One key step to finding answers to any logistics problem is knowing the right questions to ask.

Inbound Logistics assembled a team of supply chain leaders and asked for their perspectives on the important logistics challenges and opportunities impacting your business.

More importantly, these logistics thought leaders can give you guidance when considering improvements to your business processes.

THOUGHT
LEADERS

Trading Partners Work Together to Secure Maritime Cargo

Q: How are ocean carriers and shippers addressing security standards?

A: When U.S. Customs and Border Protection (CBP) introduced the Customs Trade Partnership Against Terrorism (C-TPAT) initiative after the Sept. 11 attacks, it gave government, shippers, carriers, port authorities, and other transportation and logistics intermediaries a platform to build better security protocol into the supply chain. As a consequence, supply chain partners are taking cues from CBP and making concerted efforts to share and apply security best practices throughout their organizations and supply chain operations. In fact, some are making voluntary C-TPAT certification a compliance requirement among partners.

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Q: These methods and standards apply mostly to U.S. ports. What's being done overseas to address the same issues?

A: Before C-TPAT, there was the Container Security Initiative (CSI). CSI is designed to push the security border beyond America's shores to foreign ports. It consists of four key elements: using advanced intelligence to identify and target containers that may pose a threat; pre-screening suspicious containers while they are still overseas; using technology to quickly pre-screen suspicious containers; and employing smart containers.

Q: What are some methods to manage the process?

A: C-TPAT requires companies to conduct periodic spot-checks to ensure all procedures are being performed. One way shippers can address this is by employing detailed, standardized checklists. Steamship lines use this approach when sweeping a vessel for potential security breaches, examining internal/external compartments, and reviewing shipboard training programs. Shippers can engage a similar step-by-step process within their facilities to ensure a shipment's chain of custody remains intact.

Q: How can shippers and their supply chain partners enhance security and also save time?

A: Ensuring containers remained sealed is important — and required by C-TPAT. Containers with seal security issues should not be allowed to move on until the discrepancy is resolved. Stopping the container as close as possible to the point of discovery makes it easier to identify the nature of the problem. Proper action may involve applying a high-security seal, requiring a shipper to verify the contents and add a seal, or refusing to lade a container on its next means of conveyance.

Q: What would you suggest as an overall unifying philosophy for the industry?

A: Stay alert. Monitoring the work environment, especially on the waterfront, is critical to any maritime security program. Some steamship lines routinely and randomly inspect containers in transit to keep shippers, suppliers, and other intermediaries on their toes. If breaches arise, they can use this information to identify the problem's root and develop solutions to prevent future compromises.

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SaaS-Based Transload Management Systems Enable Transport Efficiencies

Q: Why are rail shippers turning to transload facilities to ship products to receivers?

A: Transload facilities bring significant economic advantage to shippers who are not directly served by railroads, but desire the cost-effectiveness of rail shipping. Transloading operations provide the capability to transfer products between transport modes—primarily truck to rail. Typically, products are transported by rail to transload facilities, where cargo is transferred from railcars into trucks for final-mile delivery to the receiver—or in the reverse, "first mile" from truck to rail.

equipment maintenance, product packaging, and equipment cleaning. These efficiencies allow shippers to reduce delivery times and ensure ready access to product.

Q: How can today's transload facilities effectively respond to the operational complexities of managing on-site shipper inventory/shipments, and deliver decreased transport costs?

A: Transload facilities have become the central hub of end-to-end supply chain product transport and fulfillment processes for many rail shippers. Transload management systems must orchestrate appropriate inventory availability and replenishment cycles, while also coordinating inbound and outbound movements between rail and other carriers. Transload facilities find great benefits from Software-as-a-Service (SaaS) solutions that deploy quickly, and easily integrate with enterprise resource planning systems and electronic data interchange sources to provide seamless inventory and operations management, and network transport coordination.

Q: What should a transload owner or operator look for in a transload software solution provider?

A: Transload facility operators should expect their solution provider to have a deep understanding of the rail supply chain, and close association with railroad com-

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As many as 1,800 transload centers operate in North America today, with many more in the planning stages. This has created a growing demand for software solutions to manage transload inventory quickly and easily.

In addition to lowering shippers' overall transport costs, transload operators provide a range of additional capabilities, including inventory management and automated replenishment planning, product storage, transport planning/coordination, shipment paperwork processing, and other value-added services such as

panies. Providers must demonstrate an understanding of transload operational processes and bring intuitive, innovative solutions that apply advanced technology components to automate, orchestrate, and optimize workflows; manage product inventories; and streamline transportation transfers. Such solutions provide a winning solution for transload operators by facilitating real value delivery to their shipper customers.

