



E-BOOK

Pursuing Operational Visibility in the Modern Supply Chain



The supply chain is evolving rapidly making it difficult to manage the explosion of data-generating touchpoints. These touchpoints are multiplying throughout the supply chain as well as in the last mile, and it is important that companies have full visibility throughout the supply chain from the inception of an order through to delivery.

EXECUTIVE SUMMARY

Importance of Operational Visibility

Modern omnichannel dynamics enable mutually beneficial progress across B2B and B2C relationships, but not without squeezing the supply chain for unprecedented levels of efficiency. The room for error and waste throughout logistical processes is dissipating, expectations across every related metric are peaking, and cross-market competition is tightening in response. If these pressures are effectively managed, however, the results are worthwhile: improved workforce productivity, profits and customer sentiments are offered by the digitalized, omnichannel transactional experience. The key to those benefits, although not easily achieved, is **operational visibility**.

The primary tool for reaching new levels of operational visibility is increasingly available, often to the point of unwieldiness. The warehousing sector's adoption of mobile technologies, for instance, is outpacing its past. The proliferation of mobile devices and applications in the hands of frontline workers in the warehouse and across the supply chain drastically expands the volume of data that they can collect and generate. Whether or not leadership can leverage that data to optimize its operations, however, is still in question - this is not exclusive to the supply chain, either. VDC Research finds in its recent Total Cost of Ownership study that only about one-fifth of businesses claim to have complete visibility into the devices, applications and related data used by its employees. About one-half of organizations have invested in analytics-based solutions to address this, and almost the entire remaining half are currently evaluating such a solution.

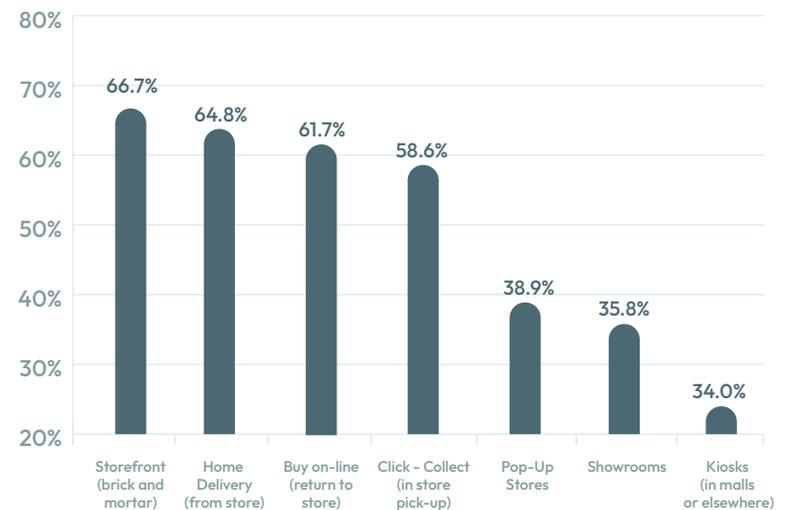
Although analytics-based solutions are critical to enriching operational visibility, **the supply chain is evolving at a rapid pace that makes it difficult to manage the explosion of data-generating touchpoints**. These touchpoints are multiplying throughout the supply chain as well as in the last-mile.

VDC's latest Retail Engagement and Rethinking the POS report highlights emerging logistical complexities as businesses expand delivery, pickup and return options to offer a more modern customer experience (Exhibit 1).

While almost all organizations are aware of the need for analytics-based solutions to improve operational visibility, investments in and deployments of data-fueled tools have not yet done much to mitigate the pressures of modern supply chain dynamics. VDC Research reports that the most significant obstacles facing warehousing operations specifically are: consolidating channel silos, creating an integrated omni-channel customer experience and optimizing digital channels (Exhibit 2). These top limitations are all directly tied to the sprawling multitude of shopping formats that now connect buyer and seller such as click-and-collect or buy online/return to store.

An organization that unifies its view of its operations across this growing web of channels can compete at higher levels with improved picking accuracy, on-time shipments and reduced errors and waste. Importantly, it can also facilitate positive customer sentiments by sharing that unified view with the receiving end of the transaction. A good modern customer experience is driven by visibility as much as the inner workings of the supply chain are. **Expectations are now defined by instant gratification** - seeing when an order has been shipped, when it has moved from point A to point B, where it is at any given moment and of course when it has been delivered. The better an organization's ability to offer this level of granularity, the better its ability to win over customers at a time when a single good customer experience takes precedence over longstanding customer loyalty.

