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Assembling leading contributors and industry insiders, Logistics KnowledgeBase tackles the challenges confronting shippers today—from e-commerce fulfillment to tight capacity and supply chain disruption—and applies their considerable expertise and experience to provide insight and clarity.

Knowledge is power and this section packs a punch. Logistics KnowledgeBase gives supply chain professionals impactful to-dos and actionable takeaways. Get the information you need to drive transformative change at your enterprise today.

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5 Actions to Navigate Through the Retail Landscape

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The constant evolution of the retail climate has produced a market that requires nimble solutions with enhanced precision. Suppliers and retailers have been pushed to adapt to behavioral shifts, omnichannel fulfillment demands, and heightened delivery standards by consumers–and it doesn't appear that it will slow down any time soon.

To better prepare your company for the journey ahead, here are five actions to position your supply chain for the impact of market volatility.

Taking these steps will allow your supply chain to adapt to consumer behavioral shifts, omnichannel fulfillment demands, and heightened delivery standards.

1. Have a durable network for omnichannel fulfillment.

As retailers expand buying channels and adopt creative solutions like "click and collect" services for their customers, your supply chain inevitably becomes more complex. Now, you must ensure the order is routed and fulfilled to meet your customer's demand. To do so, suppliers must try new approaches with a full perspective to not only deliver for customers, but to do so in a cost-efficient manner.

In today's climate, sophisticated data analysis and real-time supply chain insights are imperative to effectively manage the complexities of an end-to-end supply chain.

2. Understand retail compliance.

Compliance requirements vary depending on which retailer you're doing business with. The nuances that go into labeling, pack slips, and delivery windows are all defined by the retailer–making it imperative for suppliers to fully understand all the dynamics that go into adhering to these requirements. Not only will mastering these compliance standards protect your company from costly chargebacks, retailers favor suppliers they know they can count on.

3. Make sure you have end-to-end visibility.

In order to operate as efficiently as possible, you need full visibility into your entire supply chain. This can be done with a fleet of GPS-enabled containers backed by a comprehensive warehouse management system (WMS) and transportation management system (TMS).

These technologies will keep a pulse on your inventory and help forecast demand to make sure you have the right amount to fulfill retail orders quickly. The effective data sharing between these two platforms gives your business the detailed information it needs to govern your product from manufacturing all the way to retail.

4. Focus on the right KPIs.

It's important to understand how your brand fits in relation to the specific retailer. Focus on metrics that benefit the account as a whole such as capacity utilization, velocity, movement, and on-time performance.

In other words, demonstrate that you understand a category by adding value to the retailer, so you also help their business thrive. Focusing on these metrics gives your business an advantage over your competitors and may lead to account expansion.

5. Look for continuous improvement.

You may be asking, "What does a continuous improvement process look like?" Generally, this entails a consistent cadence of operational reviews, helping identify key issues and concerns within business operations and yielding invaluable data for further improvements.

Integrating the latest logistics technology into your supply chain can deliver a thorough process analysis and produce advanced transit modeling capabilities to further refine your supply chain operations.

Evaluate solutions that changed the industry at www.hubgroup.com or contact your Hub Group representative today.

Tracking Shipments in Today's World

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By enlisting the help of a 3PL, shippers can connect to carriers' systems and gain real-time shipment tracking information.

Many clients have been asking how to address the issue of keeping track of their inbound (and outbound) shipments without relying on the carrier's self-reporting, which can be confusing or sometimes misleading.

If you can't do this yourself, the gold standard for tracking your shipments and at the same time verifying the carrier's on-time performance is through the help of a third-party transportation management system (TMS).

Ideally, customers would like to track the inbound shipments until delivered; they would like to know if a shipment may be delayed or delivered with damages or shortages. Carriers know this, but many receivers have no way of getting that information on a timely basis.

Why? Because many receivers lack the technology or the staff with knowledge to efficiently extract and manage information from the carrier's computer.

The 3PL Solution

What is the solution? Enlist the assistance of a 3PL to use their software to hook to the carrier's computers and gather the information that is needed to produce proactive and real-time information on all movements.

What will this give you?

- The status and location of every shipment en route.
- Notification of freight that will be delayed.
- Identification of shortages and damages at time of delivery–*and*, if you wish, automatic filing of the claim for recovery.

