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SURVIVE AND THRIVE AMID DISRUPTION

A guide on how to become a more flexible and resilient supply chain

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Supply chains are the foundation of commerce, and that's not changing. What is changing? Supply chains themselves. They are being disrupted from the outside-in, and indications are that this is the new reality.

During the first wave of process digitalization in the late '90s and early '00s, function-specific software applications replaced paper workflows, and the roots of e-commerce took hold. It was a challenging time for supply chains as company leaders set high goals for efficiency and cost-cutting, but most of the disrupting was happening internally.

Today, new technologies and business demands are forcing change from the outside-in, and this is spurring innovation and opportunity. This guide will show you where to focus to become a more flexible and resilient supply chain that can survive and thrive during ongoing disruption.

Disruption Is the New Normal

Change is happening at a much faster pace than it used to — so fast that no one can say for sure how future supply chains will operate. One thing that is obvious is that there's no going back from here, and the pace of change in business will only accelerate.

Disruption is the new normal for supply chains, which are being influenced by these external trends.

1. Technology Advances

Integrated application platforms, the Internet of Things (IoT), and cloud computing have taken "big data" to the next level by enabling scalable analysis and granular control based on real-time conditions. On the horizon are machine-learning applications with powerful predictive capabilities, autonomous flight and ground vehicles, and automated trading networks on blockchains.

While some supply chains still need to use on-premise applications, cloud-delivered applications (software-as-a-service or SaaS) provide advantages that on-premise applications can't, and SaaS is proving to be a superior choice for supply chain resilience. Why? Because an increasing number of customers, partners, and others are doing business in a growing ecosystem of cloud-connected services. Businesses and individuals prefer the hands-off services model to maintaining their own servers and applications, and cloud applications are more frequently updated with the latest best practices.

Supply Chain Innovation

Where are you focusing innovation today?
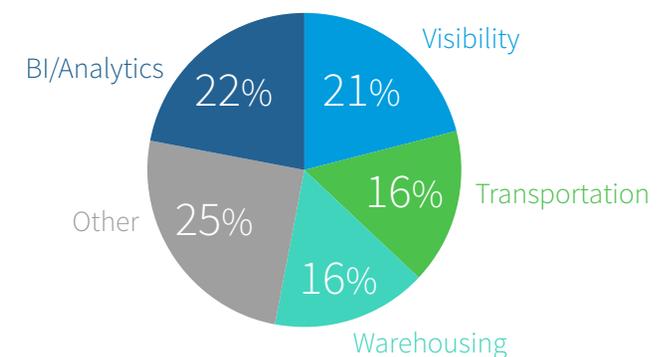
- BI/Analytics 22%
- Visibility 21%
- Transportation 16%
- Warehousing 16%
- Other 25%

Source: BluJay Solutions, *Focus on Customer Experience: Research on Supply Chain Priorities and Investments*, 2019

2. Customer Experience (CX)

Technology is also behind the birth of the experience economy, in which customer experience (CX) has measurable value. In supply chain lingo, this is called "the Amazon effect," i.e., customers rewarding providers for multiple service options, as-short-as-possible delivery windows, and highly personalized service.

> **"When the world changes around you, and when it changes against you — what used to be a tailwind is now a headwind — you need to lean into that and figure out what to do because complaining isn't a strategy."**
> — Jeff Bezos, CEO, Amazon

Supply chain professionals are using innovation to raise their CX capabilities and meet elevated expectations. Company leaders know that in order to serve a wide spectrum of customer preferences at scale, they need modern technology that supports flexible planning and rapid response. Legacy applications that have limited functionality and can't integrate across functions are not flexible enough.

Top 3 Factors Driving Supply Chain Innovation

1. Delivering an enhanced customer experience

2. Becoming more competitive on cost

3. Creating a competitive advantage

Source: BluJay Solutions, *Focus on Customer Experience: Research on Supply Chain Priorities and Investments*, 2019

3. Globalization

Doing business globally is becoming more complicated, particularly in the CX economy, because regulatory variability and multi-mode transportation make meeting heightened customer demands more difficult. At the same time, modern technology makes it easier for shippers and logistics service providers (LSPs) to scale CX capabilities because applications are integrated, and so provide better visibility, communication, and control. These are capabilities that contribute directly to flexibility because potential problems or changing conditions can be addressed proactively across multiple supply chain functions from a single point of control.

Looking at these three trends, it's clear that companies need to equip their supply chains with the right tools to take advantage of opportunities instead of being disrupted by rapid change.

How do you know if you *don't* have the right tools? Here are three telling signs:

1. People are using manual spreadsheets.

2. Applications and workflows are not integrated.

3. Daily operations run on break/fix cycles instead of end-to-end planning and control.

By contrast, a modern supply chain uses integrated applications that enable better control for exceptions, variability, and unknowns.

How to Become Disruption-Ready

Let's take a closer look at what has to change for a supply chain to become more flexible and resilient.

