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# Overcoming Omni-channel Challenges in Retail



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*Supply chains should allocate product across today's complex omni-channel networks to fulfill customer demand.*

In today's inbound logistics supply chain, companies, especially retailers, continue to focus on that critical path from purchase order placement to delivered DC and availability for order allocation. Flexible supply chains that can allocate product across today's complex omni-channel networks quickly and accurately are most often the winners in fulfilling customer demand. Allocating that product at the last possible moment to the right channel can be a difficult task.

The exponential growth of omni-channel networks has highlighted the issues retailers face when inventory flow and order management systems may be in separate channels servicing different clients for e-commerce home delivery vs. business to business and store channels.

In order to get product moving across disparate channels downstream, retailers look for that marriage of order item detail to shipping information via third-party networks and systems. Systems that can tie multiple channels of inventory flow, and manage vendors and shipping functions, provide visibility of order item detail.

The ability to have this detail can mean real savings in inventory carrying costs and enhanced revenue. An enabled network allows order allocation on the water or en-route, to the right channel at the right time, reducing cost and delivery time to the ever more complex consumer.

Better inbound planning and tighter ERP product lead times can be achieved. Ultimately, the difference in making the sale or not in many cases is the company's ability to manage this flow.

The solutions via third parties depend on a marriage of technology and 'boots on the ground.' Technology is advancing at a rapid pace but technology alone cannot solve the problem.

Management of vendor ex-factory windows, order/item quantity tolerance and mode selection requires partners with integrated global networks that are also very close to the vendor base.

The software or technology deployed must be a single positioned platform integrated with upstream ordering process and downstream inbound processes. With the logistics industry racing to develop the best technologies, the marriage of technology to these problems will continue to rely on globally connected networks and human capital to extract the most value from today's complex supply chains.

Crane Worldwide is a full-service air, ocean, trucking, customs brokerage, and logistics company. Crane Worldwide has the team in place to understand your supply chain challenges and help you overcome them. We know that not having your product on shelves impacts your bottom line. We are dedicated to ensuring your supply chain is more efficient, reliable, and profitable.



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## Cross-Brand Collaborations: X Marks the Spot

Cross-brand collaborations seem to be everywhere right now. But why the sudden explosion in collaborations? And why do brands do it? SEKO Logistics teamed up with digital e-commerce agency Red Hot Penny to analyze some likely reasons behind cross-brand collaborations to provide insight and inspiration.

### Open up new markets

A collaboration of two brands in complementary markets will vastly increase your brand reach, as you're talking to two sets of customers, rather than one. This partnership subtly alerts consumers from one brand that the other brand can be trusted.

For example, Red Hot Penny noticed that high-fashion brands are constantly collaborating with high-street brands in an effort to tap into the different customer groups.

While two brands, or sectors, may not initially seem to have a common link on the surface, as they dig deeper, they discover mutual interests. These interests will resonate with the consumer and could possibly lead the customers of one brand to consider the other.

### Understand your customer

Sometimes a collaboration isn't necessarily about accessing new customers, but rather showing your existing customers that you 'get it'—you understand what they want. By taking it to the next level with the development of new products based on popular demand, you put forth the effort to create something that you know your customers are going to love. The ability to connect with the consumer increases your brand value and makes your fans even more dedicated.

### Get noticed

As technology progresses, all sectors of the marketplace are so crowded that brands have to do something extraordinary to be heard. And a collaboration is one way to do just that.

Both big brands and small brands use collaboration to

get ahead and piggy-back on the reputation of their better-known collaborator. Through collaboration, smaller brands gain access to a much bigger audience and larger brands get positioned as a champion. Win - Win.

### Cause awareness

The common thread between two brands may be something as genuine and selfless as bringing awareness to a specific cause or charity. Although this collaboration will likely contain a sales message driving consumer purchases, the effort and participation demonstrate commitment to charitable causes, while also bringing brand awareness to various audiences.

### Brands reborn

Sometimes collaboration can be a great way to dust off an old brand to create a bit of positive buzz and show that it's still relevant. The ability to harness and analyze the effect your brand has on consumers is immeasurable. Whether it be a distinctive smell, a graphic, or a specific color variation, iconic brands that have been around for decades have harnessed the essence of their brand and found ways to re-tap into the market.

Collaborations aren't necessarily long-term deals and that's never more evident than when brands team up with pop culture 'flavors-of-the-month' for short-term collaborations. No doubt they're a great way to quickly boost awareness and align with something hot, but they possibly lack the impact of a collaboration motivated by one of the previous reasons.

Collaborations between brands don't look like they're going to stop any time soon and, with the ever-evolving e-commerce industry, pairing up with a brand, even for a short while, has its benefits.

So, whether it's to open in new markets, reinvigorate a brand, or shine a light on a cause close to your heart, collaboration can lead to increased awareness, positive opinion, and prospective new markets.



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## Use Big Data to Improve Your Supply Chain

**T**he term “big data” has been one of the hottest buzzwords in recent years, which shouldn’t be a surprise. Statistical science and data analytics can help organizations acquire historical measurements and generate actionable information that improves supply chain visibility, drives operational efficiency, and supports growth. But knowing the importance of data is only the first step. Organizations must have the right processes and strategies in place in order to access that data, analyze it, and then make it actionable.

### Set Yourself Up for Success

In order to effectively leverage data and achieve meaningful results, it’s vital to start out on the right foot—which means gathering the right information. Understand precisely what data needs to be captured, tracked, and acted upon. Timely, accurate, and complete data can provide a holistic view of an organization’s operations and boost collaboration—both internally and with supply chain partners.

