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LOGISTICS
# IN MOTION:

MOVING DATA IS AS
IMPORTANT AS MOVING GOODS

I nformation is the hidden element that moves behind the scenes in parallel to the movement of freight. Although there has been much industry analysis on the cost of moving physical goods, the actual cost of moving freight-related data is unclear. What is clear, however, is that the more manual the processes and the more disparate systems involved, the more expensive the whole proposition is as a result of lost, inaccurate, inaccessible or unavailable data. With the entire logistics and transportation industry characterized by even greater change, what is also clear is the rising premium on the movement of quality data for regulatory compliance, customer visibility and shipment monitoring, alerting and exception management.

Data in Motion

With already tight margins for participants across all modes of transportation, freight rates may remain fixed or have little wiggle room. However, the methodologies used to aggregate, display and move the added component of data, and in what format, is often a key differentiator for success in today's competitive marketplace. Freight forwarders and logistics service providers frequently serve as the central communication conduit between carriers, regulatory agencies and other supply chain participants as cargo moves. As a result of this pivotal role in the marketplace, these companies are uniquely positioned to view "big picture" scenarios that address the best methods to move goods as well as data. And what leading companies are demonstrating is that moving information better—repurposing data, improving accessibility, enhancing visibility and supporting the latest data standards—means moving freight better.

DESCARTES™ Global Logistics Network™
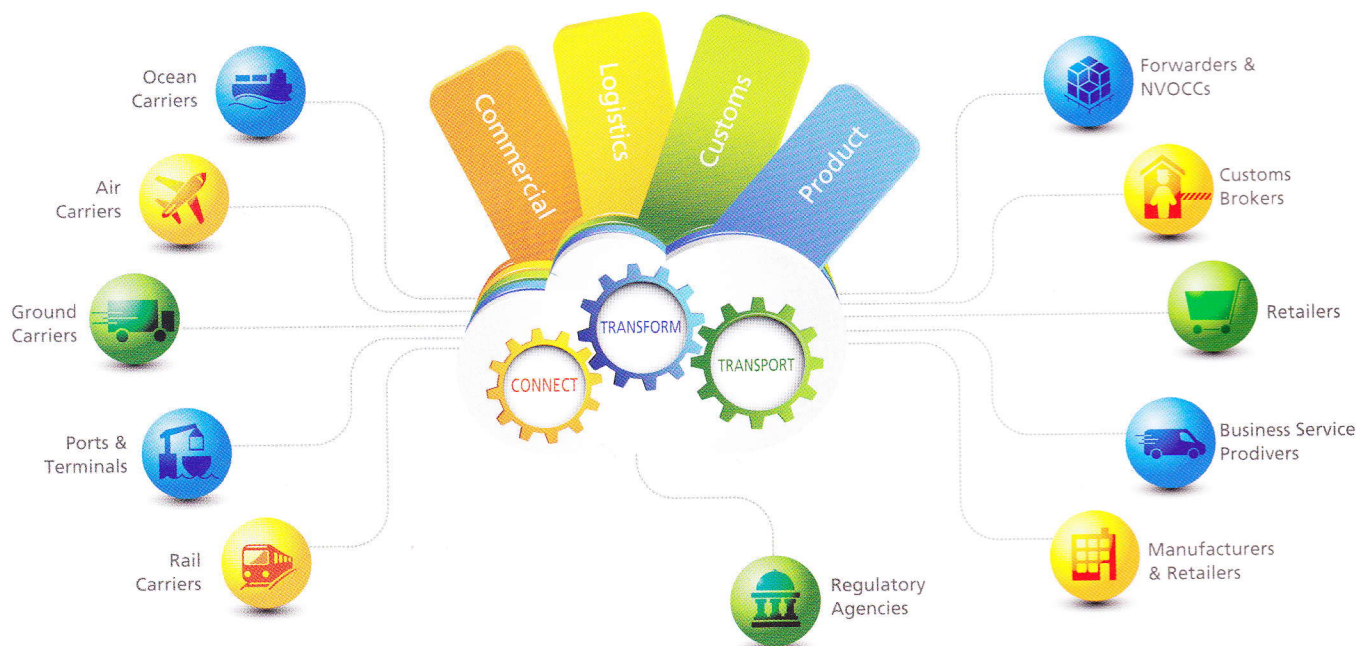
All types of businesses use Descartes' modular, cloud-based software solutions to complete numerous logistics processes and participate in the world's largest, collaborative multimodal logistics community.

