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

THOUGHT LEADERS

What You Need to Know When Selecting a Dock Appointment Scheduling System

Q: What is dock appointment scheduling?

A: Dock scheduling is a means for managing the timeliness of inbound and outbound transportation (truck traffic) at your loading docks in order to maximize the efficient operation of those docks.

Q: What is the difference between Appointment Management and a Dock Scheduling System?

A: Appointment management usually takes the form of a spreadsheet or commonly available online calendar (such as Outlook) that tracks the time slots your carriers/suppliers want at your dock. It has to be managed by a human scheduler, who keeps track of changes and conflicts, and keeps it up to date.

A Dock Scheduling System moves beyond appointment management by enabling sophisticated prioritization of customers, suppliers, loads, product types, carriers, and more, depending on your specific business needs. In essence, it's a capacity planning tool, or a smart-schedule.

It allows direct communication between the system and carriers/suppliers, and enables real-time visibility via a web portal to anyone who needs it, including carriers, suppliers, internal staff, or customers.

A dock scheduling system should also have reporting capabilities that include audits on loads delivered, enabling compliance information to be recorded and transmitted automatically, and authoritatively.

GREG BRAUN
Senior Vice President,
Sales & Marketing
C3 Solutions

Q: What are the top five functions a Dock Scheduling System should provide?

A: Here are 5 essential functions anyone should be looking for in a dock scheduling solution.

1. A web portal that is accessible by both carriers and suppliers. This 24-7 self-serve option would allow them to book their own appointments and update the schedule as needed.

2. It should be possible to transmit automated notifications, such as appointment confirmations, to users by email. You should be able to choose which action should trigger a notification and which users should receive them.

3. The ability to apply rules and constraints in order to transform the schedule into a smart planning system. Whether as simple as differentiating between palletized or non-palletized shipments, or with complex logic based on product type, POs, vendors, and more, you should be able to get a system that will work to the rules that will optimize your operations.

4. Automation allowing for every request that fits within your schedule and constraints to be automatically processed without any user intervention. Permitting appointment requests to be automatically approved is a great feature, yet the level of automation should be customizable, allowing users to decide which carriers receive fully automated services and which still need hands-on attention.

5. Standing appointments functionality that allows to not only book the loading dock space, but also preconfigure the labor and space requirements in the warehouse. You should also be able to configure expiration dates for cancellation and free up the slot for another user.

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What to Expect From Your 3PL

Q: As supply chain operations continue the migration from an afterthought in the warehouse to a priority in the boardroom, what are some questions a shipper should ask before adding a 3PL to their supplier base?

A: It largely depends upon what level of partnership a carrier is seeking. Managing spot capacity is very different from integrating a TMS and/or outsourcing bid management. Ultimately, shippers need to understand what internal mechanisms ensure accountability from the third-party logistics (3PL) provider, and what insights will be brought to bear for continuous improvement.

The first step is the solution design phase. What are the pitfalls and challenges the shipper is facing today? It's important the shipper be candid and share their goals so the 3PL can have the right people and processes in place. That said, it's a given that an issue will arise at some point, so what is the 3PL's infrastructure or process for performing a root cause analysis and then implementing an SOP to prevent a repeated failure? What type of data harvesting or analytics is the 3PL performing, and where are key areas they look for optimization after the partnership has begun?

JON RUSSELL
President
Celadon Logistics

Q: What are some best practices for the shipper to hold the 3PL accountable to its promises after onboarding?

A: It's critical to identify mutually agreed upon KPIs and a cadence for measuring the 3PL's performance. Many of our large-scale clients have formal monthly or quarterly scorecards where they measure metrics including:

- On-time pick-up and delivery
- Tender acceptance
- TMS update compliance
- Service failures
- Benchmarked savings
- Freight bill pay and audit accuracy

The 3PL should be prepared to discuss any discrepancies, but also to proactively suggest solutions, including data submitted with the tender, potential for drop-and-hook or consolidation programs, or the possibility of altering a shipping schedule to ensure maximum ROI for all affected stakeholders.

Transactional clients typically have more fluid conversations with their account executive regarding response time, tracking updates, and billing accuracy. Regardless of the size or scale of the relationship, the 3PL should be the subject matter expert, so the shipper should hold them accountable to being responsive to requests and proactive with suggestions.

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THOUGHT LEADERS

Supply Chain Complexity: What's Behind Supply Chain Disruption And Why You're Not Achieving Consistent ROI Improvement

In a 2016 Gartner survey, 63 percent of supply chain leaders reported "increasing supply chain complexity" as the highest risk to business continuity. A second survey from Gartner identifies supply chain complexity as #4 in the list of obstacles to achieving supply chain goals. As supply chain leaders face these challenges, they should focus on optimizing networks to reduce their organization's risk to operations.

As an example, a retailer who had grown by mergers and acquisitions experienced long product delivery times, increasing labor cost, low profitability and slow to no growth in its business. Products traveled through a network of crossdocks before reaching the final distribution center and, in the process, were handled multiple times. All the while, this retailer was focused on maintaining high service levels at its stores. This led to expedited shipments and all products being stocked at all distribution centers. As a result, operations ran at a much higher cost, requiring more cash flow.

