligence, reporting, and analytics needed to make strategic, data-driven decisions.

These tools deliver insights faster than ever. Historically, reports for shippers would take quite a bit of time to pull, and the end result would be made up of Excel spreadsheets. And in some cases, the data would be out of date and no longer relevant. A flow of real-time data from connected trucks, trailers, and other assets means shippers have a real picture of what's going on out in the field rather than waiting for phone or fax updates. They can react in real time to natural disasters or volume increases associated with seasonality demands.

However, with a new TMS, databases are available specifically for shippers to access customized reports, when and where they need them. These "self-service" reports are much more engaging and can drill down into specific shipments, regions, lanes, carriers, and more by accessing data warehouses via a cloud-based TMS. Using data visualization, managers can focus on critical targets and avoid time-consuming data exercises.

4 QUESTIONS TO PUT BIG DATA TO WORK

Here are four questions shippers should answer when selecting a TMS solution offered by a 3PL to assess how it will help create actionable intelligence.

1. IS THE REPORTING DETAILED ENOUGH? For root cause analysis, insist on reporting that includes carrier performance, and pickup and delivery times to track service and cost fluctuations.

2. DOES IT OFFER REAL-TIME VISIBILITY? The ability to view shipments in real time and incorporate weather and traffic alerts from the web allows shippers to make more informed decisions.

3. CAN YOU USE THE DATA TO ANTICIPATE PROBLEMS? A TMS can help "predict the future" to address disruptions before or as they happen to maintain customer service. In the case of unavoidable delays such as due to weather, the system can notify shippers so they can adjust operations accordingly.

4. DOES IT OFFER CONTROL TOWER FUNCTIONALITY? Control tower functionality enables shippers to quickly view real-time info on all affected shipments and then take action, such as reassigning the shipment to another carrier, rerouting a shipment, changing the destination or continuing on, and can recalculate the new ETA and provide detailed, accurate updates to key personnel within their own organization as well as customers.

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TRANSPLACE

How to Transform The Supply Chain for Omnichannel Retailing

As retailers transform their market strategy to embrace new e-commerce and marketplace channels, their supply chain must be ready to pivot as well. Some brick-and-mortar merchants are adding online sales, direct and through partners, while some online retailers are investing in physical stores. Either way, e-commerce will continue to play a larger role in retailers' strategies.

Omnichannel is not just a logistics decision. Re-orienting the company to embrace omnichannel retailing requires integration with IT, sales and marketing, and procurement as well as transportation.

No matter which direction a company is headed, it's easier to ramp up new channels by partnering with trusted resources such as 3PLs to create a branded experience across the array of customer touchpoints.

Developing the supporting infrastructure for a new channel may be difficult. If a retailer adds a channel, such as selling through an online marketplace or its own direct-to-consumer site, it may make sense to segment that channel with a unique supplier or fulfillment process. A shift to direct-to-consumer selling may require adding parcel carriers to the transportation mix.

A few strategic decisions will have wide-ranging implications. For instance, the retailer must decide whether out-of-stock items will still be available on the website and mobile app for ordering. There are pros and cons to each option. But it's a strategic decision that cascades through marketing, sales, customer service, logistics, procurement and so on. It requires integration with the website and the ERP and WMS. Connecting store inventories with the online presence is another challenge. Customers may opt to purchase locally if they need the item in a hurry or want to check it out in person.

To begin—or speed up—a pivot to omnichannel retailing, organizations should assess what they can do in-house, and which areas require outside help. Some 3PLs offer comprehensive e-commerce assistance, including website integration and digital marketing.

Given the reports of the retail apocalypse, it may be easy to think retail is dying. It's not. It's just evolving rapidly. The retailers that survive will be those who can ride the wave of change.

5 POINTS TO CONSIDER WHEN IMPLEMENTING AN OMNICHANNEL SUPPLY CHAIN

1. OMNICHANNEL IS CROSS-FUNCTIONAL. It's an enterprise-wide transformational strategy, not a supply chain initiative. IT will require involvement from all quarters including IT, procurement, marketing, and sales as well as logistics.

2. INTERNATIONAL PRESENCE. Consider international sales as a new channel; few U.S. brands have a large presence in foreign lands. Those that do have developed a cachet that plays well. Keep in mind that international sales require capabilities in translations, currency conversions, and trade regulations.

3. INCLUDE RETURNS IN PLANNING. Some omnichannel transformation strategies start with the returns process. That approach allows you to work your way up the chain from the consumer to the distribution center. Return rates are higher for some sectors than others; apparel and shoes typically are sent back most often as people order multiple sizes to try on.

