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PERSPECTIVE

Adopting Right Technology: The key to Growth

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Abstract

Logistics involves interaction and coordination between different agencies and partners across the supply chain. There is also a requirement of coordination between various operational centers within the company. Logistics Service Providers (LSPs) have largely been carrying out business operations with systems that cater to specific operations or functions. These systems usually do not communicate with each other, leading to lack of coordination and disconnected functioning of the organization. Today the LSP is facing increasing challenges in the form of vigorous competition from global and local competitors along with greater demand for value added services by clients. This has induced the LSPs to rethink their strategies on the use of information technology (IT). The question however is "Can just adoption of IT systems augment the capabilities of the LSP to face the above mentioned challenges?" This white paper explores how an LSP can benefit by using IT to his advantage and sheds light on how right technology can help LSPs to achieve greater visibility and profitable growth.

Introduction:

Information systems are critical for today's logistics service providers (LSPs) for not only to conducting their every day operations, but also for aiding management in decision making. Even so, the information systems presently used by the LSP are not adaptable to the ever changing business challenges arising out of increased competition, customer demands and the need to drive down on costs.

Over the years there have been very less investment in information technology (IT) systems in this sector, which has resulted in fragmented systems catering to specific operations of the company. The recent consolidations in the Logistics industry have contributed to an increase in the operational capabilities of the companies. Hence there is an urgent need for businesses to have systems with dynamic capabilities like accessibility, integration, scalability and flexibility. However the investments in IT system have not kept pace with the growth of these companies. The legacy systems do not fulfill the need of integrating their operations and providing all-round visibility. It is also not easy and cost effective to meet the challenge of seamless integration across business partners and customers, with the current systems. The problems and costs associated with upgrading their existing systems outweigh their value to the company. Logistics companies today are realizing the need for right technology which would help them cope with the challenges and deliver the desired results.

Challenges:

Logistics service providers face several challenges, like increasing competition, demanding customers, regulatory compliances and lack of integration of processes etc. These challenges have a direct bearing on the survival of the LSP.

Competition

One of the biggest challenges faced by the logistics companies is the increasing number of players' globally. This has given plenteous options to the users of the logistics services and led to an intense competition among the players. As a result the logistics companies have been forced to rethink their strategic plans to strengthen their capabilities and market presence.

Demanding Customers

Customers today are more demanding in terms of broader range of services, customized solutions and more value added services. They also insist on greater consistency in the level of service and increased visibility. There is also a compulsion to keep cost down while providing enhanced levels of service.

Lack of integration

The limited adoption of Information technology (IT) by LSPs has led to bundle of systems which cater to specific functions of the organization. These diverse systems do not communicate with each other and cater only to the basic needs. The various branches too have independent systems with little or no sharing of information between them. There is also lack of integration between business partners, agents and customers, which is critical for their smooth functioning.

Compliance

The environmental, security concerns have lead to increasing regulatory compliance requirements. As an outcome of heightened security concerns, the World Customs Organizations (WCO) has mooted new security policies which are being implemented in Europe, US and other regions. A prime example is the U.S. Customs Advanced Manifest Filing Rule on international container cargo. Companies are increasingly compelled to reduce their environmental impacts and check carbon foot prints. It has become necessary to establish security and safety systems and to promote computerization of cargo information.

The Need for Right Technology:

One of the major impediments in the growth of the logistics companies has been the under utilization of information technology (IT). Logistics companies have traditionally steered clear from the optimum utilization of IT. This has severely affected their service capabilities.

IT systems if used rightly can not only go a long way in amelioration of the business process but also provide the right direction and impetus to a logistics company.

Amelioration of business process

It is critical for the logistics companies to utilize IT systems for assistance in achieving growth and visibility. The rudimentary and legacy systems used by logistics companies fall short of these requirements. The right technology can not only integrate the process of the LSP, but also provide additional benefits like accessibility, integration, scalability and flexibility.

Impetus to growth

IT systems act as an impetus to growth as it integrates the functions and operations across branches. An integrated system leads to greater visibility and better dissemination of information within the organization and across business partners. It provides channels of

communication which augment the operational capabilities of LSPs and help deliver faster speed to market, improved quality and consistency.

IT systems make possible a system oriented approach which makes the organization more flexible. It also provides the impetus for a profitable business growth.

The Softlink approach:

Our vast experience in partnering with the logistics industry, domain knowledge and technological expertise, has led to the development of Logi-sys, an outcome of our unique perspective of the industry gained over the years. Logi-sys is one of the most comprehensive solutions which will help LSPs in achieving profitable growth through visibility and integration.

