

Making the most of supply chain data

The importance of real-time data in logistics has been highlighted by the growth of home delivery. And managing that data is a challenge for logistics professionals, as industry leaders made clear at our round table sponsored by Blackbay.

In association with



The rise in omni-channel and the internet has come hand-in-hand with the growth of data. When managing an operational environment, working to achieve a balance in visibility, efficiency and cost, it is important to manage this data in the right way. Data may help overcome both current and future challenges in the market, but can too much information overwhelm the supply chain?

"There has been a huge change in pace within our industry," says Dan Myers, director of food business unit at Norbert Dentressangle.

"Demand has grown exceptionally and data has grown exceptionally – our biggest challenge is adapting."

Myers was looking at operational challenges at the Logistics Manager round table sponsored by Blackbay, the specialist in real-time mobility solutions for logistics.

He pointed out that consumers don't always necessarily know what they want until they're presented with the opportunity. "Sometimes you have to second guess these trends, and this is where data helps."

But one of the key challenges after collecting data, is using it to predict what the future is going to hold, according to client solutions director and former operations manager for London 2012 at UPS, Derek Irving.

"We now have a very changing landscape in terms of where e-commerce has actually lead us, and what it is telling us about the direction we're going in," he said. "You have to jump

one stage ahead of what you currently know."

Russell Bell, head of operations and service delivery at Cinram Logistics UK, agreed: "Data gives you factual information, but it's what you do with it that counts.

"It enables an emotional decision on customer behaviour or a prediction of what's going to come next to be enhanced, helping us make overall better decisions."

Making the best decision was indeed critical for Sony DADC's Natasha Tyrrell after 2011's summer London riots. Sony's facility in Enfield was destroyed by a fire during the uproar, and had to be completely re-built in 2012. It was then up to general manager distribution Tyrrell to be a visionary.

"Re-building the site gave us the ability to project out 10-15 years from now, but how accurate that will be then, who knows," she said.

"We work in an industry that is in decline in terms of the optical disk so strategically we've looked to reshape our total organisation through providing a vision of what we're going to become in the future.

"The customers are in a state of flux with the disk, a lot of them don't know what their next steps are, and a lot of them are very clear about their next steps - they know exactly what they want and when they want it. "Data is key, but it is also about having a vision."

Tony Leach, supply chain director at Horizon International, pointed out that there is also an issue of making data meaningful.

"One of the challenges we have with our



Meet the panelists



Alastair Charatan,
logistics programme
director, Aggregate
Industries



Natasha Tyrrell, general
manager distribution,
Sony DADC



Satnam Tank, network
planning manager,
NFT Distribution
Operations Ltd



Dan Myers, director of
food business unit,
Norbert Dentressangle



Adam Dykman,
European sales director,
Blackbay



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customers is that we can deliver the data, but it becomes too much information for us to absorb, so the challenge is to make that data meaningful- What's really going to drive a decision within the supply chain? What's going to reduce waste, etc?" he said.

"We have multiple data sources, be it in manufacturing, the physical movement of goods, the forecasting and customer fall, but we work on filtering that and pulling out the data that will make us a better service provider."

It's all about being easy to do business with, said Tyrrell. "If you're easy to do business with, people will be drawn to you, it's a key component."

Challenge

But Alastair Charatan, logistics programme director at Aggregate Industries, has a slightly different perspective, coming from a more traditional industry.

"Our challenge is that our customers do not know what they're going to get through day-by-day, they do not know what the weather's going to be like, what the temperature's going to be like, etc. - many unforeseen things come up," he said.

"One of the biggest costs in terms of our business is transport, we deal with hugely demanding customers who change their minds hour-by-hour, and some of our products have a very short shelf life, so we're looking at how to be more efficient in that very variable world, while maintaining high levels of customer service.

"New and powerful technology and data can help these very traditional problems."

Satnam Tank, network planning manager at NFT

Distribution Operations, believes that when it comes to challenges within the retail industry, it's all about collaboration. "It's about making that data useful for everyone to share- the supplier, the retailer, and the customer."

"But when you look at the retail world in terms of how they're changing their order profile, lead times are getting increasingly shorter," said Myers. "You can see a future where in certain sectors the supply chain will become almost stockless, and it is information that will lead us into a road mapping of how we deal with that."

Bell pointed out that no matter how much data is out there, it is forever changing. It is crucial to interpret and analyse the meaningful data, but with customers forever changing, contracts being won and lost, any solution used to support the present or predict the future needs to be flexible.

Adam Dykman, European sales director at Blackbay, wanted to know companies communicate with the end receiver. "How exactly do you keep them updated and get them the ability to reschedule, cancel, and so on?"

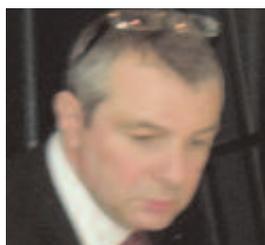
Aggregate Industries currently has a customer portal which gives some information, but is implementing a mobile solution. Charatan said: "All our drivers are outsourced, and not just to one 3PL, but to hundreds of individual operators. And for the first time they will have a mobile tool so we can see the exact status of our loads.

"At the moment once they leave our plant they are invisible, we don't know what's going on and of course the customer is ringing asking where their load is, but all we can say is it left half an hour ago, for example.

"Our vision is to put that mobile information on our



Tony Leach, supply chain director, Horizon International



Derek Irving, client solutions director & former operations manager London 2012, UPS



Russell Bell, head of operations and service delivery Cinram Logistics UK



Jeff Taylor, transport & logistics sales director EMEA, Honeywell



Tim Senior, European client development manager, Blackbay

customer portal, so they can see for themselves in real-time where their loads are and other information about it.