Q: What are some of the main causes of supply chain complexity?

A: Consider the following.

- **Growth in new countries, regions or markets:** Cross-border shipments, long transportation lead time, storage and distribution all compound complexity.
- **A focus on customer needs and service:** Transition from single-channel to multi- and omni-channels, all while enhancing the customer experience, can make the management, storage and distribution of products very complex. The shipper also has to manage smaller order sizes and higher inventories, both of which lead to lower productivity. Customizing products can lead to proliferation of stock-keeping units (SKUs) and increasing overall inventory.
- **Rapid growth:** Growth can lead to increased inefficiency, and duplication of products and locations, all negatively impacting productivity.

Q: What can I do to reduce supply chain complexity?

A: If you feel these or any other negative impacts of operational complexity, you can use analytical techniques such as network optimization to model and identify opportunities to simplify your network. Supply chain design impacts up to 80 percent of supply chain operating costs. Understanding how location of plants and distribution centers, supplier selection, customer service level decisions, and customer assignments all work together is imperative.

Optimizing a supply chain network starts by collecting operational, transportation, and product data. Mathematical models are developed to identify business rules and inefficient location, inventory, supplier and customer assignments. Companies need to invest in setting up, closing, or reconfiguring facilities and negotiating with customers on service expectations. It is typical to achieve between 10 and 15 percent reduction in supply chain operating costs by taking out complexity. These projects typically need sponsorship from chief supply chain officers, and impact a number of different business units.

A lead logistics provider such as Schneider can perform network optimization studies to help customers simplify their supply chain operations, as well as to manage the entire transportation operation and provide technological solutions—such as transportation management systems—to optimize transportation decisions and provide continual year-over-year savings.

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NIKHIL ARORA
Director, Logistics Engineering
Schneider Logistics

How Small Retailers Can Compete With Retail Giants

Q: What is the biggest thing for shippers to consider in their supply chain?

A: The one constant trend is the growth in the way we reach consumers. E-commerce sales increased 15.6 percent in 2016, and there are no signs that this trend will slow in the future. Direct to consumer is here for the long run. How we manage that process to give consumers what they want is critical.

Q: How can small to mid-size e-commerce and retailers partner to compete logistically against giants such as Amazon and Walmart?

A: To compete in today's environment, small to medium players need to offer competitive supply chain and delivery services, and they need to find those solutions in the market, since they don't have the scale to replicate them on their own. Today's third-party logistics (3PL) providers and leveraged platforms are offering more shared services to help these shippers. Pick a partner who has experience in a global and local environment.

The number-one thing for the small to mid-size shipper to understand is that they don't have the critical mass to recreate what the largest entities can.

Q: Why 3PLs?

A: Today's 3PLs are leveraging their buying power, carrier and supplier relationships and software to put together seamless packages for clients. In a perfect world, the 3PL can handle all the pieces from international shipping to the United States; U.S.-based fulfillment, and final delivery—from small package and parcel to full white-glove delivery. This gives the client a couple of essential advantages: cost and visibility in a single solution.

Q: What are some of the other advantages for shippers?

A: In a shared environment, leveraged platforms are the best at connecting shippers with the best-fit solutions. Without critical mass to generate your own dedicated environment, 3PLs can create a repeatable and reliable process for delivery. An example for white-glove delivery would be having multiple delivery networks that are capable for the particular product. Without critical mass and repetition, consistency and quality are difficult to maintain. A 3PL that has multiple relationships can have a final-mile network that works for gun safes, and another that works for furniture.

Q: What do you see as one of the biggest challenges for white-glove shippers?

A: In addition to free shipping, the biggest item that the consumer wants today is speed. Most consumers don't understand, or care to understand, the difference between two-day small parcel and four-week furniture deliveries. The 3PLs that offer quick transit solutions for their clients will help them win more customers. That could range from a faster line haul portion to forward inventory deployment of inventory in key markets. Small to medium size e-commerce players can compete with the big guys; they need to make sure they pick the right partner to help them succeed.

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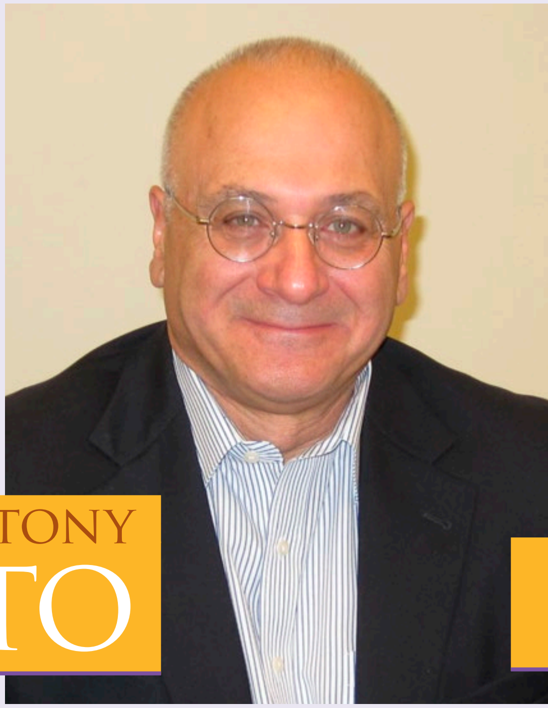

TONY COLETTO
Director of White Glove Logistics
R.R. Donnelley Worldwide Logistics

THOUGHT LEADERS

Does Your TMS Provide You a ClearView?