1. Replace disconnected silos with end-to-end supply chain integration.

The most important step is breaking down walls among supply chain functions, and for many companies this will require replacing function-specific point solutions with an integrated platform of applications for transportation, warehousing, compliance, commerce, and networking. This can be achieved with either an on-premise platform or a SaaS platform.

Integrated applications give managers comprehensive visibility and control at their fingertips. They don't need to track down information from another person or group to verify conditions and so are ahead of customer and business needs instead of behind them.

For example, BluJay's MobileSTAR application is fully integrated into the BluJay Transportation Management for Shippers solution (TMS) and provides real-time track and trace, proof of delivery, and last-mile routing from any Android or iOS device. (MobileSTAR also is available as a standalone application.)

Using a mobile phone or tablet, in-field managers and drivers can document inspections for compliance, capture evidence and record exceptions with photos, reduce loading mistakes and travel time, update plans and ETAs, and improve customer visibility through instant messaging.

2. Focus operations on data-driven decision-making.

To build up data-driven decision-making capabilities, you need open access to relevant data. For example, without end-to-end visibility, transportation networks can't be properly coordinated and synchronized. There are simply too many moving parts to consider, too many partners to work with, and too many options to select from.

> "Once we implemented TMS, we went from zero understanding of our transportation activities to full understanding of the related planning, costs, and analysis."
>
> — National transportation manager for an $800 million food company

But when transportation managers have access to a cloud-based, multi-tenant transportation management solution such as BluJay's Transportation Management, they can effectively leverage the power of a wider network of carriers and partners while also optimizing each and every one of their transportation-related decisions. This translates into better CX and real cost savings, as was demonstrated at an $800 million food company when it adopted BluJay's TMS.

The national transportation manager for the company, which is owned by an international food products conglomerate, said that his brand had matured to the point that it needed to break from the parent's systems and start using its own tools to better plan, consolidate, and optimize freight.

The TMS gives managers insight into which customers are the most cost-effective to serve and which are the most expensive, as well as how to find cost-saving solutions, such as delivering to specific customers from different distribution centers and consolidating shipments.

"Once we implemented TMS, we went from zero understanding of our transportation activities to full understanding of the related planning, costs, and analysis," said the national transportation manager. "Instead of just delivering on a specific day and without asking questions, we're using the TMS-generated data to make decisions that lead to better service and lower costs."

3. Flip from a culture of reactive response to a culture of proactive planning.

Once an organization starts opening the window to end-to-end supply chain visibility, non-strategic practices such as making decisions "because we have always done it that way" start to disappear, and this is generally a welcome change.

Build on the momentum by looking for ongoing opportunities to add more tools that support proactive planning and action. This is much easier to do with a platform strategy versus adding discrete applications that may or may not integrate with one another. With a platform,

new applications can be up and running faster, and integration is assured. Supply chains can flex without pain when new needs or opportunities arise in the near term or long term.

Remember also that when you bring in modern tools, supply chain managers gain access to more data, which they can use for making better decisions. For example, the BluDex freight rate index is part of BluJay's Global Trade Network (GTN) and is an aggregation of shipper and carrier market transactions for dry van and refrigerated shipments across North America. TMS users can

access BluDex on the web or as a mobile app to look at the most relevant and current market information for freight rates.

In many ways, BluDex represents the next generation of transportation management: real-time contextual information drawn from multiple sources and presented in relevant and actionable terms via an easy-to-use interface.

Don't Fear Disruption — Embrace Its Opportunities

Companies that are using manual spreadsheets and disconnected point solutions for day-to-day supply chain operations are going to fall on the wrong side of disruption as the pace of business change continues to accelerate. They won't be able to keep up with emerging technologies, new business models, and growing demands from customers for faster and more personalized service.

The good news is that comprehensive platform solutions can provide the integrated view and control that supply chain managers need to make more effective decisions and flex quickly when conditions change. Optimally, use a SaaS platform to gain the popular cost-saving benefits of "renting" software and hardware, and to add long-term resiliency by making it easier to incorporate emerging technologies as they are commercialized.

Simply put, yesterday's supply chain applications were designed for yesterday's supply chain needs. Business practices and technologies are constantly evolving in today's world, and supply chains need modern tools to survive and thrive.

See for yourself what modern supply chain tools can do. Request a demo of BluJay's Transportation Management or a customized tour of the Global Trade Network platform.

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BluJay Solutions delivers supply chain software and services to the world's most progressive retailers, distributors, freight forwarders, manufacturers, and logistics service providers. Transforming supply chain logistics with the BluJay Global Trade Network, we enable customers to unlock the power of more than 40,000 universally connected partners. With BluJay, companies can achieve greater trade velocity, transform their supply chain economics for disruptive advantage, and see beyond the horizon to optimize their future in the global economy.

⬈ Schedule a Demo