The system is designed to identify such information on inbound collect shipments, as well as prepaid.

But what do you do about those carriers that do not have EDI capability? One method is to provide carrier access to your web portal that would allow the carrier to manually input shipment status information, even if on a delayed basis.

But if you have a high-volume carrier, this isn't feasible, so this is when the technology of an outside provider becomes even more critical. They can bridge the information gap between you and your carriers.

As a VAN (value-added network), third-party companies can take something as simple as a spreadsheet and load it into their database in a method that "wraps"/converts data into a 214 transaction set so you, the end user, see a seamless end product.

The third-party logistics company should provide full detail of all orders with all carriers and do so every few hours. You can pull individual reports or have all data pushed to your computer for all inbound shipments or even outbound freight.

This is just one aspect of the overall logistics picture, so it is wise to consult a trusted source for guidance on what to look for and how the whole process functions.

We encourage you to reach out to our consulting team for discussion of this topic at info@freightmgmt.com or via phone at 866-FRT-MGMT.

How Your Freight Agency Can Succeed in an Uncertain Market

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Staying engaged with your customers, providing solutions to their new demands, and not losing sight of your business goals can help you improve your business during the tough times.

The new decade presented unique challenges to nearly every industry. Since transportation and logistics companies service many of those impacted industries, your business was likely affected, too. The following are tips to help your freight agency succeed despite an uncertain market.

Stay in front of your customers.

You may be hesitant to engage with your customers right now, but you could be missing out on an opportunity to nurture existing relationships.

This doesn't mean that you should call your customers with a hard sell. Now is the time to remind them of how you can help when their businesses normalize. If you approach your customers with empathy and relevant information, they'll remember to call you when the time is right for them.

Shift your service offerings to fit customer demands.

Being flexible for your customers is important. Over the past few months, some supply chains have developed an increased demand in sectors of their businesses that you may not have been involved with before. For example, you have a customer that has historically used your business for its less-than-truckload needs but now needs your help with expedited shipping.

Make sure your customers know your full suite of services and how you can fulfill their new demands. Not only could this solve challenges for your customers, but it could become a new revenue stream for your freight agency, too.

This also could be a great time for you to get to know your customers' businesses better. For example, do you know how their operations have changed this year? How are your customers' competitors doing?

All of this information will give you more leverage the next time you talk to your customers.

Get to know your business better.

If you find yourself with more time on your hands, use this as an opportunity to reacquaint yourself with your business.

- Keep close tabs on your monthly revenue comparisons.
- Identify areas of your business that need improvement.
- Be mindful of how your employees are handling "the new normal."

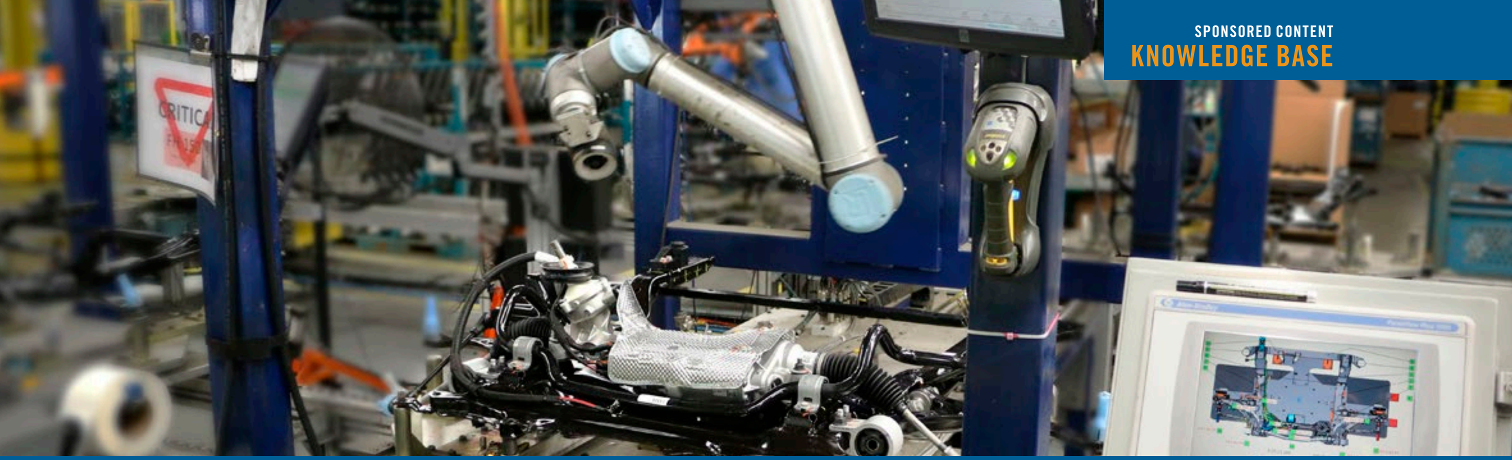
The more you know about how your business is doing, the better position you'll be in as the industry stabilizes.

