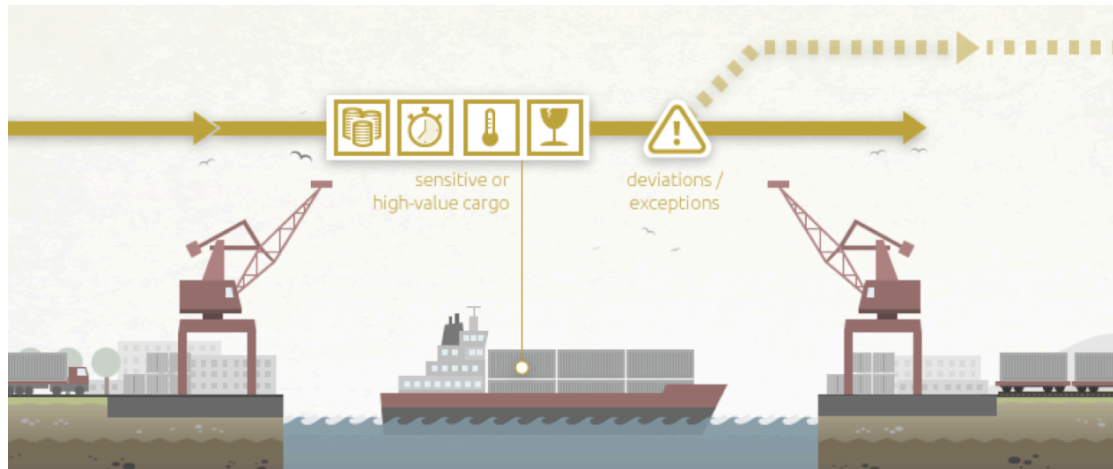


Supply Chain Visibility – How to generate cost reduction



Who should take the initiative to implement Supply Chain Visibility for Ocean Freight supply chains?

The key beneficiary of Supply Chain Visibility is more than just one partner, but it is regularly recognized that the awareness and the will to take over costs is limited. At the end all involved parties follow their own interests:

- Is it the logistics management, who is aware of the extra cost which supply chain interruptions cause in their logistic budget?
- Is it the logistics manager, who needs visibility in their daily business?
- Is it somebody in the forwarders world, who wants to sell visibility to their customers?
- Is it a shipper, who wants to provide visibility to their clients?

Everyone needs to find it's role, but who takes up the responsibility to provide Supply Chain Visibility and create situational awareness?

The shipper? The forwarder? The management? Or all together?

It is important to know where your cargo is. But even more important is to know which impact supply chain interruption will have on your logistics processes and the capability to provide the service as promised. Receiving actual status information is not only valuable for the consignee, but also for all players in the logistics chain. Supply Chain Visibility provides the input all parties need to optimize their activities.

This results in higher quality standards and cost savings due to pro-active intervention, which is always cheaper than responding to already happened events.

An unlimited number of data is produced while shipping cargo all over the world. There are lots of different systems collecting these data fragments, but

using it to create the most valuable results, is a challenge. Data formats are different or systems are not compatible enough, which leads to the assumption that partners along the supply chain are afraid of incalculable investments. IT projects can burn a lot of money and business cases are often build on assumptions. Therefore the use of cloud based services should be taken into consideration. Flexible solutions can be effective to create visibility without large investments.

How do you explain the cost savings with use of Supply Chain Visibility to your controller? While customer service argues, a decreasing number of customer complaints has a positive effect, the operational department reduces costs with less resources chasing up shipment information. Quality manager are happy working against promised standards with a positive KPI development and the customer can save money in reducing stock to cover unforeseen incidents.

Finally, all parties have their benefit and should work on cooperative Supply Chain Visibility Solutions. There are still data security barriers, but using software as a services should be a good start to evaluate positive effects and prove cost reductions.