Exhibit 1: Future Format/Shopping Service Investment over Next 24 Months

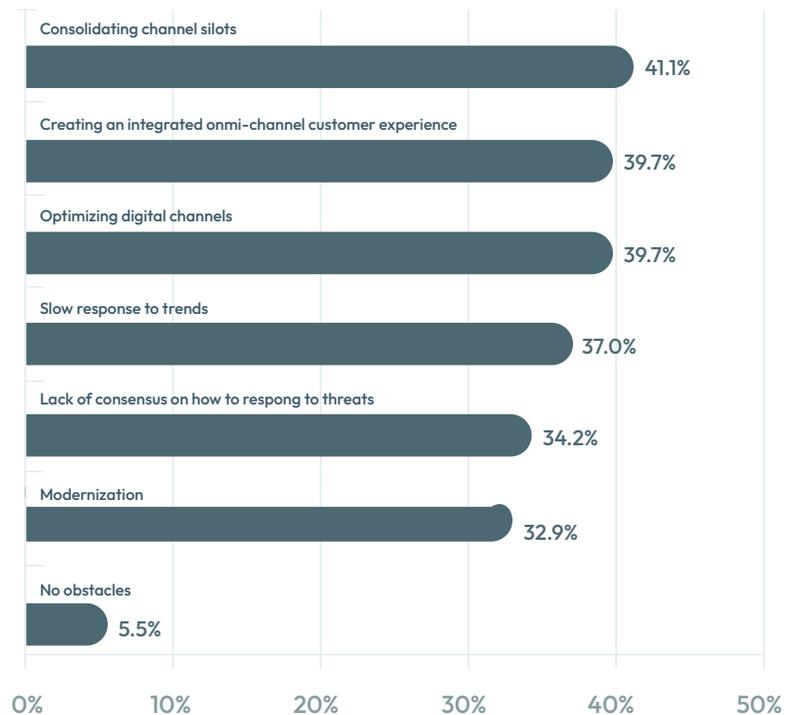


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Regardless of external pressures from competing organizations and heightened customer expectations, many supply chain operations will feel compelled to achieve better operational visibility and its related efficiencies from within. Warehouses and distribution centers are flourishing – the sizes and number of these facilities continue to grow, as does the volume of SKUs that they handle (from a mean of 17,793 in 2018 to 23,806 in 2019, according to VDC). This growth is in direct conflict with two major obstacles. For one, there is not much space to grow into – warehousing spaces have hit record lows on vacancies. Secondly, VDC reports that the single most significant labor concern by far among these operations is a lack of skilled labor (27.8%).

As supply chain operations plan to grow, then, they do not necessarily have the space and workforces at the ready to support that. Instead, data analytics solutions must make existing spaces feel larger by optimizing layouts and workflows within them, and make existing workforces feel more empowered to do their jobs effectively with the appropriate tools and insights. Begin the process of modernizing your supply chain today by evaluating your organization’s gaps in operational visibility and assessing its ability to fill them given its current IT staff and resources.

Exhibit 2: What are the most significant obstacles facing warehouse operations in general?



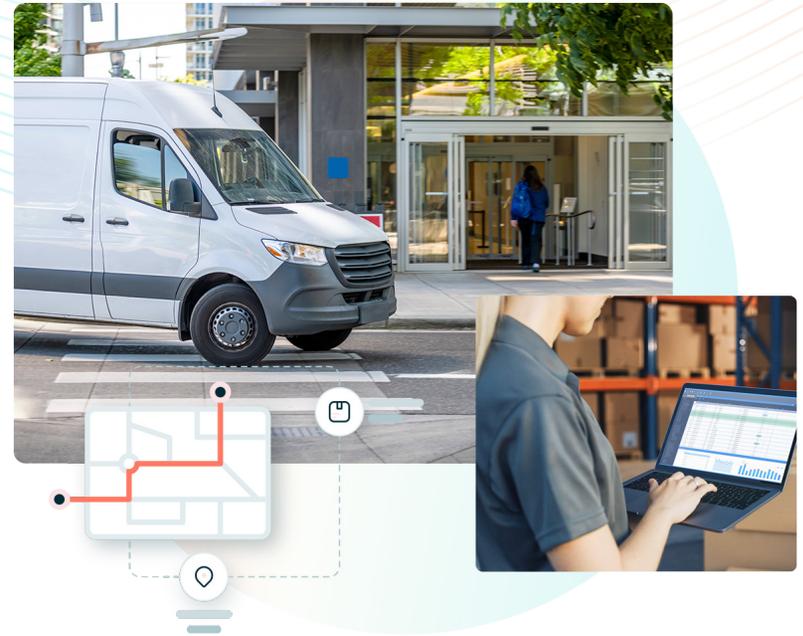
Vendor Spotlight: FarEye

One noteworthy technology player that is facilitating digitalized real-time visibility and delivery efficiencies for the enterprise is FarEye.

