



Software

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DIG INTO DIGITAL

WHAT CEOs NEED TO KNOW BEFORE IMPLEMENTING A SUPPLY CHAIN SOFTWARE SOLUTION



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[f](#) [t](#) [in](#) A robust technology platform is the backbone of a high-functioning supply chain.

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[f](#) [t](#) [in](#) The number of supply-chain platforms available can make a CEO's head spin.

For businesses that rely on their supply chains to operate efficiently, a supply chain technology platform is no longer optional. Driven by rapid IT innovation, an always-on omnichannel environment and global trade uncertainties, CEOs across the spectrum are deploying the latest [logistics systems](#) to keep their organizations competitive.

Businesses spent an estimated \$13 billion on supply chain management software in 2017, an 11 percent year-over-year increase, according to Gartner. That number is expected to climb even higher in the next few years, with total software revenues in the supply chain management market reaching \$19 billion by 2021.

At the same time, businesses have more software options than ever at their fingertips as more third-party logistics providers go digital. A growing number of 3PLs are developing platforms to strengthen customer relationships and improve operational efficiency. In a 2017 survey, 58 percent of 3PL respondents said they believe digitization of all services will be the most common improvement among freight forwarders in the next five years.

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Easing supply chain pains

For many shippers, improving supply chain visibility is the No. 1 reason for technology adoption. Two-thirds of businesses say they lack end-to-end visibility into their supply chains, yet that visibility is increasingly critical as shipping becomes more complex.

Most businesses today spread logistics spending among multiple carriers, which can reduce risks and costs, but that also means more to juggle. In addition, companies across every industry are working to keep up with the demands of e-commerce. Gone are the days of products moving directly from factory to warehouse to store: Goods now take countless routes from production to final destination, which means countless opportunities for something to go astray. And with an "everything anywhere instantly" mentality ingrained into customers, any hiccups or delays in the chain can quickly compromise customer relationships.

Choosing the right supply chain software

A robust technology platform is the backbone of a high-functioning supply chain. But with tech startups and 3PLs alike promising the latest and greatest solutions, the

number of platforms available can make a CEO's head spin.

So where should you start? The ideal logistics software solution is one that adapts to your business' unique workflows, allowing you to see every step in the supply chain and spot problems when (or before) they arise. Pairing that platform with a knowledgeable partner can make your supply chain even more agile, helping you source capacity, adjust routes and ensure your goods make it across the globe—even when things don't go exactly as planned.

When evaluating logistics software for your business, here are six key considerations for any CEO.

Can I customize it for my business? Bells and whistles are nice, but does that shiny new solution align with the modes and processes your business uses? To get the most value out of your investment, work with your solution provider to map out the players and handoff points in your current supply chain, and then configure the technology around them. Going through this exercise can also shed light on any inconsistencies and areas for improvement.

Can I see every step of my supply chain? From purchase order to customer doorstep, a platform that tracks every product move can help you stay on top of shipping milestones, spot trends and plan lead times more accurately. One important, but often overlooked, area is the actual manufacturing process. Many platforms don't offer progress updates during production, leaving companies in the dark if delays occur. For one manufacturer, the solution was building each step of its five-step production process into its logistics software. As a result, the company had visibility it needed to head off problems earlier, estimate lead times and ultimately improve customer service.

Can I access all my supply chain information in one place? Logging into multiple carrier systems to check delivery times or shipment status is not only time-consuming, it leaves businesses with a fragmented, and sometimes inaccurate, view of operations. While a [technology platform](#) can pull in real-time data from various carriers, you also need the assurance that the data is correct. Look for a supply chain provider who can scrub data in near-real-time, using algorithmic intelligence to determine whether it's correct and reconciling errors directly with carriers when it's not.

Can I manage by exception? For businesses with large global supply chains, keeping tabs on every single shipment just isn't realistic. An effective logistics platform knows this and provides the right people with the right information at the right time. Consider systems you can build around your business rules, from required documentation to delivery milestones for each buyer or location. By automating approvals based on those requirements, you can focus your attention on anything that doesn't look right.

Can my team access it from anywhere? Say goodbye to lengthy installations and application upgrades—SaaS-based solutions are quickly becoming the norm for supply chain management. By 2021, cloud technology will make up an estimated 35 percent of all supply chain technology deployments, with on premise solutions declining to less than 20 percent of total spending. For businesses with suppliers, factories and distribution points scattered around the globe, a web-based platform with user-based permissions can help keep stakeholders informed while also keeping sensitive details secure.

Can I measure the KPIs that are important to my business? How long does it take for your ocean shipments to travel from the South China Sea? Which of your domestic trucking carriers has the highest on-time percentage? A supply chain platform that can turn raw data into these kinds of insights drives greater value for your organization. Look for a solution with custom reporting tools, so you can establish and monitor the trends that matter to you.

Implementing a new logistics platform is a significant investment, but the right solution can yield even greater ROI. By combining powerful technology with an experienced team, businesses can position themselves to keep up with an ever-changing supply chain landscape.

[Jon Slangerup](#) is the chairman and CEO of American Global Logistics, one of the fastest-growing and most respected international supply chain and logistics solutions companies in the world. AGL's technology solutions extend beyond the walls of ocean, air and domestic transportation services for customers across the globe. Previously, Jon was CEO of the Port of Long Beach, and prior to that he served as president of FedEx Canada.

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