

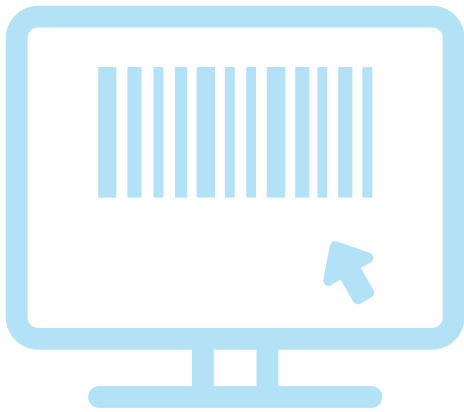
WHITE PAPER

COLLABORATION AND VISIBILITY: THE BUILDING BLOCKS OF A STRONGER, MORE AGILE SUPPLY CHAIN



Soaring Performance.

Welcome to 2017. Dramatic changes occurred in the first few weeks of the year that will affect global commerce and the consumers for whom e-commerce has become a staple of everyday life. US President Donald Trump has pulled out of the Trans-Pacific Partnership trade agreement and is promoting new economic strategies. The UK is studying its trade agreements in anticipation of leaving the European Union and China's President, Xi Jinping, is championing globalization and free trade. These geo-political issues will significantly affect retailers, shippers, and logistics firms as they circumnavigate changing customs regulations, trade agreements, and trade restrictions.



GREAT EXPECTATIONS

Consumers, meanwhile, are continuing to buy more and more products online, with the internet making global markets accessible via smart devices. In fact, in 2016, consumers bought more purchases online than in stores. A recent survey by the United Parcel Service Inc. found 51% of shoppers made purchases online compared with 48% in 2015 and 47% in 2014. The survey polled shoppers who make at least two online purchases in a three-month period, excluding groceries¹. This shows the speed of change in shopping patterns.

This growth in online shopping and omni-channel retailing means customers are expecting the same level of service they would receive in a store when they shop via the internet. They want more products delivered faster. To keep up with demand, some online retailers not only promise next-day delivery, but now offer same-day delivery.

Retailers need to maintain an extremely efficient supply chain to live up to customer expectations and create best practices to ensure the order process, shipping, and tracking run smoothly and on time. Some 29% of customers will stop shopping with a retailer after one incorrect order and 55% will abandon a retailer if deliveries are consistently late².

If the wrong product is delivered or there is a stock out or a delay in delivery, retailers must react quickly to address the problem. Not only is good order visibility essential for the retailer, but it is also vital for the customer so they can stay on top of what is happening. Some 82% of customers have left a company because of poor customer service³.

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GET A CLEAR VIEW

This collaboration can only work if all parties have visibility to the same pieces of key information. For a retailer, this can mean obtaining software that will allow them to keep tabs on the whole supply chain, from real-time stock levels of suppliers, through the point of order, to the packaging, shipping, and delivery of the product. Being able to share this information with the consumer can help improve customer satisfaction and provide the ability to deal with issues as soon as they arise.

A quarter of respondents to a survey by American Shipper for its Visibility Benchmark Study (A Clear View of Supply Chain, October 2016)⁴ agree that “visibility’s biggest benefit is to reduce the risk to their supply chains”. Almost three-quarters of respondents define visibility as “at least giving them an end-to-end view of their supply chains”.

The phrase “at least” is important here, because visibility can be more than just an end-to-end view. As American Shipper says:

“Visibility is often thought of as a tool to track freight transportation, but it can be so much more than that if a company structures its processes to be tracked...from production to compliance to transportation to finance in a single flow.”

And while some 38% of American Shipper’s survey respondents say agility is the biggest benefit of visibility of the supply chain, only 13% of respondents have their visibility tool integrated with a transport management tool or execution tool.



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TAKE CONTROL

In simple terms, how supply chain visibility helps establish end-to-end control can be compared to airline flight information. Being able to monitor the progress of a flight is something that you can do at home. You can check when a flight departed, any delays or alterations during the flight, and the knock-on effect on that flight's arrival times. This ability to monitor the flight, with visibility of the full tracking details, can help in decision-making. And the ability to get automatic notifications when there is anything that varies from the plan is paramount. For example, you can set out slightly later for the airport to pick up family if you can see the flight is delayed.

But monitoring the flight and having visibility of the flight's progress will not allow you to change or alter what is happening to the flight. Air traffic controllers, on the other hand, have full visibility of the flight and the ability to alter the flight's path based on situational information, not just monitor it. If they see a situation occurring, they can re-route the flight or alter landing plans and change allocated runways.

Real-time visibility of the supply chain is important, but linking visibility to business processes and using this connectivity for decision-making and execution can have a significant impact on effectiveness and efficiency. Examples include: not only to track a shipment or order, but also adjust its course; make swift amendments to customs declarations if local legislation is altered; or get a product from an alternative supplier if stock is out. This flexibility will have an enormous impact on a business and can help to boost customer satisfaction.