The company's software as a service (SaaS) platform leverages mobility, data analytics and automation to enable its clients to ensure on-time deliveries, improve business outcomes and provide better customer experiences across LTL, FTL and parcel shipping in the 3PL, retail and manufacturing industries.

FarEye's key differentiator is its highly customizable business process management (BPM) engine. With a drag-and-drop interface that is managed at the backend (by FarEye's dedicated process associates rather than its clients), solutions can be designed individually and quickly. Typical deployment times take weeks instead of months, and subsequent process optimization can be made rapidly because of the drag-and-drop interface that removes any need for repeated coding. The flexibility and speed of this implementation process allows FarEye to cater to the unique challenges faced by organizations across different sectors.

FarEye also offers dynamic routing to optimize and re-optimize routes throughout the day based on real-time needs. This improves fleet utilization and reduces miles per driver. The AI-based routing engine also provides intelligent geo coding to address accuracy, capacity utilization and geo-fencing to increase first-attempt deliveries.

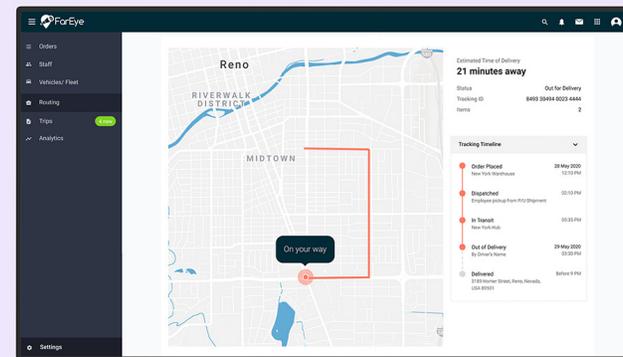


Leveraging the experience of working with industry giants, FarEye has been able to build an enterprise grade process library and ready-to-use templates which are derived from the best-in-class business processes.

Additionally, FarEye control towers offer end-to-end bird's-eye view visibility with extensive drill down options to proactively address operational inefficiencies.

FarEye's solutions are highly focused on customer experience. Predictive visibility is offered to both - the clients and their customers. Customers get real-time delivery location, predictable ETAs and control - they are enabled to easily and directly communicate, and change, preferred drop-off instructions and preferences. This simplified communications system also reduces call center traffic, thereby reducing costs while improving the delivery happiness score.

Large-scale shippers and carriers are using FarEye for visibility, predictability and efficiency of logistics.





About the Authors



Pat Nolan supports a range of syndicated research programs and custom consulting projects within VDC's Enterprise Mobility practice. His previous market research and consulting coverage includes enterprise communications and the MarTech space. Before that, he supported the marketing and communications efforts of a mobile healthcare solutions developer. Pat graduated from Syracuse University with a B.S. in Advertising and a minor in Information Management & Technology. Contact Pat: pnolan@vdcresearch.com



David Krebs has more than 10 years of experience covering the markets for enterprise and government mobility solutions, wireless data communication technologies, and automatic data-capture research and consulting. David focuses on identifying the key drivers and enablers in the adoption of mobile and wireless solutions among mobile workers in the extended enterprise. David's consulting and strategic experience is far reaching and includes technology and market opportunity assessments, technology penetration and adoption enablers, partner profiling and development, new product development, and M&A due diligence support. David has extensive primary market research management and execution experience to support market sizing and forecasting, total cost of ownership (TCO), comparative product performance evaluation, competitive benchmarking, and end-user requirements analysis. David is a graduate of Boston University (BSBA). Contact Pat: davidk@vdcresearch.com

About VDC Research

Founded in 1971, VDC Research provides in-depth insights to technology vendors, end users, and investors across the globe. As a market research VDC Research Insights for the Connected World and consulting firm, DC's coverage of AutoID, enterprise mobility, industrial automation, and IoT and embedded technologies is among the most advanced in the industry, helping our clients make critical decisions with confidence. Offering syndicated reports and custom consultation, our methodologies consistently provide accurate forecasts and unmatched thought leadership for deeply technical markets. Located in Natick, Massachusetts, VDC prides itself on its close personal relationships with clients, delivering an attention to detail and a unique perspective that is second to none.



First Choice for Last Mile

About FarEye

FarEye's Delivery Management platform turns deliveries into a competitive advantage. Retail, e-commerce and third-party logistics companies use FarEye's unique combination of orchestration, real-time visibility, and branded customer experiences to simplify complex last-mile delivery logistics. The FarEye platform allows businesses to increase consumer loyalty and satisfaction, reduce costs and improve operational efficiencies. FarEye has 150+ customers across 30 countries and five offices globally. FarEye, First Choice for Last Mile.



First Choice for Last Mile.

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