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LOGISTICS

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## Thought Leaders

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## How to Prepare Your Warehouse for a Second Wave of COVID-19



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*Warehouses and fulfillment centers should take these precautions to mitigate COVID-19 risks, keep the workforce safe, and avoid costly downtime.*

**M**ost warehouses and distribution centers (DCs) stayed open as essential businesses when COVID-19 restrictions were placed across the United States. Facilities that failed to implement appropriate preventative measures early went through a series of hurried closings, cleanings, and re-openings to combat COVID-19 outbreaks.

The United States continues to set new records for the number of active cases of the virus, suggesting a new wave is coming—if it isn't already here. This second wave coincides with the traditional flu season, which may cause as-of-yet unknown complications.

Warehouses and fulfillment centers must take precautions to mitigate the risks posed by coronavirus, influenza, and other contagious respiratory diseases. Here are some tips to keep your workforce safe and avoid expensive downtime.

**1. Shared surfaces.** Warehouse workers often touch the same shared equipment and surfaces, such as pallet jacks or carts. Recent data shows that SARS-CoV-2 can live on plastic and stainless steel surfaces for up to three days, so shared surfaces must be regularly cleaned with steam or chemicals between shifts. Supplement more thorough cleaning by providing employees with alcohol wipes to clean tools before and after use. Sanitizing wipes should also be provided in break areas.

**2. Handwashing and sanitation.** Simple handwashing is one of the most effective ways to prevent the transmission of viruses and bacteria. The CDC recommends handwashing for at least 20 seconds to prevent coronavirus transmission.

Warehouse operators should provide handwashing access to all employees by making all sinks available for handwashing, keeping soap stocked, and renting or buying additional handwashing stations if needed. Hand sanitizer containing at least 60% alcohol content should be placed throughout the facility.

**3. Masks** that cover the nose and mouth have proven effective at limiting the spread of COVID-19. All warehouses and fulfillment centers should implement a mandatory mask requirement to help prevent the transmission of the virus within the facility by workers who may be infected but asymptomatic.

N95 masks are best, but simple surgical masks or cloth coverings help to prevent viral spread. COVID-19 primarily spreads through respiratory droplets when someone coughs, sneezes, laughs, or speaks. Without a barrier to stop them, the smallest respiratory droplets may aerosolize and stay in the air for hours. A recent study at Duke University showed that neck gaiters may actually increase the risk of aerosolizing respiratory droplets, so it's prudent to prevent employees from using this type of covering.

**4. Social distancing.** Most facilities have some sort of social distancing policy in place. Simple measures include:

- Offsetting start and end times to avoid bottlenecks
- Designating specific doors for entering and exiting
- Eliminating time clocks in favor of digital time tracking via smart phones
- Staggering lunch and break times to avoid gatherings
- Adding plexiglass barriers between workstations

**5. Access control.** Even the most stringent social distancing measures won't be effective if outside drivers, vendors, or customers freely walk into the facility. Create separate waiting areas with restrooms for visiting drivers and implement contactless driver check-in/check-out processes to limit physical employee exposure to outside visitors. It's also best to limit or ban vendor and customer visits.

## Procurement Practices That Pay Off



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*How do you know you're paying the right price for the right level of service? Accurate business intelligence will drive sound strategies that deliver on core business goals.*

**T**ransportation is a significant expense, which is why procurement is such an important process. Whether you're shipping food, electronics, heavy machinery, consumer packaged goods, or anything in between, you want to maintain the highest levels of service at the best possible price.

Today's teams solve complex problems daily, and the right business intelligence ensures they produce sound strategies that deliver on core business goals.

### Choosing the Right Strategy

There are a wide range of approaches to pricing and procurement, each with their own set of benefits and drawbacks. At the end of the day, it all comes down to the same question: How do you know you're paying the right price for the right level of service?

**Option 1: Internal Analytics.** Many shippers today have internal transportation analysts who review historical performance, creating forecasts and budgets based on supply and demand trends. This analysis can often get delayed for weeks or even months, depending on bandwidth and the number of available resources.

The biggest drawback to this approach is it doesn't provide a holistic view of the freight markets, so you may miss important market dynamics that are changing the business environment around you.

**Option 2: Conduct a Bid.** No matter how well you plan, preparing for a bid can take a lion's share of your transportation and procurement department's time and resources.

While you will get a good reality check on where the markets are, these bid-specific freight rates and capacity estimates represent only a cross-section of all available freight rates. They also only reflect your supply chain network's volumes and needs at that point in time.

By and large, conducting a bid is a good thing, but it does not guarantee you'll secure the best

possible freight rates and service levels, or help you adapt to changes in your network.

**Option 3: External Benchmarks.** Hiring outside analytical services can help you augment or even bypass internal analysis, but not all benchmarks are created equally. Many can be expensive, so when choosing a benchmarking tool, you'll need to take special care to make sure the data isn't biased.

If the benchmark is based on a small subset of market rates or heavily weighted by a particular industry, then the data will not improve your company's decision-making—in fact, it could do the exact opposite.

But robust, accurate benchmarking solutions created by DAT iQ are key to getting a clear, 360°-view of the freight markets, providing intelligence that wouldn't otherwise be available through internal metrics and bids.

