

inbound logistics

One key step to finding answers to any logistics, supply chain, or technology challenge is knowing the right questions to ask.

Inbound Logistics assembled a team of supply chain and logistics technology leaders, and asked for their perspectives on the important logistics challenges and opportunities impacting your business.

More importantly, these logistics thought leaders can give you guidance when considering improvements to your business processes.

Thought Leaders

76

NICK BOLAND

Director, Global Product
Marketing, Amber Road

78

IAN TSAI

Executive Vice President, KDL

77

GEORGE KONTORAVDIS, PHD

President, Fortigo

79

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CEO, ClearMetal

Visibility Fills the Gap

Vin Ramundo

Solutions Consultant, Amber Road

Q: *Is supply chain visibility really a problem in today's high-tech, connected world?*

A: In today's technologically advanced world, a lack of data is not the problem. We are currently inundated with information from various sources. Rather, we need tools that consolidate this information, normalize it, and predictively notify users of potential risks. This enables companies to harness information to better control their supply chain.

Digitization enables levels of sharing that could not be achieved in the past but it opens our customers up to greater issues around information overload and synchronization. We need tools that can holistically look at the problem and proactively advise customers on the best corrective action plan.

Q: *How do you define end-to-end visibility?*

A: Ten years ago, visibility could only be provided at the shipment level. But that has now evolved into a complete view of the international supply chain. Supply chains have been getting more complicated over the past few years, for the following reasons:



- Increased government regulations and protectionism
- More creative sourcing strategies to qualify for trade preferences, i.e. CAFTA, AGOA
- More creative routings like sea/air routings, or multi-country consolidation and deconsolidation
- Multiple service providers can touch one delivery of goods

Because of these complexities, we cannot just think that knowing where the shipment is equates to good visibility. We

must understand all aspects of the life cycle, from product design to delivery to the end consumer.

Shippers need to know these data points:

- If the goods were produced ethically
- If the production is on time
- If the product was manufactured to specification
- The sourcing locations of raw materials
- If a product qualifies for a preferential trade program
- If the product complies with various governmental regulations (REACH, CPSC, FDA, etc.)
- The total cost of importing these goods including logistics, commissions, duties, taxes, etc.
- Where the product is currently and when it is predicted to arrive

Many companies look at visibility to only the shipment leg of the transaction. We need to step back and look at the problem as a whole. Decisions, at any stage of the life cycle, can have a direct impact on the cost and on the time it takes for goods to be sold and delivered.

THOUGHT LEADERS

Shippers Seek 3PL Efficiencies Amidst Capacity Constraints

Thomas Griffin

President, DLS Worldwide

Q: *What efficiencies that you offer as a 3PL are in the highest demand this year where we've seen tremendous capacity constraints?*

A: From a high level perspective, we always take a collaborative approach on which core competencies we can offer and streamline for our clients.

We work with a very diverse group of customers/shippers, and most are open to extending the services we can offer that could include simple consolidation and mode shifts to integration with client order management systems and our TMS/Client Interface modules.

The vast majority of our customers realize they have core competencies in terms of what they manufacture or the varied services they provide, allowing the 3PL they choose to partner with focus on logistics competencies that may have required the customer much larger staff costs if they had chosen to perform internally.

Specific value offerings we see in the most demand this year seem to be related to the



capacity constraints we saw beginning in the second quarter. The majority of what we manage still involves LTL and we have done a good job negotiating increases this year on behalf of both large and small shippers that our locally based Station/Agents have worked with for years, often prior to the inception of our Leveraged Platform.

This is the first year I have seen both National and Regional LTL providers asking for multiple increases. Some are warranted and expected and often we've had to shift customers to our other core vendors who have managed the capacity issue better this year than others.

We have shifted to working with providers who have not become overly engaged with a couple of large retailers (I will leave unmentioned) and had good success getting our customer base to switch with us.

Managing the TL capacity constraint has also become much more intensive in 2017. The ability to manage many return trips while maintaining visibility to where our loads will deliver often provides us an immediate truck once the driver(s) are good with hours.

A key initiative this year will be our own consolidation with larger LTLs into our static TLs moving between distribution centers that we have unused space to ride along with our mail deliveries. In most cases, customers have been open to this option and the savings in exchange for what is usually one additional transit day over premium LTL service.