3 x TRANSPORTATION INNOVATIONS THAT CAN DELIVER A 3 x YEAR ROI

Managing the supply chain has changed rapidly in recent years. Customer preferences and driver shortage constraints have limited capacity growth. The ultimate solution of driverless vehicles looms, yet lingers around the R&D stage, until such time it becomes commercially viable.

However, that doesn't mean logistics managers are forced to deal with process inefficiencies and a lack of agility in terms of customer preferences while waiting for this "ultimate, one solution fixes all" driverless vehicles to come into play. The inanity of such!!

No, there are exciting (and modestly inexpensive) innovations entering the market today that deliver a ROI within 3 years and will continue to provide value as other problems come into focus.

Here are 3 to consider:

1. A Unified Platform to Achieve Enhanced Operational Visibility:

Visibility into freight, from inception to end user, has become a necessity in today's competitive marketplace. Yet, this visibility has always been hampered by the control of data by a carrier's Transportation Management Systems (TMS). As such, blind spots in the supply chain are evident and it has complicated the challenge for a complete analysis of data for optimal performance

and cost. New generations of TMS's (cloud and on-prem) are addressing this limitation by incorporating carrier data together with data from order management systems, WMS's, other TMS's and ERP systems. By integrating all this data into one unified platform, the supply chain becomes visible again, to all stakeholders that necessitate this type of information. With real-time data, from all these systems and sources, management can quickly analyze and resolve freight issues, even before the customer becomes aware of them.

Realize ROI through:

- Time saved calling and emailing to resolve issues

- Enhanced use of analytics by consolidating all relevant data in a single platform

- Lower costs without compromising performance

- Stronger customer relationships
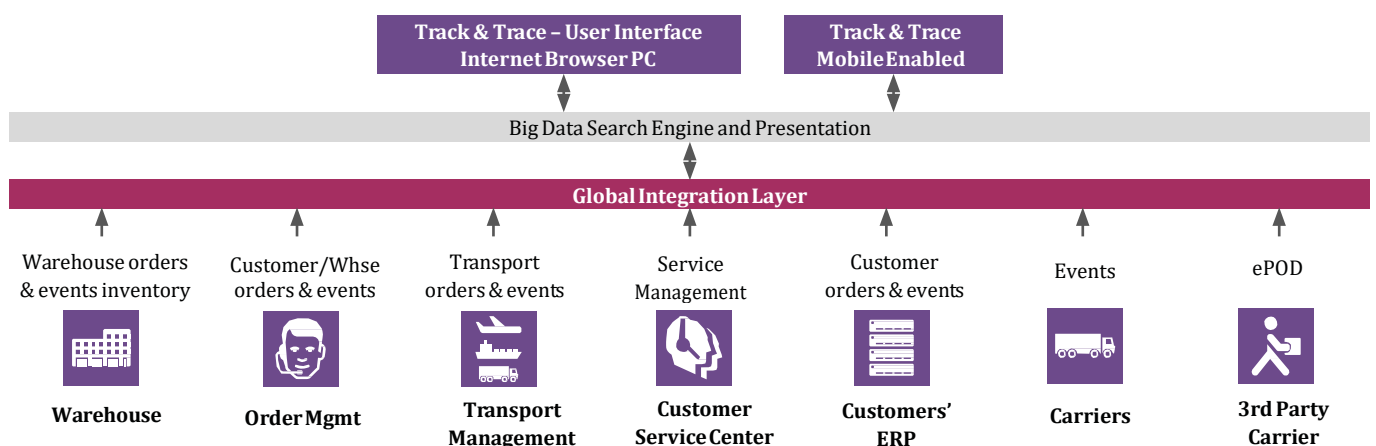
2. Big Data and Predictive Analysis to Mitigate Risk:

Macroeconomics like political instability and climate changes, as well as micro economic like consumer preferences and company competition, are some of the factors that create uncertainty in transportation that can lead to inefficient pricing models and unsatisfied customers.

By having real time prompts and alerts on these changes, managers can better react and predict on how best to adjust their current operations to solve and serve their daily customer needs.

As more of these problems and solutions are experienced, machine learning internalizes these instances to help management become more equipped in times of uncertainty. These unified platforms evolve into risk management platforms that combine big data and machine learning to solve supply chain management disruptions before they occur, whilst also examining and building SOPs on a regular basis.

In terms of analytics, you can dig deeper into the data and look for correlations between the attributes and perform statistical analysis, linear regression models, logistic regression models, multi-variable linear regression models etc.

In summary, once you have some form of a unified platform, even if it is solely used for analysis and not operational use, note that it will evolve into a risk mitigating platform which will provide a multi-tiered view of your organizations sales, operations and value-add, so that suppliers, customers and the whole supply chain environment can be better managed/analyzed by the business and capture the real drivers of productivity and profitability.

Realize ROI through:

- Avoiding potential supply chain disruptions before they occur

- Focusing on changing preferences and trends in the supply chain to better serve your customers

- Sustaining competitive advantage through flexibility and predictive analysis

3. Find Capacity Through an Internal Market Information System

Organizations have a wealth of un-used or un-analyzed data at their disposal. The main reason for this underutilization of data is due to the time lag from data creation to data analysis. Data needs to be managed and leveraged as soon as it is created, appended to the current statistics, and allow for real time information flows and close to real time reaction speeds.

E- Marketplaces offer these real time efficiencies. For example, when a hotel room is booked, their availability is reduced, and the remaining prices go up for that particular type of room.

Logistic companies, however, do not have the same securities for demand and/or price comparisons. There are a lot of factors to take into account i.e. which types of transport are involved, which routes, what weight, how valuable the item is etc. There is no external "trivago" or "Skyscanner" for the logistics industry. External prices are hard to benchmark, and thus internal prices not accurately quoted. Many deals are lost in this way.

A solution to this problem can be evidenced by creating an internal market information system, whereby metrics previously outlined, can be analyzed on a daily basis, so that sales reps can construct more accurate quotes based on current market information. Real time analysis of failed vs successful quotes will increase your success %'s. This analysis is only good if it is initiated automatically and in an instant, and communicated to the right people, at the right time.

Realize ROI through:

- More accurate/competitive pricing models

- Increasing success rates

- Reducing the amount of phone calls

- Allowing insight into all Sales Ops performances