STRONGER LINKS MAKE AN UNBREAKABLE CHAIN

The multiple stakeholders in a supply chain now have full visibility to product, vehicle, and data movements while monitoring exceptions. Potential problems can be identified and dealt with proactively to ensure everyone stays on track. Access to the information can be configured and role-based to ensure security for all stakeholders.

The Aberdeen Group conducted a survey of 187 companies and 96 transportation executives in 2012. The results of the survey found that best-in-class companies (the top 20% performers) saw a 4% reduction in total global annual transportation spend per unit handled over the year, compared with a 2% increase in spend for average performers, and a 14% increase in spend per unit for the bottom 30% performers⁶.

Some 97% of the best-in-class companies' orders were on time and complete, despite this reduction in spend. This compares with 93% of orders being perfect for average companies, who spent 2% more delivering each unit that year, and 93% perfect orders for the worst performers, who spent 14% more delivering each unit.

It will come as no surprise that the Aberdeen Group found that many of the best-in-class companies were early adopters of control tower solutions.

"TO CONTROL COSTS AND POSITION PRODUCT FOR SALE, MORE COMPANIES REALIZE THEY NEED TO BE ABLE TO MAKE CHANGES IN PRODUCTION AND DISTRIBUTION IN RESPONSE TO CHANGING MARKET EVENTS OR CONSUMER BEHAVIOR. CONTROL TOWERS GIVE THEM BOTH A PLATFORM AND A CONSOLE TO SEE EVENTS HAPPENING AND MAKE MODIFICATIONS."⁵

TABLE 1: 5 Key Metrics Defining Transportation Excellence by Class

Type of Metric	Best-in-Class	Average	Poor
Change in total global annual transportation spend PER UNIT HANDLED over the past year	4% ▼ reduction	2% ▲ increase	14% ▲ increase
Annual global transportation spend as a percentage of shipment value	4%	7%	11%
Perfect Orders - On time and complete customer delivery	97%	93%	92%

SOURCE: ABERDEEN GROUP, AUGUST 2012

VISIBILITY ON A TRULY GLOBAL SCALE

It is possible to take visibility and collaboration one-step further utilizing a global trade network model. A global trade network of cloud-based logistics applications and services can give its partners access to, and the ability to collaborate with, tens of thousands of network participants. This opens up access to new markets across the world and increases the efficiency of cross-border movements. It also gives organizations complete visibility on a truly global scale. Imagine this collaborative visibility across a global supply chain, with all the data from across the trade network being captured, enabling you to analyze it, and use it. It offers the ability to see what is happening and what is about to happen and why. This allows alterations to be made to the supply chain before problems occur.



AN AGILE SUPPLY CHAIN THAT CAN EMBRACE CHANGE

As the world changes, some barriers come down and others go up, but the rise of globalization shows no sign of abating. Constantly changing local situations in a global marketplace can have an impact on multi-national organizations. Collaboration between suppliers, retailers, shippers, logistics firms, and finally the customer can help to offer full visibility of the supply chain and the agility needed to manage and sustain it whatever happens along the way. A global trade network will also have all the data needed to build on its service. Allowing supply chain managers to determine when, where, and how problems arise, to create a more streamlined and effective supply chain. At the end of the day, organizations will see time and money savings and, perhaps most importantly, ensure customer satisfaction, while reducing overall risk.

WANT TO LEARN MORE ABOUT HOW CONTROL TOWER SOFTWARE ENHANCES VISIBILITY?

Do you want to learn more about the benefits of a control tower solution? BluJay Solutions is here to help. We have a team of experts ready to answer your questions and provide examples of how visibility and collaboration software connected to a global trade network transforms supply chain economics.

**FOR ADDITIONAL INFORMATION, VISIT
WWW.BLUJAYSOLUTIONS.COM**

Footnotes

1. "UPS Pulse of the Online Shopper™," United Parcel Service Inc., Jun 2016
2. Research by Voxware published in an article "Shoppers have limited patience for delivery errors", Internet Retailer, Nov 2012
3. The Customer Experience Impact 2010 Report by RightNow and Harris Interactive
4. Visibility Benchmark Study "A Clear View of Supply Chain", American Shipper, Oct 2016
5. CONTROL TOWER VALUE MATRIX 2016, Nucleus Research, Seth Lippincott, Nov 2016
6. "Rising above the Cloud: The Integrated Transportation Multi-Party Control Tower", Aberdeen Group, 2012

About BluJay Solutions

BluJay Solutions delivers supply chain software and services to the world's most progressive retailers, distributors, freight forwarders, manufacturers, and logistics service providers. Transforming supply chain logistics with the BluJay Global Trade Network, we enable customers to unlock the power of more than 40,000 universally connected partners. With BluJay, companies can achieve greater trade velocity, transform their supply chain economics for disruptive advantage, and see beyond the horizon to optimize their future in the global economy.



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