



CONNECTING YOUR BUSINESS TO A WORLD OF POSSIBILITIES

TAKE CONTROL OF YOUR SUPPLY CHAIN

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Abstract

Three ideas are presented to take control of your supply chain by taking control of your information. These strategies will deliver a competitive advantage to your business.

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Executive Summary

Three ideas are presented to take control of your supply chain by taking control of your information. These strategies will deliver a competitive advantage to your business.

Data is King

When managing your supply chain, data is king. The companies that have control and ownership of their information are best positioned for success. Yet, often I encounter companies that rely on their logistics providers to supply the data to manage their business, and typically in a reactive state. Companies in this position are often accepting poor performance or transactional relationships because they rely too much on the carrier's information. While convenient, this is not a position of strength. As a leader, this is not a place you want to be in.



In a perfect state, it is best to minimize your reliance upon your logistics providers to supply you with your information. The best practice is to own your data with a central repository of your information. This enables you to gain full visibility and drive improvements within your organization. Developing an Executive Dashboard to measure performance with access to the detailed information is recommended. The dashboard will identify trends or deviation from Key Performance Indicators. The information details will highlight the opportunities for improvement to grow your business more profitably.

Strategically, taking ownership of your data should be your number one priority. The next two topics can help you get there.



Creating Value with Freight Audit

Auditing your transportation bills with a third-party company is common practice offering great value for your business.

In addition to saving up to 10% of your transportation expense the audit process will build you a central repository of your detailed shipping information. This enables two important and strategic opportunities for your business. (1) It opens competition between logistics providers. Adding specialized carriers or competition between providers is critical for your business. If you are currently leveraging your business with one or a few providers, you are limiting this critical strategic initiative. The single source of data provided by an audit company allows you to expand your carrier base. (2) The data will provide the insight into your business that you need to identify areas of opportunity. As mentioned above, this will support the Executive Visibility and detailed information required to generate savings. If you are already using a company to conduct your pre-audit, ensure they are providing the value-added business intelligence you need.

Another consideration is a post-audit analysis. It is common to find duplicate payments, credits due, or opportunities missed by the pre-audit company. Most of these projects are done on a gain share basis which presents a low risk / high reward opportunity.

Ultimately, you want to be in a place where you own your information, have measurable performance indicators, and an Executive Dashboard to performance and trends. Using a freight audit company can help you get there quickly.

Single Source View of your Global Supply Chain

I have had the opportunity to work with many companies from Fortune 50 to small business. When it comes to International Supply Chain Management the common ground across companies is the lack of comprehensive visibility within their Global Supply Chain. International supply chains are complex, and many companies rely on their carriers, spreadsheets and emails to manage this critical function. The results are longer lead times, money tied up in inventory, customer satisfaction issues, and unbudgeted expenses. These issues add cost thereby reducing your profit. The following table is a summary of a typical versus optimal state.



	Typical State	Optimal State
Vendor Performance	Lack of visibility to	P.O. management to view key metrics & exceptions
Logistics Performance	From the carrier post issue	Real time view of all events from all providers in a single platform
Logistics Routing	Spreadsheet / No visibility to booking process	Automated routing & exception management
Exception Management	After the fact	Automated based on predetermined KPI's
Dashboard Reporting	Manual process from multiple sources	Automated and Customized to your unique supply chain
Business Intelligence	Reports from multiple sources with basic information. Not customized to your supply chain	Single portal, visualization of data, ability to query detail for ad hoc reporting
Information Source	Disjointed information from multiple sources that don't talk to each other	Single portal of all events in real time
Documents	Emails, Folders, Websites	Central Repository linked to the P.O.

Implementing a Global Trade Management System that allows you to use multiple logistics providers enables a best in class supply chain. Many logistics providers will offer this product but will not allow other logistics providers to communicate with their system. Why, you ask? Strategically they want you to be reliant upon them. If you find yourself in a typical state, you are at a disadvantage but don't worry. There are options available to enable an optimal state without a significant investment of resources. Do your research but don't wait if you are in a typical state. It is costing you time and money.

Conclusion

If you are limited in time and resource the strategies outlined in this paper will propel you to a position of managing your logistics and supply chain proactively.

Data is king and those that have control of their information rule the castle.

About the Author

Jim Stewart has 25 years of Logistics experience working for and with Fortune 50 to small companies across multiple business models including; eCommerce, Distributors, Manufacturers, Third Party Logistics, and Freight Forwarding companies.

In his latest role on the business side Jim served as Director of Transportation for Ingram Micro in a high velocity distribution, eCommerce, and 3rd party logistics environment. Jim lead the North American Transportation functions and developed the strategy for transportation initiatives that resulted in cost savings, business process improvement, margin improvement, and sales growth opportunities for the company.

In addition, Jim has held various Executive Operations and Business Development roles for International and Domestic Freight Forwarding companies working closely with the client base to support and recommend enhancements to their supply chains.

Jim is now applying his passion, experience, and expertise to working collaboratively with his clients to identify and implement best in class strategies to enhance their business.