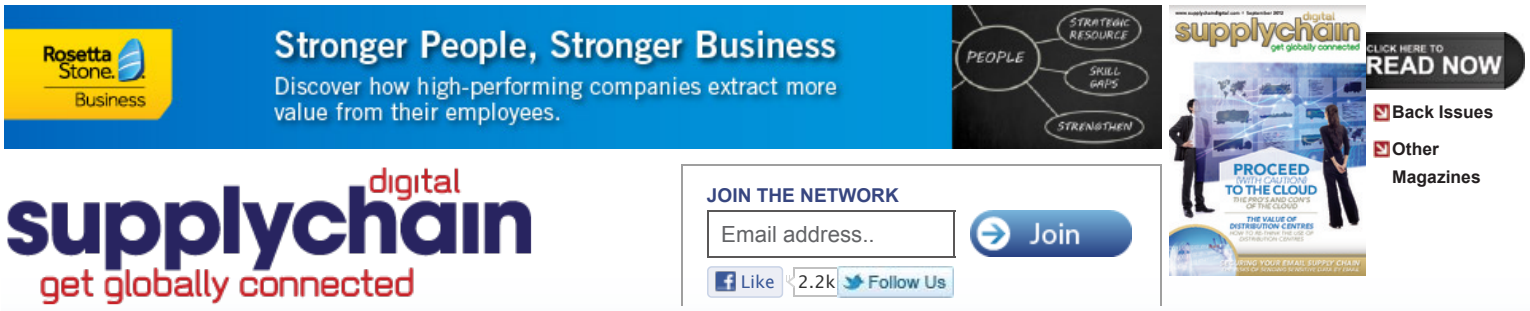
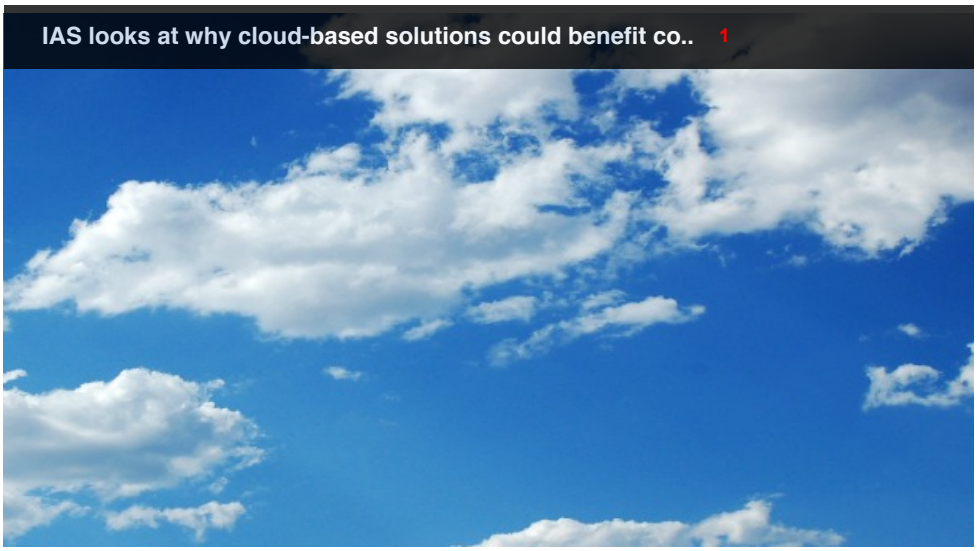


OUTSOURCING

Cloud Computing in the Supply Chain

Steve Dowse, CTO of International Asset Systems (IAS) looks into why Cloud Computing can vastly simplify your supply chain

TAGS: Cloud Computing, IAS, information sharing, IT solutions, SaaS, Software as a Service, Supply Chain, The Cloud



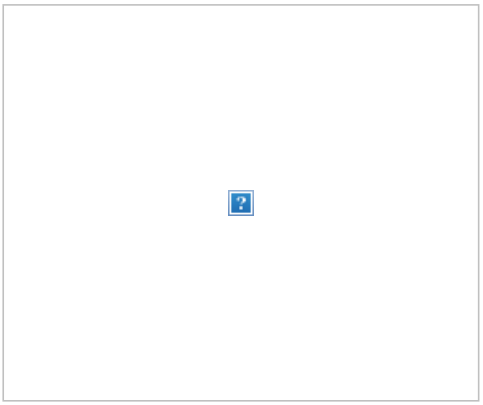
14 SEP 2012 *Ella Copeland*

7
Like
Send
29
Tweet

Article by Steve Dowse, CTO of International Asset Systems (IAS)