**Option 4: A Hybrid Approach.** To get the best of each approach with minimal drawbacks, DAT iQ finds that a hybrid strategy—one that combines analysis of your own service requirements and carrier performance with a broader freight market view that uses credible, competitive business intelligence tools—helps most companies thrive.

The Freight Market Intelligence Consortium (FMIC)—formerly part of Chainalytics—offers external benchmarking and forecasting based on regular and timely econometric modeling of transactional markets and their underlying components, revealing the true cost drivers that influence freight rates.

Combining this information with your own internal data gives you a clear view of how your transportation operations compare to the market and your competitors.

This deep visibility into the freight markets allows you to take the guesswork out of your transportation budgets, with clarity that serves your core business strategies.

## THOUGHT LEADERS

# Control Tower Capabilities—Redefined



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**Q:** *What is a control tower?*

**A:** There are many definitions of a control tower in the market today. Some are analytics overlays without a network to get data or application intelligence. Some provide one functional area (e.g. planning) and encompass internal operations and maybe tier 1 providers. These can sound helpful but won't get you very far.

Agility and resiliency don't call for a new piece of software named a "control tower." It should be part of the platform that runs your end-to-end operations and processes, powered by real-time data from a multi-tier network, allowing internal and external parties to understand exceptions, collaborate on the best decisions, monitor performance, and learn for next time.

**Q:** *When evaluating control tower vendors, what should companies consider?*

**A:** Look for a vendor that can deliver on four crucial fundamentals: **1)** A multi-enterprise network at the core that can pull data from any tier, function, or ecosystem and use that data within all applications. **2)** Decision-grade data that can be immediately used across all applications. **3)** End-to-end applications with intrinsic field-proven AI. **4)** Collaboration, which enables connection and communication with internal and external partners across multiple tiers and ecosystems.

**Q:** *What types of businesses are best suited to optimizing control towers?*

**A:** Control tower capabilities help companies make better supply chain decisions across all industries.

The larger the business, the more extended their supply chains, the more diverse their partner network, the more regulated the industry or products, the shorter their planning timeframes—all these factors come into play when evaluating control tower capabilities.

In short, any business that experiences supply chain disruption and wants fast, accurate, and predictive resolutions to benefit all parties, functions and ecosystems.

**Q:** *What problematic parts of the supply chain can a control tower smooth out?*

**A:** Two problematic areas are gaining E2E visibility from downstream, upstream, and logistics ecosystem partners; and using this data to make decisions and orchestrate E2E processes across all parties. While control tower initiatives often start in one functional like planning, logistics execution or procurement, the key is the ability to connect any and all supply chain processes, not just one area or ecosystem. This holistic approach is what helps you become more agile and resilient—and future proof for sustainable value.

**Q:** *Can control towers help manage disruption and/or sudden demand increases?*

**A:** Absolutely! Having an operating platform brings together all the data you need to see what's happening, combined with all the applications, artificial intelligence, and analytics necessary to understand what disruptions mean to the business, recommend the best course of action, put decisions into effect, and learn for next time.

# What Is the Best Method to Measure Customer Satisfaction?

**Q:** *How is Ruan's Customer Satisfaction Program structured?*

**A:** At Ruan, customer satisfaction is one of our five guiding principles.

Ruan believes in developing strong partnerships by understanding our customers' stories and continuing to improve our service as their needs evolve. And the best way to know if we are achieving that goal is to ask them.

Every year for the past decade, Ruan has relied on surveys to directly measure how satisfied our customers are with our performance. The questions are answered anonymously because we want frank, honest feedback.

Brief but comprehensive questions range from billing accuracy to technology services to driver safety and more. But we don't stop there. We use the annual survey as an opportunity to gauge the strength of the partnership as a whole by inviting our customers to tell us what's on their minds:

**What are their biggest concerns?**

**Where are the partnership successes?**

**How is Ruan helping, and how could we help more?**

The feedback and information we collect through our Customer Satisfaction Program help us better understand how Ruan's growing range of services can make things easier for our customers and add value to their supply chains.

**Q:** *How does Ruan's Customer Satisfaction program benefit your customers?*

**A:** One way that Ruan uses these surveys to create value is by creating action plans for customers each year. We have a strong participation rate in the Customer Satisfaction Program because we make sure our customers know we're really listening to what they're telling us.

Asking customers if you're doing a good job can be intimidating for many companies, which is why many simply don't. If we're falling behind in an area, we want to fix it. If we're doing well in another, we want to do even better. So, we take our scores back to the customer who evaluated us to discuss our strengths, our weaknesses, and develop a roadmap for an even stronger partnership in the future.

**Q:** *How do your results impact your goals going forward?*

**A:** It's an exercise in strategic planning, but also humility. We're extremely proud that since beginning our program in 2010, Ruan's overall customer satisfaction rating has increased more than 13%. And this year—throughout a global pandemic and monumental uncertainties across the board—we've had our highest scores yet, with a nearly 90% satisfaction rate.

It's proof to us that asking our customers for their feedback, and then doing something productive with that feedback, allows us to deliver better services, strengthen partnerships, and create greater value.

Because that's truly what's important.



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