

Changing the way logistics does business

"Innovation is a way of life for BPL," says Willem Bekker, supply chain solutions manager for South Africa-based international logistics outfit Bidvest Panalpina Logistics (BPL), and a member of the company's Innovation Committee, which is made up of people from all areas of the business.



Source: pixabay.com

BPL puts its money where its mouth is: it established an Innovation Platform a year ago, inviting staff members to submit innovative ideas that could improve on the quality of service to its customers.

This “bottom-up” approach has introduced a culture of innovation in the company, and has so far produced over a hundred ideas, many of which have been implemented or are in development. These include an automated purchase-order system, a box-on-demand system, drone technology and a sign-on-glass project.

In the competitive digital age, global business consulting firm PricewaterhouseCoopers (PwC) believes that logistics business leaders must carefully consider technology as a key enabler of future growth.

Anthea Myatt, BPL’s financial director and head of the Innovation Committee, agrees. “As the industry looks to further digitise, standardise, and ultimately streamline complex transportation processes, logistics-focused technology that provides proactive, predictive and automated information is becoming increasingly important,” she says. “Be it artificial intelligence or simply converting a tedious manual process to electronic or automated, technology-driven innovations are endless.”

Dealing with data

A big strategic focus for BPL at the moment, cloud-based data analytics has helped the company become far more proactive in how it manages its operations, and in identifying issues before they arise. “We often see it as the logistics version of the petrol light going on in your car – data (fuel level) used to identify a potential problem (running out of fuel) before it occurs, in order for you to take corrective action (fill up),” Bekker explains.

The last few years have seen the technology related to cloud-based analytics become much more accessible, and BPL’s challenge is more in identifying where the tools and technology available can be deployed innovatively to create customer value, than in the application of the technology itself, Bekker notes.

The challenges of dealing with multiple systems, different units of measurement at various stages of the logistics chain, and the different variables at play for complex freight movements from cradle to grave, has been holding the industry back from truly providing end-to-end visibility. Recently, a cross-functional team of BPL operations experts conceptualised and built a unique data-visualisation platform that links key shipment information across multiple operations and from multiple source systems into a single end-to-end view.

Hardware/software solutions

While confusion about which hardware and software breakthroughs will have the biggest effect on profitability and overall organisational performance may be holding some logistics businesses back from making changes in the way they do things (according to senior PwC consultants), this isn’t an issue for BPL.

“This is something that’s ongoing, and rapidly implemented as opportunities are identified,” says Bekker, citing as recent examples the “sign-on-glass” technology customised and deeply integrated for one of the company’s key clients, and automated and integrated damages logging through smartphones.

“And we’re currently investigating some very exciting optical character recognition [OCR] technology that could significantly simplify the traditionally paper-heavy forwarding and clearing operations we’re involved in.” OCR enables the conversion of different types of documents, such as scanned paper documents, PDF files or images captured by a digital camera, into editable and searchable data.

Big trends: self-driving vehicles and blockchain technology

“We’re following what’s happening in the self-driving-vehicle space, and although there’s no doubt that it’s going to become reality in the near future, the main challenges we foresee aren’t linked to the trip aspect of the journey, but more to optimising the loading, route-planning, unloading, and other ancillary activities related to the transport leg,” says Bekker.

“This is where we think there’s more chances for creating customer value – not necessarily by automating the trip portion of the transport leg by removing the driver, but through optimising the full process of moving something from point A to point B.”

Blockchain technology, meanwhile, is “likely to focus on very specific-use cases at first, where the auditable transparent trail of an item is critical, such as in the pharmaceutical or perishable supply chains”, Bekker notes. That said, BPL’s global partner Panalpina has already joined the Blockchain in Transport Alliance (BiTA), a forum of leading tech and transport companies for the development and implementation of blockchain standards in the freight industry. “This keeps us at the forefront of developments, and shows our commitment to the level of cooperation across supply-chain stakeholders that will be required for successfully utilising distributed ledger technology to ultimately create customer value.”

The e-marketplace

“The supply chains of the future will move away from the awarding of medium- to long-term contracts for transportation, warehousing, distribution, etc, to short-term ‘per transaction’-type service requirements,” says Distribution General Manager Mark Kotze, pointing to the rise of platforms such as Uber and Airbnb as examples of how society and business have become accustomed to conducting business this way.

BPL is developing platforms that will make it a relevant major player in this new supply-chain environment, where customers can choose among available transporters, hubs, depots and warehouses to find the most efficient use of capacity. “BPL has a distinct advantage in entering the shared economy due to its growing network, consistent performance to its customers and financial stability,” says Kotze.

The future is now

“We view the strides we’ve made of giving operations experts hands-on exposure to the power of data science, data visualisation, the internet of things [IoT], etc, as a very powerful means of taking all these industry 4.0 concepts that can easily appear so much like science fiction, and making them real and tangible by solving actual problems and creating customer value,” says Bekker.

And Myatt notes, “As a company we’ve only just begun to tap into our potential for innovation, and we’re continuously looking for simpler, smarter, more cost-effective and safer ways to work each day.”

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