Cloud Computing in the Supply Chain

Current economic circumstances drive the demand for a more effective model of delivering applications and computing services. Today's cost- and resources-constrained business world requires executives and IT managers to constantly find new ways to innovate, and the potential that cloud services offer continues to be attractive. A recent study from the research firm IDC predicts that of the projected $27 billion in net new IT revenue in 2013, 27% will come from IT cloud services. The supply chain industry



MOST POPULAR + MORE MOST POPULAR >>

A localised supply chain could minimise disaster risk

Canadian fourth quarter freight rail figures give hope

0
Pin it
3
+1
7
Share

is prime for the cloud because of the sheer number of partners and suppliers that must collaborate to make products.

The supply chains of today are highly fragmented with silos of information that make it nearly impossible to share information with trading partners. Businesses need technology platforms that empower them to visualize a product in every stage of its lifecycle, in real time, from raw materials through delivery to end customer. Management must be able to make quick decisions to re-route shipments, locate containers, and collaborate with suppliers to meet customer demand.

Businesses need to communicate and share data with their entire trade network. To do this, you need solutions that go beyond the four walls of your business, allow you to track and trace products, shipments, and orders, and make it easy to share massive amounts of information across an entire global trade network. You need the cloud!

Cloud Computing and Software as a Service (SaaS)

Often people interchange the term Cloud Computing with SaaS, however, although closely related, these terms mean different things.

Cloud Computing (often referred to as simply "the cloud") is a broad term that encompasses various models used to deliver computing services through the Internet as a utility, pay-as-you-go model. SaaS is the best-known model in the Cloud, the others being Platform as a Service (PaaS) and Infrastructure as a Service (IaaS).

The true power of cloud computing lies in the way it changes the economics of computing. By packaging and delivering computing services as a utility, consumers of those services reap the benefits of ubiquitous access to computing infrastructure, along with the economic benefits of scale, and the flexibility to match payment for services to the value they deliver to an organization.

As an example, in the traditional on-premise software model, not only would you need to procure or build the software at great capital expense, you would also need to build and maintain the infrastructure and employ personnel to operate it. However, with a SaaS application there is no upfront capital required for the software and you don't have to worry about building and maintaining the infrastructure. Instead, the software is available via a web browser and the SaaS provider, in exchange for your subscription fee, handles all the heavy lifting on the back end.

SaaS solutions have an extremely rapid deployment time because they require no hardware purchases and no on-premises software deployments. Core integration capabilities (e.g., data and message transformation, flow management, routing, data aggregation, data quality, security, community management) and the governance features are performed in the provider's cloud data center. IT operations, monitoring, management, maintenance and upgrade of the platform are performed by the SaaS provider, so the user organization must take care of only the monitoring, management and maintenance of its own integration flows, but not of the underlying platform.

Bottomline, a SaaS application provides a cost-effective scalable service over the Internet and users do not need to have knowledge of, expertise in, or control over the technology infrastructure that supports them.

Legacy Apps vs. The Cloud

Traditional on-premise enterprise software solutions, either custom-built or packaged software, are often referred to as legacy applications. Legacy applications are not all bad; they may provide a powerful solution and rich features. But in a fast changing supply chain, too often the legacy software addresses outdated business challenges. Legacy applications are difficult to maintain and keep pace with business demand and typically require custom programming to make them do what you want and need to run your business. The older the system, the more susceptible it is to disruption when modified. Poor documentation from a slew of previous systems managers and a lack of disciplined software development methods can result in unstable source code, which when modified can unexpectedly disrupt the entire system.

The value of modern cloud-based solutions is that they are architected from the ground up to be highly configurable in anticipation of business change. The need for collaboration and the system's interoperability are now recognized as table stakes for success in the global supply chain. Users can facilitate on-demand changes in customer business rules, readily introduce new transport event messages with trading partners, enable rich reporting and data visualization, and other important capabilities that constrain legacy systems. And when software modification is needed, studies show that solutions built with modern SaaS technologies can be quickly modified for less than 20% of the cost to modify a legacy application.