Q: What are you seeing as the biggest opportunity for TMS functionality?

A: Transportation management software (TMS) was developed for the simple task of enforcing carrier routing and producing a shipping label. Web rating, or rate shopping, was a major advancement to the TMS technology industry 10 years ago. Today, very few TMS companies offer functionality beyond rate shopping. Once the shipment leaves the dock, the job of most TMS technologies is complete. The future of TMS systems is not only to monitor service in real-time while the package is in transit, but to properly audit the carrier's invoice to ensure that companies can analyze shipments through invoice settlement and beyond.

Q: Don't most TMS systems audit freight bills?

A: No. A lot of transportation management systems in the market mistake auditing with simple 'bill matching.' Matching the quote to the invoice is not a best practice in freight payment and audit. Technology alone cannot provide proper freight audit services, carrier payment, and general ledger coding services. Filing disputes with providers and monitoring of changes in carrier billing policies or rules tariffs is vital to post-shipment visibility of supply chain events. It is very important that shippers do not confuse bill matching with audit.

Freight payment and auditing companies perform their detailed invoice reviews based on carrier rules and invoices validated against those same carrier rules. In many cases, carrier APIs are not correct and the rates that are received by even the most advanced TMS are not what appear in the carrier's rules tariff, nor the carrier invoices. Often the TMS must make the adjustment to fix the rate received from the API so that proper execution decisions can be made.

Q: Will TMS technologies in the future provide best practices in freight auditing?

A: Not likely. The North American shipping market has not pushed TMS technologies to exhibit intimate knowledge of the transportation industry nor carrier's rules tariffs. TMS technology companies are not equipped to handle paper invoices nor source their own EDI integration with carriers to handle such large tasks for fees as low as 50 cents per invoice. TMS companies lack the resources to perform the services and auditors lack the technology resources to provide TMS systems. The shipper is caught in the middle as the only party left holding the bag when charges are incurred, but not caught by the TMS system or the auditor.

BRAD HOLLISTER

Executive Vice President
ClearView Audit

Q: Looking at ClearView's suite of solutions, what makes you different?

A: ClearView Audit has taken an unprecedented approach to transportation execution. By providing clients with dynamic load planning between all modes of transportation, monitoring shipments in real time during transit, and settling invoices, our rapidly growing customer base has all of the tools necessary to monitor supply chain performance in real time. ClearView often encounters companies who have purchased a TMS where rates are loaded incorrectly or carrier tariff rules are not updated.

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Advice for Transportation Departments: Gaining Corporate IT Buy-in for TMS Solutions

Q: What pushback should transportation leaders anticipate from IT when proposing a TMS implementation?

A: Corporate IT departments are frequently ambivalent about cooperating; sometimes even actively working to undercut the proposed initiative because there's a perception that any new enterprise software deployment adds significantly to IT's workload during implementation, integration, and thereafter with respect to maintenance, training, and support.

Q: You're suggesting these concerns are unfounded?

A: Yes and no. Some TMS solutions require significant effort from the customer's IT department to deploy and maintain. The distinction is between on-premise solutions and Software as a Service (SaaS) or "cloud" solutions. IT departments are typically stretched thin and adding another on-premise solution – with the hardware maintenance and user support burden involved – means more work and responsibility. Conversely, a cloud-based TMS from a reputable provider requires very little time or effort of an IT department.

Q: Why does a cloud TMS require so much less attention from the customer's IT department?

A: The SaaS model TMS is hosted on servers owned and maintained by the TMS solution provider so there's no server (or any other hardware) configuration or maintenance required of the customer. The only thing IT has to ensure is that logistics users have a current web browser like Firefox or Chrome installed on their desktops/laptops/tablets. Any system/user configurations are handled by the solution provider.

Scaling up or down, adding or removing users, configuring permissions, and most other tasks are also handled by the provider. So is user support like resetting passwords and all other typical help-desk support. Further, user training is not something IT has to manage. That, too, is done by the provider.

Q: Aren't integrations for a new TMS labor intensive for IT?

A: Not for today's leading SaaS TMS offerings. Remember, contemporary cloud solutions are built using Service Oriented Architecture (SOA). SOA is a software design strategy for simplifying integration across all systems. Cumbersome legacy integration protocols are replaced with web-services platforms that connect systems via APIs for faster, standardized integration. Modern web services employ powerful data encryption to ensure data security.

Don't be misled by IT's suggestion that integration is an obstacle stopping you from selecting a real Transportation Management System, instead settling for a limited logistics tool bolted on to an ERP solution.

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