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

Learning from the Fast Fashion Groundbreakers

Nick Boland

Director, Global Product Marketing, Amber Road

Q: *Speed-to-market has become the top market pressure for retailers. What can other industries or CPG manufacturers learn from "fast fashion" leaders like H&M, Uniqlo, and Zara who are able to go from concept to shelf in weeks?*

A: Attaining raw speed requires an overhaul of your supply chain. To truly match the clock speed of modern fashion, companies must achieve supply chain transformation through flexibility, control tower management, and data analytics.

To stay ahead of the pack, decision makers need to be sure they are implementing advanced technology solutions with the following attributes:

- A very robust and comprehensive data model, able to model the global supply chain for all functions as well as all countries.
- In addition to the digitization of the global supply chain data, digitization of the export and import regulations for all countries. This allows for the automated processing of those regulations.
- A rich set of capabilities to allow for the sharing (collaboration) of

information as well as automation functions to perform the tasks required without human intervention.

Q: *Speed is only one factor. What other features of good supply chain execution are critical?*

A: The example set by these forerunners of rapid product development demonstrates the importance of more than just lightning fast lead times. Their entire business models are oriented around agility: always looking for new trends and creating shortened design-to-build cycles that can respond rapidly.

However, when it comes to being agile, normal efficiency practices don't cut it. There's a limit to how quickly even the most organized supply chain can prototype, manufacture, and ship.

This level of coordination requires visibility and digitized, connected systems able to orchestrate and manage inventory and get it to customers quickly. Combining these requirements with business insight generated from structured and unstructured data and predictive analytics enables the manufacturer to know where the product is at any given point in the lifecycle—and deliver through whichever channel where consumer demand is greatest.

This is "supply chain digitization"—the ability to transform the way we do business by moving data over the web instead of on paper.

By transforming the global supply chain via digitization and leveraging collaboration, automation, and analytics, a robust and comprehensive GTM platform creates value by not only providing speed-to-market to stay on pace with the fast fashion manufacturers, but also improves margins, agility, and risk management.

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How to Choose a TMS Vendor That's Right for Your Company

George Kontoravdis, PhD

President, Fortigo

Q: *What are some important things to consider when selecting a TMS solution?*
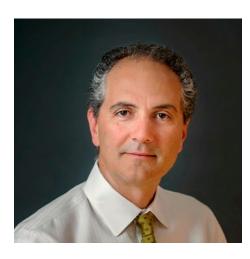
A: Deploying a Transportation Management System (TMS) can be complicated, time-consuming, and expensive. Fortunately, this does not need to be true, thanks to systems with a Software-as-a-Service (SaaS) delivery model, which help you navigate the process of selecting and deploying a TMS solution in a fraction of the time and cost of traditional solutions.

Frequently, enterprise-wide TMS are identified as the most needed add-on module to established ERP and WMS deployments. While enterprise TMS solutions are an option, realizing quick ROI greatly depends on the delivery model. A cloud-based solution beats the legacy deployment methods by an order of magnitude. Deployment time is measured in weeks rather than months or years. Cost is predictable, with a monthly subscription versus millions in capital expenses.

With the SaaS delivery model, the vendor manages the hardware, infrastructure, software, tools, and personnel. Upgrades are seamless, and there is no need to schedule deployment windows to support upgrades, fixes, and patches.

In addition, there is no concern about who on your team will work with the added servers, databases, tools, and network connections and whether or not they have the right skills for the task.

Because integration with existing systems is important, select a vendor with proven experience in quickly integrating with leading ERP or WMS systems. This requires an open system architecture that supports multiple data formats including XML, EDI, and Web Services.

The next significant integration criterion is the scope of carrier connectivity. The higher the number of carriers familiar with the solution you are evaluating, the easier it will be to establish data links between your TMS and your carriers.

Consider these features in the evaluation checklist:

- Open architecture to enable accelerated data mapping
- Support multiple integration options including XML, EDI and Web Services
- Proven record integration with commercially available ERP or WMS
- Growing integrated carrier network
- Ad hoc, real-time reporting
- Cloud computing capabilities
- Security, redundancy, reliability, scalability
- Support for all pertinent modes of transportation

Q: *How long should deployment take?*

A: Once you have decided on a cloud solution, narrow your list down further by looking for a vendor with repeatable processes that get their customers online quickly and smoothly.

