ACTIVEVIAM

Analyzing data. Empowering the future.

Improving Delivery Performance through Real-Time Visibility for 3PLs

Background.

Many 3PL companies are struggling with rising logistical costs and decreasing efficiency levels due to their difficulties in responding quickly to unpredictable events such as changes in customer demands or unforeseen issues within the supply chain. This can result in failure to meet service level requirements, reduced operational efficiencies and at times, adopting ad-hoc, costly emergency transport options. These associated costs however can be reduced with better exception management and a better decision-making process. This requires placing relevant, up-to-date information in front of managers and alerting users in case of any future or current disruptions that might affect the performance and costs incurred.

Modern logistics providers look to their IT systems to accomplish 4 key goals:

1. Implement an agile decision making process with the ability to swiftly respond to client demands and unplanned events / disruptions.

2. Monitor transportation flows in real-time, in order to react more quickly and reduce the cost of unforeseen events.

3. Improve service levels with the ability to instantly re-plan capacity, based on past and current events.

4. Improve customer service via better internal and external collaboration using accurate, timely and reliable information.

The ActiveViam product suite delivers on all those requirements. Furthermore, it is deeply customizable and during the implementation phase will be tailored to each client's specific needs.

Creating a single real-time platform

Even when a 3PL's supply chain systems are very good at capturing data, full visibility for operational managers is often available after a few hours or even the next day, after batch loadings. The daily reports provided to transport managers, warehouse/ platform managers, delivery performance managers and resource planners do not provide the analytical flexibility and the granular details required by the operational team. Managers and planners typically have to go through a cumbersome process of downloading data from source systems, re-loading it into Access and Excel spreadsheets, and then running specific calculations.

With the introduction of ActiveViam, these time-consuming processes can be eliminated. ActiveViam provides a single environment incorporating all 'live' data streams such as customer data (e.g. orders, forecast, etc), partner data (e.g. transporters), planning, platform, transportation, tracking, back office information, etc. - all at the most granular level. Data is refreshed continuously, providing users with near real-time insight into their business. Thanks to the increased reliability of the information, users have more confidence and are able to make quicker and better-informed decisions.

Controlling and Optimizing Costs

ActiveViam's open architecture allows 3PLs to incorporate their specific business rules, activities and practices. For example, one of the common key performance indicators is the service level provided to clients. To meet obligations, let's say that 95% of transports must arrive within the agreed timeframe. Calculating this KPI can be extremely challenging since a transport schema is made up of thousands of individual 'legs', value added services are provided at the various platforms and calculations must take into account contractual agreements and exceptions per individual client.

The ActiveViam platform can model this quantile calculation so that the service level KPI is calculated on-the-fly each time new data is uploaded. ActiveMonitor alerts users whenever a projected destination service level falls below the defined threshold and a corrective action must be taken. This allows operational teams to immediately respond to any deviation and better manage the flows of each customer. With more timely and accurate information users are aware at all times of the whereabouts of all products in transit. They can identify potential issues and pro-actively re-route transport when necessary.

The availability of real-time data at the user's fingertips decreases the need to resort to ad-hoc, last-minute transport solutions, leading to an improved usage of available transport capacity at reduced costs. As a result, customer claims and penalties for non-performance drop significantly, and invoicing accuracy & punctuality improve.

Timely responses

Even the best sales and operations planning (S&OP) can only take you so far. Unforeseen events are a bound to happen in the real world and the key to improving your productivity is therefore to be able to react with speed and precision to evolving circumstances.

ActiveViam shortens the average resolution time of transport disruptions down to less than two hours in most cases. Instead of the cumbersome, sequential process, the response to disruptions becomes a collective effort of internal and external parties, who can view information as a team.

This faster, better informed decision-making process optimizes the lead time and reduces the transport and handling costs. In addition, 3PLs are able to better communicate actual delivery times to the final destination, improving customer service levels.

Furthermore, ActiveViam enables users to instantly calculate the impact of numerous scenarios on, for example, lead-time, costs, network/platform utilization and service levels. Users can validate their desired option and push its details (e.g. change in transportation mode, destination, ETD/ETA, etc.) back to the source system. With a clear view of all factors, 3PLs are able to find the optimal balance between service-level commitments, costs and the lead time.

Improving Collaboration

Multiple types of users take advantage of the ActiveViam solution: typically platform managers, transport planners, delivery performance managers and resource planners. All share the same information and can drill down from the highest-level views all the way to the most granular information. This enables working as a team and collaborating on problem-solving.

For example, a team can instantly calculate the impact that changes to the transport plan will have on the transport capacity utilization, on platform capacity, stock levels at the platforms, overall costs, end-to-end transit times and overall service levels to a client and its customers.

Using ActiveUI, ActiveViam's web-based user interface, users instantly create their own views and dashboards without the need for IT help. Customer managers, for example, can create specific views and dashboards for their clients and share them in near real-time. This increased visibility means that a 3PL's customers can follow the flows during the day, understand the exact whereabouts of their merchandise in transit and make strategic choices about where to position their products. In one client case during the year-end period of 2015, the clients of this 3PL were able to reduce their stock on their balance sheet and place more products at their final customers thanks to the increased visibility and the

detailed information they had at their disposal. The same factors also led to a reduction of storage costs on platforms, further lowering the bill for this 3PL's customers.

Internal collaboration also benefits from ActiveViam. The procurement department, for example, can use the data to renegotiate contracts & tariffs. By using past performance information, they are able to calculate new performance indicators for their partners and review the contractual vs. invoiced cost per lane as well as the required future capacity based on actual customer forecasts. As a result, the associated costs of transport per mode/supplier can be reduced, providing customers with significant cost savings.

Who are the users

Conclusion

For 3PLs, ActiveViam makes it much faster and cost-effective than traditional solutions to spot and react to issues occurring at any stage of the supply chain. 3PLs therefore are able to raise their fulfilment rates and improve customer service while fostering collaboration both within the company and with customers. Specific benefits include:

▶ Agility: better and swifter decision making process leading to improved customer service levels and higher reliability of delivery announcement.

▶ Cost optimization: Optimized cash-flow and reduced commercial impacts through timely deliveries.

▶ Improved capacity planning based on real-time information.

▶ Improved collaboration with customers by sharing plans, priorities and actions.

Need more details or want to ask us a question?

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About ActiveViam

ActiveViam provide precision data analytics tools to help organisations make better decisions faster.

ActiveViam started in 2005 with the vision of leveraging in-memory technology to create an analytics platform where businesses could leverage the largest data sets without restrictions, keep them up-to-date in real time and use them to empower their decision makers.

Our goal at ActiveViam, is to let organisations not only make decisions faster, but better; to not only reach their data, but their potential; to not only see their data, but find their way into the future.

ActiveViam is a privately owned company with offices in Paris, London, New York, Hong Kong and Singapore.

For more information please visit:
www.activeviam.com