Data Repurposing

From large to small, leading freight forwarders and logistics services providers are deriving benefits through the active reuse of data. Even today, data is still manually entered multiple times across a number of internal, partner and client channels and into completely separate accounting systems and government-based systems of record. Given the sheer volume of shipping information and the complexities of things like customs compliance and security filings, the cost of duplicate data entry is high regardless of business niche or geography. It affects receivables, drains productive time from employees across many departments, clouds visibility, weakens compliance and unmistakably slows down the movement of goods.

Leading organizations are bringing shipment planning and execution, import and export document generation and back-office accounting functions together on a single platform. The ability to collect shipment information from multiple parties and to leverage shipment-related data to populate accounting systems and government systems of record helps significantly to improve accuracy and increase efficiencies. It also helps to minimize costs and effectively bill without data re-entry. Beyond this, shipment information can also be repurposed to satisfy any number of customs and security-filing related submissions. With global regulations on the rise, this is of key importance to companies who operate across different divisions, geographies and borders.

Information Accessibility

Leading freight forwarders and logistics service providers are gaining business by offering a virtual data port that can be easily accessed by a shipper's ERP system. With a connection at-the-ready, companies are more likely to see proposals turn into contracts and invoices into receivables. In addition to receiving data from target ERP systems, success also lies in transmitting data back to leading ERP solutions. In order to extend command of their operations and truly streamline information exchange with logistics partners, companies must leverage connectivity that is bi-directional. Beyond this, market leaders have also effectively mapped common data elements and fields such as SKUs, kits, supply chain participants and others into frequently used data formats and schemas.

The Right Type of Visibility

With respect to visibility, many companies already have cloud-based monitoring solutions in place out of necessity. However, the problem is that the majority display data statically and are not especially anticipatory or exception-driven. Systems may not offer meaningful data at the right time or in a format that is useful to the shipper. Customers may need to log in to multiple

systems, or could be bombarded with too much or too little data without user- or role-dependent display options. In addition, what may appear as an advanced display may ultimately serve as only a basic reporting tool when true functionality is analyzed.

Successful businesses are enabling mobile and cloud-based applications that actively anticipate scenarios and generate exception-based alerts or compliance notifications based on missed shipment milestones or quantity deviations with user-defined tolerance levels for resolution. They are also giving end customers role-based visibility into data and role-based access to documents, and proactively providing data in a way that is customizable.

The Right Format

As industry change and technology evolution continue to drive new data standards, many different types of organizations are moving to updated data standards to make better use of information. Many of the newer formats are championed by industry modernization programs and associations. The air cargo industry is a clear example of this trend as freight forwarders and logistics service providers move to adopt standards that were once only open to carriers. Tools such as the eAWB Multilateral Agreement and others bridge the gap between old data standards and new formats with little effort. Businesses are also moving from Cargo-IMP to Cargo-XML enabled technology or other eAWB solutions to take advantage of the benefits of a paperless airway bill.

No discussion would be complete without addressing Electronic Data Interchange (EDI) and similar formats that have been refined over a number of years. Some larger businesses have made substantial IT investments to build and maintain their own EDI systems—and proprietary data standards—but can find they wrestle

with too many IT challenges when their core competency is in moving freight. Successful companies have embraced EDI and are continuing to make the transition to frequently used standards. Businesses have a number of options as to how to implement EDI and are leveraging a number of tools to enable connectivity including web to EDI forms, data extractions and many others.

Bringing it all Together

For companies in the logistics and transportation industry, the task is two-fold: move freight and move data; however, it is not necessary to adopt a big data strategy to thrive in today's marketplace. Market leaders are carefully analyzing current, past and potential future business and selecting operational segments where better data management makes sense and can speed the movement of freight while enhancing customs compliance and security. Given the central position they play in the supply chain, as the hub of bi-directional information exchange with multiple types of supply chain participants, freight forwarders and logistics service providers are prime candidates to derive benefits from technology, pass cost savings on to customers and realize the critical gains that are essential to success.

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Scott is the Vice President of Sales in Western North America for Descartes' Logistics Service Provider (LSP) customers and also acts as the global strategic account manager for many international accounts. Scott has worked with the Descartes GLN™ solution suite for over 20 years and his experience in technology and logistics has added value in the development and deployment of new Descartes services and solutions. ✈