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IT MATTERS

by Kevin Brady

Visibility: Seeing is Believing

Take a look at this list of avoidable logistics problems: Time wasted manually scheduling shipments and tracking products from channel to channel. Missed opportunities from not knowing the exact quantity of inventory in transit and stock availability. Strained relationships after shipments fail to make their destination on time.

The common element is a lack of visibility, the ability to view product data in real time, all the time. Forward-thinking companies that embrace visibility find it helps patch countless holes in their profit nets.

THE TIME IS NOW

Many companies acted quickly in the past year, moving supply chain visibility from a wish to a must-have. Those championing their company's move toward improved visibility understand that today's global economy lives and breathes in real time, and stale logistics strategies threaten competitive advantage. They recognize the time to demand visibility in the supply chain is now.

Companies that have already adopted supply chain visibility solutions have done more than prevent

headaches and cost erosion – they strategically use real-time visibility to one-up their competitors.

Having supply chain visibility helps companies:

- Resolve unpredictable scenarios, such as product trapped in customs, by expediting shipments. This also enables their customers to meet critical sales periods.

- Enhance just-in-time inventory strategies with the ability to respond to market fluctuations and seize market share when others can't see events, much less respond to them.

- Use supply chain transparency to manage excess inventory levels, thereby reducing the risk of erroneous handling, product obsolescence losses, and cash flow impediments.

Given these benefits, why isn't every company investing in systems that provide round-the-clock visibility?

One significant barrier to adopting a strategic visibility solution is the challenge of streamlining multiple management systems. It does little good to implement product visibility in the warehouse but not in transit, or vice versa. Supply chain visibility is only effective in its entirety, which intimidates many companies already

juggling multiple applications.

Additionally, visibility systems require new technology as well as the company-wide understanding and adoption of new processes. The significance of this task can be daunting, prompting some companies to remain focused on putting out the very fires visibility would prevent.

CHANGING COMPANY CULTURE

Cultural issues often play a role, too. Companies that have always managed their own supply chains may struggle with the concept of outsourcing to third-party players—even in today's high-tech world. Doing so requires first recognizing the efficiency bar has been raised, then developing the trust and commitment to relinquish less-efficient processes in favor of a lean, robust supply chain system.

Security concerns may also make companies hesitant to opt for transparency. Internet technology has opened the doors to unforeseen accessibility and visibility, but visibility systems must also offer absolute protection.

In the beverage industry, for example, brewers and beverage producers are faced with supply chain challenges that demand visibility. Competitive advantage in the beverage industry comes

from maintaining a speedy, accurate supply chain.

Many beverage companies base revenue projections on having product in the right place at the right time to meet seasonal peaks such as spring break or ski season. One delayed shipment can cost hundreds of thousands of dollars in lost revenue that cannot be recouped until the next peak season.

With limited shelf-life products, brewers and beverage producers rely on systems that provide the highest degree of flexibility and control. Wholesalers, particularly those who export their inventory, demand visibility so they can control their products' "when, where, and how" without compromising freshness and quality.

Effective visibility requires streamlined solutions across the entire supply chain. Whether a company launches its

own visibility system or opts to implement a third-party system, it should heed the following advice:

■ Find an accessible visibility solution. True access only occurs if the system provides these four elements:

1. A secure environment in which to view inventory in motion.
2. The ability to see data from any computer anywhere in the world via a modern web browser.
3. An option for outside users such as trading partners to customize the system to their needs.
4. The ability for authorized users to view company and partner data.

■ For the system to effectively improve transportation management, it must provide real-time visibility during both transit and delivery. Users must be able to employ multiple search functions, as well as schedule custom-

izable reports delivered by e-mail.

■ To enhance warehouse management, the tool must offer inventory visibility at distribution centers, and allow users to view receipts and past shipments, as well as data on pending shipments. Users must be able to filter results and import selected data into commonly used spreadsheet software.

■ The system should also include real-time visibility and tracking of export shipments, as well as visibility of open bookings and sailing dates.

■ Look for a solution that includes IT support available online or by phone.

Whether a company turns to a proprietary visibility solution, or taps into an outsourced option, the impact visibility produces in the supply chain will bring numerous benefits – and a sigh of relief from those formerly tasked with putting out fires. ■



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