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Business Intelligence in the Supply Chain

By Steve Dowse

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Companies that want to effectively manage their supply chain must invest in business intelligence (BI) software, according to a recent Aberdeen Group survey of supply chain professionals. Survey respondents reported the main issues that drive BI initiatives include increased global operations complexity; lack of visibility into the supply chain; a need to improve top-line revenue; and increased exposure to risk in the supply chain. Fluctuating fuel costs, import/export restrictions and challenges, and thin profit margins are driving the need for businesses to clearly understand all the factors that affect their bottom line.

Business Intelligence essentially means converting the sea of data into knowledge for effective business use. Organizations have huge operational data that can be used for trend analysis and business strategies. To operate more efficiently, increase revenues, and foster collaboration among trading partners companies should implement BI software that illuminates the meaning behind the data.

There is a vast amount of data to collect and track within a supply chain, such as transportation costs, repair costs, key performance indicators on suppliers and carriers, and maintenance trends. Being able to drill down into this information to perform analysis and observe historical trends gives companies the game-changing information they need to transform their business.

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BI IN TRANSPORTATION & LOGISTICS

Using BI tools within a transportation operation can provide:

- Detailed monitoring across the entire supply chain, including metrics such as on-time delivery, to identify delivery issues at any point in the process.

- Better understanding of fuel, dray, and accessorial costs at a detail or summary level.

- Detailed evaluation of vendor performance of on-time deliveries and work order performance.

- Review volume of work orders by motor carrier and time between assigned and accepted to identify key partners, consolidate workload to better performing receivers,

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and improve equipment utilization.

- The ability to drill down into shipment history for decision-making and continuous improvement.

- Visibility into events that impact on-time delivery and asset utilization for better decision-making and risk mitigation.

- Insight into what drives costs and profit within the supply chain so managers allocate resources properly and know where to make improvements.

- The ability to update strategy quickly to stay ahead of the competition.

Business Intelligence within your transportation and logistics operation can improve profitability with in-depth analysis of the service and network portfolio across customers, suppliers and every step in the logistics chain. You can track supplier performance against service level agreements to identify opportunities, negotiate intelligently, and create rate contracts based on results.

One of the most important aspects of a business intelligence solution is the detailed reporting. Drill down to analyze loads, routes, carriers, bookings, slotting, wait times, freight audit and payment to understand cost variables. Streamline compliance reporting with drill-down detail to documentation. You can create visual models using dynamic charts and graphs. Reports can be static or interactive and viewed online to allow management to track operational progress.

SUPPLY CHAINS NEED BI
Business Intelligence within the supply chain improves internal efficiencies and accountability while saving time and eliminating costs with metrics-driven decision-making and change management. It allows companies to enable more predictable business performance by putting actionable information into the hands of key decision makers.