"We're going down the smartphone route because we have this very fragmented outsourced model- We're not giving the drivers equipment, they already have a phone.

"Doing this instead of having to pay for 1,500 vehicles to have all sorts of kit fitted to them, even if they're not working for us full time, is costing us nothing in terms of equipment."

Norbert Dentressangle also deploys mobile phone technology, but of a different kind, explained Myers: "We don't need a smartphone or an app – we just need your mobile number and we can pinpoint you to around five metres, which is close enough to know how far you are from a delivery point."

Charatan said the customer must know the destination of an order, because it all comes back to the old saying 'time is money'.

"A team of construction workers will not start their equipment until they see 100 tonnes or five lorry loads of product sitting on their site, they'll start up knowing they have the supply chain of material and that they won't have to stop work.

"Or if they can see two vehicles are there but the others are five/ten minutes on their way, they'll start then and there, instead of having to wait unknowingly for the vehicles to arrive.

"By knowing the location of their order they get more done in a day."

Interactive

Leach argued that it is important to bring the customer into the decision making: "We share interactive dashboards with our customers, enabling them to make intelligent decisions that will affect their supply chain.

"We give them visibility of manufacturers around the world, so they get a clear view of what's coming from that manufacturer and what's going to be available for shipping.

"So if there's a spike in Australia, for example, of a particular SKU or product, the client has the ability to go into the dashboard on a smartphone or smartphone device, and say 'actually we now want to direct this product into Australia as it hasn't sold so well in Europe'- it's dynamic decision making."

However, Charatan questioned if we are going too far with new technology and automation, saying that humans are the ones reacting to it, they are the ones answering help desk calls, so surely they should be in charge of the chain at some point.

"But automation drives efficiencies and actual tangible financial benefits," said Leach.

"We need to be flexible, the market is changing and the way in which people purchase is changing. With e-commerce and the pressure retailers have put on us as service providers, the expectations are so high that we need to have automation."

Irving argued that control is the critical issue: "We did a survey of around half a thousand online shoppers across six countries in Europe, and what they look for is control, control of the delivery experience, as well as a decent returns process."

Myers pointed out that choice was also important: "It's control and choice. As an omni-channel user I want choice; some days I want a delivery to come to my home, some days to my office, and others I'm happy to go and collect it myself."

The use of social media is something Blackbay has been testing on the market. "When you're shipping parcels around the consumer usually wants to know where it is, but not where it is within the supply chain, where it is in relation to them," said Dykman.

"We're looking at potentially having a tracker on Facebook, Twitter, etc, so the customer knows exactly how long the driver will take."



Social media is an overall positive technological advance in terms of business, said Myers. "It enables you to communicate with your customers in a different format – there's all this new technology out there and it's all about how you make sense of it from an industry perspective."

Tim Senior of Blackbay said it ultimately comes down to having visibility throughout the entire supply chain, because the consumer wants visibility as much as the manufacturer and anyone else within the supply chain.

Crowd logistics

Malory Davies, editor of *Logistics Manager*, highlighted the development of crowd logistics. "We are now seeing an increase in the use of the public and their personal services with the concept of 'crowd logistics', where anyone can offer to deliver an item on their route to work, for example.

"Crowd logistics will only work for small items though," said Charatan.

"No-one is suddenly going to say 'Oh, I'll put a pallet in the back of my mini', so it's only going to cover a small portion of the market.

"Of course there is room for change and growth there, but fundamentally we need to focus on what's going to improve the bigger markets."

Myers backed up the new concept saying there would be no point in a company tying up their assets in something that someone can do for them, without any hassle.

Speaking of up and coming developments within the industry, Irving said: "These solutions may sound outrageous to us now but we can't discard them.

"In our ever-changing world they may become completely logical in a few years, or even a few months, you never know."

Blackbay

Blackbay is the leading provider of mobility-enabled solutions for the Transport and Logistics Industry. The Company's configurable end-to-end solutions ensure first time, on time, every time delivery by connecting the shipper, operations, management, the driver and crucially the customer with real-time data and automated workflows to create smarter Delivery Companies.

Blackbay's solutions and its trusted partner network combine to deliver proof-of-delivery, real-time track-and-trace, dispatching, on-the-road processes, routing and scheduling capabilities to enable operations, drivers and other mobile workers to optimize the delivery process, streamline operations, improve compliance, increase revenue and enhance the customer experience.

Blackbay is at the forefront of innovation in the Transport and Logistics sector, as evidenced by the results it's has achieved with its customers. Blackbay has been providing highly scalable and configurable solutions for over 9 years to customers across the globe. Blackbay solutions are developed by logistics industry experts to address the complex needs of the industry.

Currently Blackbay solutions

support more than 6 million deliveries daily, over 8 billion transactions annually and more than 145,000 users. As a result the company has established proprietary workflows and domain expertise around the 'last-mile' of the supply chain, which is widely recognised as the most complex and challenging aspect of the industry. Utilising the company's flagship product Delivery Connect, Blackbay's customers have achieved significant efficiency and service level improvements, which drive a quick and meaningful ROI.

Blackbay has enabled customers to derive the following benefits:

- 65 minutes saved per driver per day, the equivalent of 6,500 hours per annum
- Successful 1st time delivery rate of 98.9% saving £0.70 per parcel
- 1 more drop achieved per day
- 60 minutes saved per dock worker per day
- €3 additional revenue received per survey at the doorstep

Blackbay has the ability to support a number of solutions that will improve delivery performance and consumer satisfaction and perceptions.

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