

The Game Has Changed - Time for a New Playbook



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John Richardson is Vice President of Supply Chain Analytics for Transportation Insight, an Enterprise Logistics Provider engineering technology-enabled, data-driven supply chain solutions that achieve significant cost savings, reduce cycle times and improve customer satisfaction rates. He has spent 20 years employing advanced analysis techniques to help companies across a broad range of industries optimize network design and improve business performance.

Evolving e-commerce service expectations force traditional retailers, manufacturers and distributors to rethink their strategies for serving clients. A two-day delivery normal—at little or no cost to the end consumer—pressures every supply chain stage, from raw material components to the finished product traveling the last yard to the customer's hands.

Retailers competing to deliver on service levels embodied by an Amazon experience expect their business partners to accelerate the flow of order to production. Manufacturers respond by adjusting practices to meet the needs of retail clients and seize growth opportunities that exist in directly serving end consumers. Direct fulfillment capabilities need retooling to deliver with excellence while maintaining profitability targets. In an age when consumer demand dictates the need for multiple distribution channels, is your supply chain equipped with the expertise and the flexibility necessary to not only survive but thrive?

While demands for service and speed of delivery propel organizations trying to ride the e-commerce wave, other challenging currents exist.

- E-commerce shipment capacity consumption influences an already tight capacity marketplace.
- International trade uncertainty around tariffs, trade agreements and security prompts global enterprises to explore nearshoring or onshoring.
- Trending technologies hold promise for the future of data visibility, but validating information accuracy and gleanable actionable intelligence impedes efficient network design.

In an ever-changing business environment, the days of maintaining a static supply chain strategy are over. According to the 2019 *Third-Party Logistics Study*, about 51 percent of responding shippers recognized the need to implement new supply chain approaches. Yet, 42 percent of those shippers have not made significant changes to improve operational agility within the past four years. Without a robust technology platform complemented by engineering expertise and deep logistics industry knowledge, many organizations are ill equipped to determine the best transportation strategy to serve the demands of their particular customer base.

Delivering an optimal customer experience requires a new perspective on supply chain design that considers product intricacies, unique consumer traits and enterprise goals. Shippers need a playbook that charts a strategy for obtaining better operational understanding while improving processes that most directly affect customer

satisfaction. Key components to a winning game plan include:

- Collecting, managing and analyzing supply chain data as the foundation of descriptive and predictive analytics that underpin AI-driven prescriptive transportation modeling around alternative alignments;
- Utilizing dynamic routing to determine least cost configuration for getting shipments to the customer;
- Recognizing total landed cost for each SKU offering and customer to determine item-level profitability and identify supply chain levers that can generate more return;
- Coordinating a diversified transportation strategy that combines all delivery options, utilizing the strength of each mode;
- Engineering an omni-channel environment that shortens the lead-time to customers through a central view of inventory, increased data accuracy, efficient offering and optimal inventory placement.

Flexibility in offerings and speed to deployment are key, but companies cannot sacrifice visibility of shipment analytics. Without capital outlay for best-in-class transportation management and data analysis technology, organizations lack supply chain tools integral to effectively measure service and profitability. Managing all supply chain processes within the single operating environment of a trusted adviser integrates analytics-based optimization with a qualitative human element that brings:

- Cross-disciplined experience;
- Entrenched relationships essential to effective multi-modal transportation execution;
- Lean-based mindset at the foundation of continuous process improvement.

With that partner in play, business enterprises gain access to the benefits of a new playbook and the promise of constant strategy calibration required to keep pace in the race to serve every client with excellence.



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