

World-Class Logistics Operations Require Multi-Party Processes and Technology

Q: How can supply chain technology help businesses improve logistics operations?

A: The majority of IT solutions available today constrain logistics operations performance. Most logistics problems are inter-enterprise, but the majority of logistics technology solutions are enterprise-focused. As a result, too much of the coordination still takes place over email and phone, and only involves the buyer and seller—not the transportation and logistics companies that actually move the goods. Even when collaborative planning is common, as in the retail or distribution markets, the flow of products from suppliers often fails to match the requested quantities or delivery dates. As changes occur across the supply chain, not all parties are aware of the changes or their impact.

Three important inter-enterprise factors to consider when evaluating logistics technology are:

Multi-party solutions. Multi really means many—buyers, sellers, logistics services providers, brokers, and government agencies. Coordination has to occur across the business process, and each participant should be aware of changes that occur and their impact. Multi-party

Cloud computing. To work effectively, these solutions cannot be delivered by a single enterprise solution. The technology provider must act as a neutral party, working across the supply chain partners, standardizing processes and harmonizing data. Cloud-based solutions have the sophisticated capabilities to run large, complex multi-party supply chains.



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solutions provide participants with visibility to the total process and help ensure the efficient and effective flow of goods. Maintaining data and function control allows only the relevant data to be shown, and changes can only be executed by authorized parties in a pre-agreed upon way.

Network-based data sharing. Effectively collecting and disseminating data is the single biggest obstacle to achieving high-performing logistics operations. The data business is messy, and requires a network to clean it up. Information comes from all supply chain participants, whose capabilities vary, and it has to be synchronized and parsed before it gets to the multi-party applications. In addition, tools must address “high-tech”, “low-tech,” and “no-tech” parties that exist along with wireless and GPS-related sources.

It is now possible for companies to implement multi-party processes and technology that are quick to deploy and require minimal upfront investment. The challenge for supply chain executives is to think differently about the processes and technology now available to give them greater control of their supply chains and fully leverage their partners.

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