A three-month deployment window should be your benchmark. A short and efficient implementation process means you can start realizing the return on your TMS investment sooner than later. Implementation best practices include:

- Pre-filled forms to guide requirements gathering and configuration
- Experienced deployment team with domain expertise
- Regular stakeholder check-in meetings

Rapidly realize ROI (in some cases, 10-12 weeks) with a short deployment cycle, savings in hardware, tools, and personnel.

Fortigo works hard to get you up and running easily. Considering a TMS? Contact us first to discover how we can meet your needs quickly and save your organization money.

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Today's Options in Technology To Improve Your Transportation Program

Ian Tsai

Executive Vice President, KDL

Q: *What have been the technology changes in transportation?*

A: As we have seen in other industries like Netflix with entertainment content or Airbnb with hospitality, we are also seeing innovative technology, i.e. Uber Freight, trying to disrupt the transportation industry. All of these technology advancements benefit everyone that is in our industry.

For a shipper, it provides boundless visibility through a single click of their mouse. To a third-party logistics (3PL) provider or carrier, it provides the ability to offer dynamic pricing or rates to shippers based on carriers' current supply and demand. The days of EDI connectivity are quickly becoming outdated and replaced with real-time data feeds that benefit both shippers and their shipping partners.

Q: *Why does TMS software vary so significantly in cost?*

A: There are many TMS packages that are one-dimensional. They are usually strong in one of the core modes — truckload, less-than-truckload (LTL), or small package. If you are a small, basic shipper, these types of software may suit your needs. If you are a growing shipper with a complex supply chain, you most likely would desire a TMS that is multi-modal and has the ability to think on your behalf with planning, optimization, and data algorithms that directs you on how to move your shipments.

The decision is with the shipper on how much they are willing to invest to enhance their logistics efficiency. The more you invest, the greater the return on your investment.

Q: *What are the primary differences between working with a software provider vs. working with a technically advanced 3PL?*

A: Working with a software provider will give you a fraction of the advantages and benefits that a 3PL can provide you. An enhanced system from a software-only provider may be enough for simplistic shippers to achieve the type of productivity they are looking for. However, working with a software-only provider, they will never be able to support you with carrier management and price negotiations, freight audit processing or logistics management duties such as inbound and outbound routing control, freight consolidation, mode optimization, etc.

Some software-only providers and 3PLs can also offer technology integration directly into the shipper's Enterprise Resource Planning (ERP) program or their main operating system. Instead of jumping back and forth between a shippers' ERP and then a TMS to quote and move a shipment, everything can be done within the shippers' ERP program. The decision for the shipper is whether they want to license or integrate with a technology provider or partner with an advanced 3PL.

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Silicon Valley is Helping the Logistics Industry Grow Smarter, Instead of Bigger

Adam Compain

CEO, ClearMetal

Q: *How can shippers and service poviders cut through the clutter of tech talk around AI and machine learning?*

A: The most important thing to remember is that machine learning is not a generic box you can buy from just anyone, plug in and have work. The shipping industry is so complex and nuanced that any AI or machine learning solution must be custom built for logistics for it to deliver scalable value. Also remember that machine learning and AI solutions are not all created equal.

Q: *Why is there so much interest from Silicon Valley in the logistics industry–and vice versa?*

A: In short: because the two worlds can really help each other—and there's such massive value to be gained through partnership. We see incredibly talented and experienced supply chain professionals who are unfairly burdened and not equipped with the best tools.

The machine learning and AI used every day in Silicon Valley can be of great help, especially at a time where economic pressures are requiring innovation beyond the four walls of the supply chain.

The logistics industry has spent years throwing capacity and scale at its problems. Shippers and service providers have added bigger ships and ports, capacity and buffer stock. But bigger no longer means better. Enormous pressures are weighing on the industry, forcing it to be more efficient in operations and assets.

A tighter handle on the movement of goods is needed and the only way to get smarter and more efficient is through data intelligence (versus scale). A select few companies are customizing Silicon Valley data science for supply chain. They are delivering high value to supply chain operators—and therefore gaining rapid traction.

Q: *Where is there value being captured today?*

A: One area of low-hanging fruit is the deployment of machine learning to cleanse and sort data to prepare it for greater simulation and analysis. The state of data today is an inhibitor to innovation. There is immediate value in using machine learning to solve the data problem.

The sexier use cases for AI and machine learning include predictive logistics and things like PTAs (predictive time of arrival) to know four or eight weeks out what will happen with regards to shipment movement or trading partner decisions. The shift from guesswork and estimations to data-driven predictions will be the most impactful result of AI.