4. ADAPT MEASUREMENTS TO CULTURE. Tie online sales to store performance to engage the retail culture. Using stores as buy-online-pick-up-in-store points leverages the physical locations for upselling opportunities and expands the logistics footprint.

5. UPGRADE DATA EXCHANGE. Migrate from outdated EDI processes and adopt APIs and web services to transfer key product and logistics information. EDI is too slow to support the real-time decision-making required to support omnichannel retailing.


SEKO

How to Manage Your Carrier Relationships After the ELD Mandate

As the mid-December deadline approaches for the implementation of the Electronic Logging Device (ELD) mandate for most commercial truck drivers, shippers are, not surprisingly, worried about how it will affect their supply chain capacity.

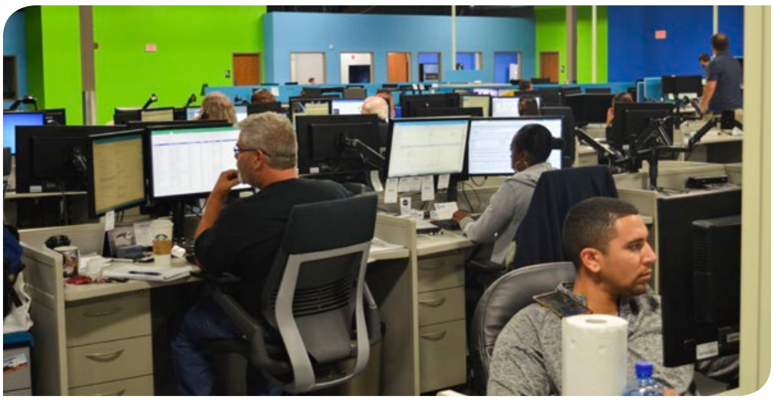
Under Federal Motor Carrier Safety Administration rules, most trucks built after 2000 must be equipped with an ELD starting Dec. 18, 2017. Fleets already using older electronic onboard recorders are grandfathered in until December 2019.

Early estimates say that the ELD mandate will effectively shrink the nation's trucking fleet for the first several months. How much depends on how many owner/operators decide to exit the industry altogether.

In the short term, rates are predicted to rise 10 to 20 percent in 2018. It won't be possible anymore for a lone wolf trucker to grab a load that risks running afoul of the hours-of-service regulations for the right price. Shipments in the 500- to 700-mile range that could be run in one day with just minor log book violations may now take two days, requiring higher rates and extra holding costs. Some shippers may have to boost inventories to cover slower deliveries. The impact may be felt most in traffic-congested regions such as the New York-Boston corridor or Los Angeles where driving a few miles can take hours.

Over time, the industry will recover and should actually be more efficient as fleets incorporate the data available from the ELDs into their operations for better utilization of drivers and equipment.

Shippers and receivers can help with the transition and beyond by understanding the limitations that drivers face. Drivers may pull into a yard to drop a load and be nearly out of time. If the clock expires, they are legally unable to drive the truck. Drivers will no longer be able to wait for a dock "off the clock." Minutes or hours spent waiting will count toward the driver's duty time. Truck fleets may charge higher rates or penalties to shippers that take excessive time to load or unload. Keep in mind that under the ELD regulations, shippers may not coerce drivers into violating the regulations, and those that do face stiff fines.



4 WAYS TO MANAGE CAPACITY POST-ELD

1. DEVELOP DEEPER CARRIER RELATIONSHIPS. Discuss plans with your 3PLs and carriers now; don't wait until the shortage hits. Some shippers will only work with compliant fleets to avoid having loads caught up in enforcement actions. Consider alternatives such as LTL and intermodal.

2. USE A TMS FOR LOAD TENDERING. With a TMS, select carriers for certain lanes and use sequential tendering to find the best service in tight capacity conditions.

3. COMMIT LOADS BASED ON CAPACITY, NOT RATES. Work with carriers on commitments of capacity rather than lowest rates for as much capacity as is available. Then tap the open market for the remainder of the loads. Without commitments you could run short on capacity at critical times.

4. PRIORITIZE TRUCK LOADING/UNLOADING. Shipper/receiver docks will play a big role in keeping drivers on time. With truck idle time being captured by ELDs, it will quickly become clear who the culprits are in making drivers wait. Shippers should stick to appointment times, preload trailers, and take other steps to make drivers more efficient.

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