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Biggest Barrier to Success

By Steven M. Dowse, CTO & COO, International Asset Systems

Wednesday, December 4, 2013

Much is spoken about the value of visibility throughout the global supply- chain – indeed, in recent years great strides have been made in the evolution of supply-chain management (SCM) and supply-chain execution (SCE) enterprise solutions from major software providers. However, the true value of these holistic solutions can only be unlocked through the accurate and timely exchange of critical information across all participants – no matter where they're located, their size, or their technology capabilities.

In the past decade there has been an increasing recognition that the capture of critical milestones is key to the effective operation of multi-million dollar enterprise software solutions. Where once a phone call or email would suffice to confirm a pickup or delivery, the modern supply-chain participants demandfar more. As example, in the realm of transport management, critical date/time milestones include:
• transport order placed
• order accepted
• pickup appointment
• pickup actual
• delivery appointment
• delivery actual

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The expectation is this information is delivered to those who need it within minutes – not hours or days – to drive downstream decision-making and overall supply-chain performance management.

In addition to these key milestone events, critical supporting documents, such as a scanned Proof of Delivery (POD), are required to trigger payments to various parties to the transaction.

Enter the role of information service provider, cloudbased technology companies that specialize in connecting the unconnected. The role of an information service provider has evolved from the early days of EDI and the Value-Added Network (VAN) to sophisticated workflow solutions that complement SCM and SCE software providers by deploying a shared operating platform in the cloud, supplemented by powerful web-based applications, targeted at specific aspects of the supply-chain.

While capturing critical milestones may seem an obvious goal, it's far from easy to achieve. Firstly, with globalization, the number of participants in the movement of freight from its point of origin or assembly to its destination has increased many-fold. Shippers, beneficial cargo owners (BCO) and their chosen service providers; Freight forwarders, 3PL and other logistic providers, often rely on a large global network of small, independent service providers to provide transport and ancillary services critical to the movement of freight. Secondly, establishing a global network of disparate service providers with varying capabilities requires domain expertise, a global presence and proven, repeatable processes. Finally, successfully operating a global network, truly 24x7 can be a challenging and costly endeavor.

A new breed of cloud-based service companies has evolved from the heady aspirations of the "dot com" boom to become established and credible information service providers to the supply-chain. Companies such as GT Nexus, INTTRA and IAS have spent the last decade building and operating global technology platforms, targeting different markets and aspects of the supply-chain, but with a common goal to bring improved visibility and collaboration.

Establishing a global network takes tenacity, determination and an agility to adapt and respond to changing market needs and technology shifts. At the foundation of a successful visibility solution is a shared operating platform – a well-architected, secure and scalable application, operated to exacting service levels, 24x7. This marks a difference from early connectivity solutions where EDI

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VAN providers would operate as a "post office" allowing trading partners to "post" data to a mailbox for later "collection" by the recipient. Today's platforms are sophisticated data repositories. Critical information is captured by multiple participants in the supply-chain, and by applying powerful business rules, made available to authorized entities and individuals either online via a browser interface to powerful workflow tools, or through seamless interfaces to enterprise systems.

The ability to integrate a solution is key and often the biggest barrier to success. An information service provider must assume the burdens of complexity related to integration between its shared platform and a plethora of customer systems. These will range from major package implementations from the likes of SAP, Oracle with standardized API to web services, to more specialist solutions from mid-tier players, and more commonly, a smorgasbord of customsoftware solutions. Messages will come in many formats; flexible and preferred XML, legacy EDI formats from ANSI (in the US) and EDIFACT (rest of the world) and even flat-file/CSV. Enabling, operating and maintaining the thousands of many-to-many mapping relationships to support the business needs of the supply-chain are challenge enough; anticipating and adapting to changes in business needs, and to the inevitable technology developments, add yet more complexity.

Beyond the core foundational platform, a successful supply chain visibility solution requires powerful, targeted, cloudbased workflow tools that compliment the enterprise software solutions and provide configurability of custom business rules and validations for specific events and visibility milestones.

Critical to the complete solution is enabling authenticated users access to their organization's authorized visibility – to see only their orders and update only milestones for which they are responsible. Again, this requires careful software design consideration. The power (and complexities) of the shared platform can be found in the "network effect". For example, where one motor carrier may have multiple branches, servicing multiple customers; ocean carriers, 3PL, forwarders or BCO, each of which may have their own branch network. The value of the network increases significantly, as does the opportunity for collaboration and optimization, with increased participation.

While it would be easy to assume that every participant in the supply-chain has a quality Transport Management System (TMS), the experienced information service provider will know this is not always the case, and even where a TMS is used, it may not support EDI or integration to a 3rd-party. The answer is a powerful, yet easy to use, web portal to providing the 100% network coverage required for complete supply-chain visibility. Modern UI frameworks, combined with browsers touting powerful JavaScript engines, provide a rich, desktop-like user experience, optimized to be effective even when broadband capabilities are limited.

In conclusion, today's supply-chain demands accurate and timely event capture of critical milestones. While this is a daunting task, proven, cloud-based platform services can provide a cost-effective and scalable solution for supply-chain participants of every size.

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