BIZCOMMUNITY

Integrated technology mindset needed for logistics success

By Grant Marshbank

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Solution buzzwords in the logistics industry are often abused as blanket statements for empty promises. The intentions held by those overused words are however still the stepping stones to success for the logistics industry.

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The cement holding the stepping stones together is a change in approach towards an integration mindset; the understanding that no part of the supply chain should be reported on in isolation. Unless you start with an integration mindset, you're going to end up with only a subset or snapshot of what you actually need to make informed decisions.

Solutions must be more than just software

The solutions and advice available in this day and age should enable the industry to not only compete locally but outperform a highly advanced global logistics industry. Software should not only create and store data; it should be able to leverage data.

Rather than just selling software, solutions providers should be able to assist clients in ensuring that their client environments are ready for new technology. This demands an awareness and understanding of all the different systems that are operational both inside the client's supply chain, as well as external to the client's supply chain environment. This understanding should be supported by the ability to proactively facilitate the true, automated integration between the systems. Manual interventions at set periods in time is a reactive mechanism and is simply not good enough anymore.

Integration must be instant and automatic

The state of a supply chain can be influenced by so many factors that it has become critical to collect and process data in real time. Only once data managed by various pieces of software can be viewed together in real time, can a true view of the state of a supply chain be presented and used as a basis for informed decisions. It is this type of integration that is the differentiator between the current status of a business and industry, and innovation leading to growth and achievement of strategic goals.

The visibility of the data that can help drive innovation is often promoted as a simple visualisation toolset. The disadvantage of these simple toolsets is that they are not robust enough to establish connectivity between different systems. The connectivity effectively normalises data into a format that can be displayed in real time, in a method that is understood by those that need to make decisions influencing competitiveness.

Business intelligence must lead to innovative decisions

What is needed is an intelligence layer to enable various stakeholders in the supply chain to make well-informed decisions. Such an intelligence layer doesn't merely package the data. It first goes through a process of system integration, data normalisation, data analysis, converting data into information, and only then delivers the visualisation. All these highly complex processes happen in a matter of split seconds.

This lighting-fast process allows stakeholders with various levels of skill, and different areas of interest, to be informed by one set of insights. With a manual process, interpretation is largely subjective and demands a massive amount of resources that usually deliver the insights by the time any reaction will have little to no effect.

Analytics must deliver objective insight

Data in the logistics industry is typically poorly structured and supply chains can learn a lot by just structuring their data properly. While deploying software in the supply chain usually sees linear gains, the industry can benefit from exponential growth from decisions based on integrated data that unlocks hidden value. Real-time transactional insights trump flat analytics in terms of visibility of any business process, stock levels, return times, productivity, cost and waste management, comparing actuals to prior or forecasted information and much more.

Knowledge Integration Network companies and software providers can work together towards a common goal that protects sensitive data while mining the most value to the benefit of the entire supply chain.

What is needed is a platform that allows for the successful translation of any electronic message into any format required by various enterprise or materials resource planning systems currently used by supply chains. The translation then allows full electronic data communication between client and supplier bases. To enable real-time supply chain management, the translated data needs to be presented in a single, secure platform that maintaining full visibility and traceability of all transactions.

The test for whether a system offers true integration is that it must deliver end-to-end, real-time, visibility of data across the entire supply chain including service providers, trading providers, warehouses, and distribution providers. Once-a-month integration via a manual process is not enough anymore.

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