

THE **DESCARTES**  
SYSTEMS GROUP INC.

HELPING CUSTOMERS DELIVER™

BUSINESS WHITE PAPER

Global Logistics  
Network – the  
“MySpace/Facebook”  
of the Logistics Industry



Transportation and logistics operators are operating in an increasingly complex and competitive marketplace. There is a continued drive to automate, standardize and globalize processes. Lead times and variability are being placed under a microscope. Trade and regulatory/customs compliance requirements continue to grow. E-commerce is alive and well. And every industry player is focusing on creating “green” supply chains. As a result of these trends, companies are putting increased focus on all the elements that can help to improve their operations, including improved operational efficiency, enhanced customer care, reduced complexity and more streamlined regulatory compliance processes.

This is dramatically changing the roles that traditional Electronic Data Interchange (EDI) networks or Value Added Networks (VAN) have played in the transportation and logistics market.

Today collaboration is blurring the lines between disparate functions. EDI is being integrated with other technology applications to drive cooperation and capabilities to improve end-to-end shipment management and logistics processes. These networks and VANs have become much more than the transfer of structured standardized data from one computer system to another. They have evolved into logistics communities that extend beyond the simple interchange of logistics information to also provide value-added application services that can help enterprises standardize business processes and streamline their logistics operations. This new breed of logistics functions become part of a global, multi-modal and multi-process community that leverages the power of the Internet to realize all the benefits of a software as a service (SaaS) delivery model.

One could think of this phenomenon as the “Facebook or MySpace” of the logistics community. Facebook defines its network as social utility that connects one with the people around them. MySpace is an online community that lets users meet friends' friends. This Global Logistics Network does much the same thing. It is a collaborative network that connects logistics service providers and their customers to help them share information and streamline processes. It brings together shippers, transportation carriers, forwarders, government agencies and other logistics intermediaries; enabling and encouraging them to work together to create standardized business processes and improve efficiencies. Logistics-focused global networks enable participants to manage multiple transportation methods (air, ocean, truck, contract carrier and private fleet) and business processes. In other words, one network, many connections and multiple processes.

There are many advantages to be gained through a global logistics network in terms of improving an organization's operational efficiency, reducing complexity, improving customer service and complying with industry and government regulations.

### **Network Combined with Value-added Applications = End-to-End Shipment Management**

The global logistics network provides not only the connections to multiple parties around the world to enable document exchange and messaging. These connections and data resources can

also be leveraged through value-added applications designed to manage specific business processes. Once on the network, authorized users can extract and integrate data for many functions throughout the shipment process.

As modular offerings, these applications enable organizations to implement them one at a time or in combination to manage any portion or the entire end-to-end shipment management process – from source to consumer – with ongoing real-time visibility. This type of delivery model speeds implementation time, which translates into fast time to value with minimal operational and financial risk on the customer side.

### **A Community with a Vision and Focused on Logistics**

To succeed over the long term, a community-focused network should have a vision that fits current and future requirements and will support the migration to next-generation applications. It should also continue to drive industry best practices and standardized business processes.

When combined with a phased implementation approach, organizations can generate value-based metrics against which performance can be measured. Those metrics can vary depending on a company’s needs. Those with complex transportations centric operations and/or differentiate themselves through logistics services for example, have different business process requirements with different regulations. Having the support of a logistics-focused community will ensure that the growth and stability of value-added applications and community members are relevant to logistics operations of all types.

### **Standardization and Automation**

These community networks also play an integral part in standardizing and automating a number of functions throughout the shipment process. Standardizing these processes across community members avoids the need to re-engineer processes each step of the way. At the same time, it dramatically reduces the need to re-key information, eliminates paper consumption and reduces the time spent sending faxes and making multiple phone calls. Since community members have real-time visibility into shipment status, they can dramatically improve efficiencies, speed deliveries and reduce overall costs.

### **Implement Technology that Fits Your Business Needs**

There are many sophisticated logistics technology applications available to help organizations drive efficiencies and boost service. A hosted, Internet-accessible, pay-by-transaction SaaS (software as a service) logistics solution is the ideal choice for companies looking to avoid the financial and operating risks associated with up front licensing, installation, implementation and training costs; or for those seeking advanced functionality without the complexities of software integration.

Like the electricity needed to run a television, EDI is important and valuable. However, it is the value-added applications that run on that television (Wii, High Definition DVD, TiVo, Stereo etc) that deliver the true impact. VANs and EDI networks are here to stay, but community-based



networks are delivering the operational and service value that the industry is demanding. Connecting and collaborating with peers on a global network is what delivers the most meaningful results.

## About Descartes

Descartes (TSX: DSG) (NASDAQ: DSGX), a leading provider of software-as-a-service (SaaS) logistics solutions, is delivering results across the globe today for organizations that operate logistics-intensive businesses. Descartes’ logistics management solutions combine a multi-modal network, the Descartes Global Logistics Network, with component-based ‘nano’ sized applications to provide messaging services between logistics trading partners, shipment management services to help manage third party carriers and private fleet management services for organizations of all sizes. These solutions and services help Descartes’ customers reduce administrative costs, billing cycles, fleet size, contract carrier costs, and mileage driven and improve pickup and delivery reliability. Our hosted, transactional and packaged solutions deliver repeatable, measurable results and fast time-to-value. Descartes customers include an estimated 1,600 ground carriers and more than 90 airlines, 30 ocean carriers, 900 freight forwarders and third-party providers of logistics services, and hundreds of manufacturers, retailers, distributors, private fleet owners and regulatory agencies. The company has more than 300 employees and is based in Waterloo, Ontario, with operations in Atlanta, Pittsburgh, Minneapolis, Ottawa, Washington DC, Derby, London, Stockholm, Shanghai, Singapore and Melbourne. For more information, visit [www.descartes.com](http://www.descartes.com).