

BRIEF

AGL joins BiTA, says blockchain can enable greater visibility

By **Kate Patrick** • Jan. 25, 2018

Dive Brief:

- Hopping on board with FedEx, Penske and UPS, American Global Logistics (AGL) announced they're joining the Blockchain in Transport Alliance, according to press release emailed to Supply Chain Dive.
- AGL cited a Gartner statistic that "the business value-add of blockchain [will be] at \$176 billion by 2025, and then exceeding \$3.1 trillion by 2030."
- AGL CEO Jon Slangerup told Supply Chain Dive he believes blockchain will provide a minimum of 20% in cost savings for supply chains, "equating to hundreds of billions of dollars of savings within our industry alone and more than a trillion dollars across all sectors and supply chains."

Dive Insight:

There's a lot of hype around blockchain right now, and AGL thinks that, even though many blockchain projects may never leave the development stage, project failure is a natural part of the adoption process.

"BiTA's main focus is on developing a community of logistics and supply chain leaders who will establish global standards and educate industry on blockchain technology," Slangerup told Supply Chain Dive. "Considering the fact that the majority of general technology projects fail, it's not surprising to hear that, to date, only a small number have succeeded. Any company that

bases its success on technology has a high risk of failure — competitive landscapes are crowded and there's always a 'shiny new toy' vying for audience mind and wallet share."

Slangerup thinks it's just a matter of time before companies figure out how to use blockchain effectively for different industries. The pressure is on because the benefits are so great, and once companies figure it out, blockchain will transform the way business is done and supply chains run.

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CEO, American Global Logistics

"Our hope would be that blockchain may enable greater visibility of information within supply chain logistics while ensuring the security of that same information," Slangerup said. "One of the greatest opportunities our industry has for supply chain optimization boils down to information access, visibility and security in order to respond quickly and efficiently to anything that might disrupt timely flow of goods and information through the numerous hand-off points that comprise any typical supply chain. I refer to this as custodial control, and blockchain, current media hype aside, could actually be such a solution for information custodial control."

As the technology continues to evolve and companies experiment, big 3PLs are realizing they can't afford to ignore blockchain, even if it doesn't pan out for them.

"Our industry has been slower than others to adapt to advanced technologies, particularly involving information and automation," Slangerup said. "So our industry will be highly skeptical of blockchain unless it proves to become a competitive disadvantage to not engage."