Stick to your short-term goals and reevaluate your long-term goals.

It can be difficult to stay focused with so much going on, especially if your business has been unpredictable lately. In the short term, you should stay with the goals you've already set. You established those goals for a reason and should do your best to stick to them.

However, your long-term goals may need to be reevaluated. Plan for the future based on what you know now and understand that you may have to reprioritize as time passes.

If you feel like the future is as clear as mud, you're not alone. Staying engaged with your customers, providing solutions to their new demands, and not losing sight of your business goals can help improve your business during the tough times and set you up to succeed as conditions improve.



Outsourced Manufacturing: Achieving Quality and Financial Goals

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Whether a manufacturer is considering outsourcing a single product line or a whole facility, the financial benefits have been proven.

Manufacturers have been outsourcing non-core production processes for decades, and the trend continues. The key to successful outsourcing is assuring the 3PL Value-added Assembler (VAA) has a quality management system as the basis for designing and validating a robust manufacturing process.

Outsourcing supports a company's financial and manufacturing strategies by creating floor space, increasing throughput, focusing on core high value-added activities, and driving shareholder value.

A 3PL VAA has core competencies that are complementary to the strengths of the customer. 3PL VAA provides value by leveraging competency strengths which include warehouse design and process engineering, IT systems and automation best practices, business intelligence and predictive analytics, continuous improvement culture, quality management, and financial benefit validation.

Ensuring Quality

When selecting a 3PL for value-added assembly, quality is paramount. A manufacturer's brand, customer satisfaction, and reputation are based on producing a quality product. The outsourced 3PL VAA needs to meet and exceed the manufacturing quality goals established by the customer. A mature quality management system assures processes are planned, risk analyzed and monitored.

A world-class 3PL VAA designs around leading rather than lagging indicators. The important tools and metrics used to measure the 3PL VAA's manufacturing quality are PFMEA and FPY (first pass yield).

PFMEA and FPY provide early prevention and detection opportunities. Root causes for a defect are pinpointed and analyzed. Corrective action is implemented and validated; error-proofing is the fail-safe mechanism used to control, and prevent, a process from producing defects.

Error-proofing (aka poka-yoke) holds the key to achieving production quality goals. Error-proofing solutions are as diverse as the failure modes that they eliminate. Examples of error-proofing include Torque Angle-Yield (TAY) system, laser distance reader, proximity sensors, witness marks, light-placement guides, robotic vision systems, and dimensional verification.

Financial Benefits

Successful outsourced relationships deliver a positive financial impact. The financial benefits of outsourced manufacturing are calculated based on the reduction or transfer of operating (variable) and overhead (fixed) expenses. Operating costs will reduce due to outsourcing.

Labor costs and wages are a major source for cost-savings and represent the largest cost-down opportunity. Headcount will be lower due to continuous improvement and engineered efficiency gains. Employee benefits, vacation, and sick time are transitioned to the 3PL VAA. The manufacturer's corporate shared services (HR, IT, training, and quality) will then have increased capacity to focus on core activities.

Overhead (fixed) expenses such as real estate, materials handling equipment, racking, production tooling, and other costs are shifted to the 3PL VAA. An outsourcing strategy, which includes the transition of fixed expenses, will support a company's asset-light goals, strengthen the balance sheet, increase ROIC, and provide shareholder value.

Supporting Long-Term Goals

Whether a manufacturer is considering outsourcing a single product line or a whole facility, the financial benefits have been proven.

A successful 3PL VAA utilizes their core competencies in engineering, quality management, continuous improvement, business intelligence and systems to produce defect-free assemblies. An outsourced solution supports the goals of customer satisfaction, profitability, and increased shareholder value.