Creating Right Technology

Logi-sys is a web-based, comprehensive, modular, enterprise level application, which combines all the operations and functions of a logistics service provider (LSP) into one integrated system. It integrates the business of a logistics company under a single unified data repository and provides improved visibility across clients, agents and the supply chain.

Logi-sys, one of the most exhaustive systems for freight forwarding and logistics companies provides, Import-Export shipment processing, Customs Broking (clearing), Container Management, Warehouse Management, Transport Management, Documentation, Consolidation, Track & Trace, Customer Relationship Management, Billing & Financial Accounts, Purchase Order Management, Alerts & Notifications, integration with corporate website and more.

Right technology makes intelligent use of information, providing manifold benefits to its users.

Integration

Logi-sys integrates the entire functions and operations of the logistics service provider into a single system. Its unified data repository makes possible the seamless flow of information across the organization. The web based solution combines the various operations across branches under one system.

Logi-sys makes possible, faster and easier integration with various client systems and other application of business partners and agents, through electronic data interchange (EDI). Clients

benefit from easier information exchange with their LSPs, less IT investment, and improved quality and efficiency of their LSP.

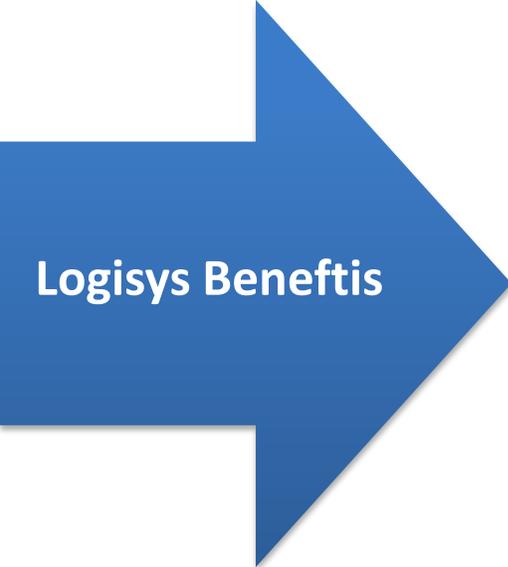
Dissemination

Logi-sys helps in faster dissemination of information, harnessing the power of internet technology. The clients of LSPs benefit from faster speed to market, improved quality and consistency, and rapid response to changes with the superior capabilities of Logi-sys. It helps the users to become more proactive and sensitive to the client requirements, leading to continued client retention.

All round visibility

Logi-sys helps companies in the logistics sector to offer real-time information to their clients. The clients, agents and business partners of a logistics service provider (LSP) can have access to the information from anywhere. The information can also be made available across the broader supply chain thus providing an all-round visibility. This helps LSPs save on costs, enhance customer service and increase margins.

Some of the major benefits of Logi-sys are:



Logisys Benefits

- Enterprise level application.
- Web based, facilitating access from anywhere.
- Modular, scalable and extensible.
- Integration of entire operations and functions.
- One unified data repository.
- All-round visibility.
- Alerts and notifications.
- Track & Trace.
- Unified financial accounting.
- Improved sales and service capabilities.
- Improved quality and consistency.
- Electronic Data Interchange with client and agents.
- Built in checks and balances.

Conclusion:

Logistics service providers (LSPs) face many challenges which if unaddressed could prove detrimental to their growth. Some of these challenges are increased competition, growing customer demands, regulatory compliance, and lack of integration and visibility.

IT systems play a significant role in streamlining the operations of a LSP like integration of functions and all-round visibility. It adds to the overall capability of the company equipping it to face challenges like demanding customers and increasing competition.

The existing legacy systems of the LSPs cannot be adapted to the modern business needs because of their disintegrated nature. As each system works in isolation, there is no flow of data or information between these systems. In such a scenario, an IT system which is capable of integrating the entire functions of the organization, is modular and scalable and provides flexibility and adaptability to the growing needs, can sufficiently justify the investment. Such technology not only equips the LSP to face the existing challenges but is also future ready.

Logi-sys helps the LSPs to meet all the challenges, provide enhanced services to their clients and meet their increasing demands. The clients can benefit from faster speed to market, improved quality and consistency, and rapid response to changes. It integrates the entire functions of an LSP providing all-round visibility and greater flexibility. With Logi-sys LSPs can become more focused and increase efficiency, which ultimately helps them to drive down costs and be better equipped to face the competition.

In summation, investment in IT systems is one of the key factors which influence the profitable growth of a logistics company. By investing in the right technology, LSPs can benefit from increased capabilities and profitable business growth.

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