Value of the Cloud in the Supply Chain

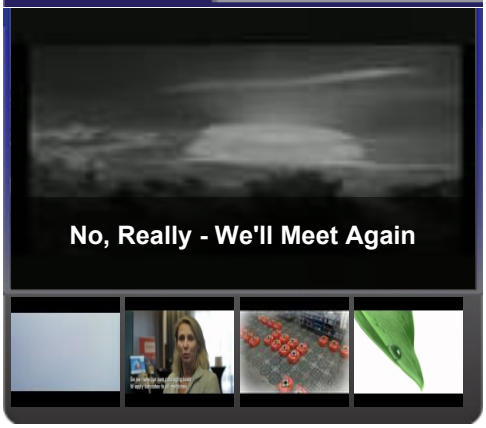
Commercially available, SaaS applications such as drayage dispatch, transportation management, and equipment maintenance and repair exist on the market today. For example, automated dispatch management systems link ocean carriers and third party logistics providers (3PLs), providing critical pick-up and delivery information that reduces transportation spend by shifting business to the most efficient vendors, increases equipment utilization by combining moves, and automates time-consuming manual tasks. Costly billing errors are eliminated, processes are

Making procurement a 2012 priority

The Carbon Disclosure Project: Holding Suppliers Accoun..

Capgemini's Top 10 Reasons to Outsource in 2012

LATEST VIDEOS + MORE LATEST VIDEOS >>



ASSOCIATIONS + MORE ASSOCIATIONS >>

American Chemistry Council / Responsible Care Partnersh..

AMTI - .. Providi.. Associa.. Canadia..

REPORTS + MORE REPORTS >>

View now >> View now >> View now >>
View now >> View now >> View now >>
View now >> View now >> View now >>

streamlined, and all parties involved have access to key information to make more informed decisions.

The availability of Cloud-based neutral processing platforms, that often underpin the SaaS software applications, boost the value of the Cloud to the supply chain. These platforms provide direct connectivity with networks of diverse trading partners, regardless of their systems capabilities, through any-to-any data exchange and online web portals. The resulting virtual communities enable shipment track and trace, streamline routine transactional workflow, and optimize the flow of equipment to maximize asset utilization. SaaS users readily connect with a network of equipment maintenance and repair providers on the web to manage container equipment and chassis repair estimates and service requests. Further, advancements in visibility technology allow companies to track equipment as it moves through the supply chain.

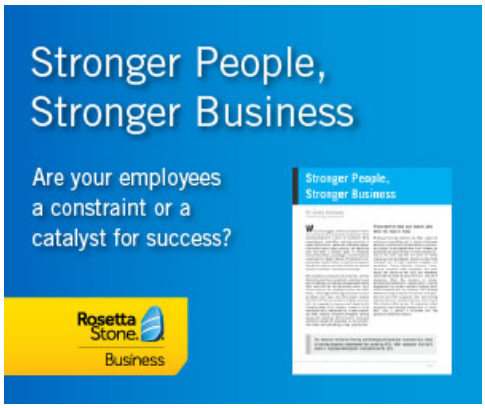
Final Words

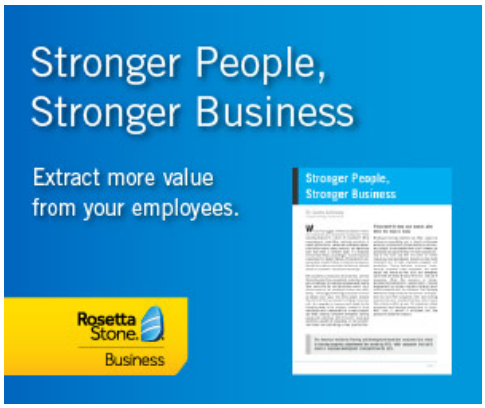
In today's fast-paced, highly competitive global environment, companies need supply chains that are agile, savvy, and adaptive. Customers, suppliers, and trading partners are demanding; they want information immediately and require the right products arrive at the right location at the right time. This can best be accomplished in the Cloud. In place of a manually-driven supply chain, use SaaS solutions to transform your supply chain into an automated, dynamic demand-supply network, offering visibility, control, and collaboration across all trading partners.

About IAS:

IAS is the leader in cloud-based solutions for intermodal transportation and global cargo container shipping. IAS provides greater visibility, control, and optimization of assets through a collaborative platform uniting the global trade, transportation, and logistics industry.

Join Businessfriend today. Where social networking leads to productivity





FEATURED ARTICLES + MORE FEATURED ARTICLES >>

- Supply Chain Email Security
- Cloud Computing in the Supply Chain
- A localised supply chain could minimise disaster risk
- Proceed (With Caution) to the Cloud

TOP TEN + MORE TOP TEN >>

- Ten Reasons You Should Consider a Career in Logistics
- Top 10 Software Companies
- Top 10 Supply Chain Management Schools
- Top 10: Supply Chain Blogs
- Top 10 Supply Chain Organizations
- Top 10 Supply Chain Organizations
- Top 10 Fastest Growing Seaports
- Top 10: Air Freight Companies