### Make Data Actionable

The ability to access and analyze the right information is only the beginning. What makes data truly valuable is how an organization uses it. Utilizing Business Intelligence (BI) tools and reporting can help make reacting to operational concerns more actionable in order to drive meaningful change and create an agile supply chain. Here are some key ways to leverage the data you glean within your supply chain operations:

**Advanced Transportation Planning:** Today’s logistics technology helps track important data to improve the flow of goods throughout the supply chain. For example, a transportation management system (TMS) can provide precise inbound and outbound statistics to track shipment frequency, identify endpoint destinations, and more to help organizations anticipate future shipping patterns, secure necessary capacity, and ensure optimal inventory levels.

**Complete End-to-End Visibility:** Tracking and tracing the end-to-end movement of goods is critical to establishing (and maintaining) an efficient supply chain. Data from a TMS can help with continuous move routing and tracking the location of each shipment—and, if unexpected events occur during a multi-stop delivery, real-time load locations can help enable route adjustment to avoid paying late penalties or having a driver run out of hours.

**Enhanced Planning & Forecasting:** Preparing for the future is critical for successful supply chain operations. Using data for advanced planning can help anticipate what may occur in 12 to 18 months and better forecast future impacts and constraints. Conducting “what if” scenarios can help organizations mitigate risk when disruptions arise, such as inclement weather or a capacity shortage.

**Strategic Capacity Planning:** Advanced analytics help create an optimal network during the procurement and bidding process—which can help lower carrier costs and manage variations. In order to obtain the optimal bid results, shippers should create bid packages that contain continuous loops, tours and multi-stop movements. By utilizing advanced planning scenarios, organizations can model the future for carriers to bid against versus static, historical lane data. Look at your organization’s forecast for signals that volumes may increase at specific plants or distribution centers (DCs), then model out the impact for your transportation providers to understand how your network must adapt.

**Better Customer Service:** Data analysis allows for transparency with customers, helping them gain insight into any fluctuations of cost or service. Additionally, using predictive analytics to automate processes allows for improved appointment setting and delivery tracking, ensuring that the end customer receives products on time.

### Make Data Work for You

Data can have a significant impact on an organization’s supply chain. However, accessing the timely, accurate data and then effectively utilizing it is not a simple task. It’s important to have a strategic approach to big data and thoughtfully map out a plan for accessing and using it. This includes establishing key performance indicators (KPIs), implementing specific goals, identifying what needs to be accomplished with the information being gathered, and then comparing final shipping results with initial goals and KPIs and making necessary adjustments moving forward.

Additionally, utilizing the expertise of a 3PL partner can help shippers glean deeper insights into their supply chain. Pairing deep industry expertise and insights regarding capacity, routes, weather conditions and more with big data can better help validate, anticipate, and predict future outcomes. This enables shippers to more effectively leverage the data they have to optimize their transportation strategies, increase efficiency, reduce costs, enhance customer service, and improve carrier relationships.



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## Getting More Strategic about Transportation Sourcing

**W**hen faced with the logistical dilemma created by the truck driver shortage, increased traffic, and the increase from retail to e-commerce, challenges can't be fixed by doing what's always been done. At Dupré Logistics, we see many organizations continuing to source tactically, based on price or as needed on the brokerage market; changes to that mindset may be required to remain successful going forward.

The truck driver shortage is a problem for the entire supply chain as 70.6 percent of all freight tonnage is moved on the nation's highways, according to the American Trucking Associations. The relatively high average age of the existing workforce of truck drivers is one of the largest factors in the current shortage—and as time passes, that factor will increase. If current trends hold, the driver shortage could swell to over 174,000 by 2026.

Most of America's highway and interstate systems are at full capacity and at a near-breaking point. Statistics show that there is no end in sight to the general traffic on the roads, not to mention the increase in trucking. In fact, in the next 30 years, the population of the United States is expected to grow by 70 million—that's more than the population of New York, Texas, and Florida combined.

As the nation grows, so does the demand for travel. How will infrastructure accommodate 70 million more people and growing amounts of freight? And, due to aging and physical deterioration, some of the busiest roads and infrastructure experience weight restrictions and require emergency repairs with greater frequency, leading to even more congestion on existing or alternate routes—creating even more delays.

To put in perspective the strain and congestion, the average American driver spends about 42 hours a year stuck in congested traffic with the annual cost in fuel consumption due to congestion at \$160 billion per year. The annual cost for truck congestion alone is about \$28 billion.

As the logistical storm continues to brew, organizations that rely on the trucking industry may be forced to consider new solutions for reliable logistics services. The new normal will require a shift in thinking—Dupré Logistics believes that trucking is no longer a nameless, faceless commodity that will always be there as long as a company is willing to pay for it.

As trucking becomes a scarcer resource, organizations who want better access to the resource will have to be more strategic. The questions are:

- Is access to reliable, qualified truck transportation important to the success of your organization?
- As the scarcity of trucking capacity continues to alter the supply chain landscape, are shippers willing to alter their view of trucking in the supply chain value hierarchy?
- How does an organization figure out how to protect the value of trucking services in their sourcing activities and at their facilities?
- How does an organization become a shipper of choice?

Dupré Logistics suggests that shippers who think strategically and build closer relationships with carriers are in better stead to meet their capacity concerns. Already, signs of commodity-based organizations figuring out how to have more meaningful long-term relationships with logistics companies are strengthening some shippers' relationships with logistics companies.

Dupré Logistics is beginning to witness shippers that have recognized that access to quality truck transportation is important to their success, are now approaching the market with that value in mind. These organizations report that while access to quality trucking capacity remains tight, they consistently find trucks and experience less cost escalation than what is reported by market observers.