Shared Technology Resources Hold the Key to Supply Chain Optimization

Q: How can value chain partners cooperate to create and share efficiencies?

A: While it is understandable for each supply chain partner to maintain its own information technology, many companies rely on more than one IT system—along with spreadsheets and email—to manage supply chain operations. To further complicate matters, every transaction in the complex global supply chain may involve a buyer; seller; carrier; and various forwarders, warehouse operators, and compliance/Customs brokers on both the origin and destination side.

With so many parties involved, exchanging so much information among them, it is hard to comprehend why some companies add complexity by using multiple service providers, just to save a nominal amount on logistics costs—often at the expense of supply chain coherence and visibility.

Without a global control tower to manage this complex workflow and dataflow across partners, chaos rules. Supply chain managers must determine the best trade-off in their supply chain based on specific organizational needs.

Here are some approaches that can help improve supply chain operations:

■ Implement integrated logistics execution by linking order management to warehouse and freight management (both international and domestic), as well as compliance, either across systems or through one system.

■ Operations and IT groups within organizations need to collaborate better to define a partner-inclusive supply chain vision. IT has to be the enabler, leveraging the power of Internet tools rather than relying on existing legacy technologies.

■ Establish an enhanced data model across multiple supply chain partners. This goes back to the idea of a global control tower with a data model far beyond the boundaries of your business. Data can be used to control the events and workflow proactively, and with today's technology can be dispensed across companies, countries, locations, and more importantly across platforms—such as mobile, tablets, and notebooks—while still respecting the concern for data security across partners.

■ Limit the number of trading partners in your supply chain to enable easier collaboration and drive out hidden costs whenever a handover occurs.

■ Because multiple IT systems across partners is the norm, not having real standards of communication across various parties and their IT systems in the supply chain is a large problem. Investing in a reliable and cost-effective integration tool that supports translation and multiple communication standards such as EDI, XML, and Web Services is important.

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Information Access Differentiates Transportation Providers

Q: What are the most important elements of an information technology (IT) strategy for participants in the transportation chain?
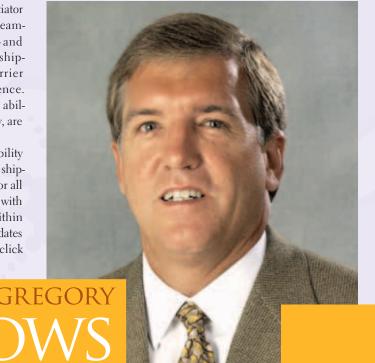
A: Strategically, there is only one IT goal: to differentiate your service from your competitors. Tactically, you need to figure out how to deploy mobile computing for customer- and employee-facing iPad and smartphone applications.

Today, information is the only differentiator in transportation. All the carriers are steaming slow—half as fast as in the 1970s—and schedules are fairly reliable. When a shipment moves without error, which carrier you choose doesn't make much difference. Shipment information visibility, and the ability to fix problems early and inexpensively, are the only differences between carriers.

What makes a carrier stand out is its ability to enhance the customer experience with shipment visibility, much like Amazon does for all its orders. When you order from Amazon with ground shipping, the site notifies you within minutes that the order was logged, and updates you again when the order ships. A single click

Q: How do you see mobile technology evolving in transportation?

A: In today's environment, customers have high expectations for on-time delivery, but also want visibility of cargo in transit, and the ability to change or reroute shipments. Many truck drivers now carry smartphones that can locate their exact position and allow shipment recipients to sign

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from the Amazon email takes you to the UPS tracking system. Both Amazon and UPS offer premium, fee-paid service that allows you to further enhance the delivery. We expect this kind of visibility for a $100 purchase. We should demand the same for a $100,000 shipment from our supplier. Amazon's supply chain acumen should be the benchmark.

Ocean and domestic carriers have traditionally been slow to adapt to new technologies. The recently released *Information Week* Annual IT Leaders and Innovators lists only 15 logistics and transportation companies among the businesses selected. Besides FedEx and UPS, only five of the companies are domestic—and no ocean carriers or railroads are even listed.

for proof of delivery. Also, if an exception occurs in the supply chain, all parties are instantly alerted.

The dashboard information deployed on mobile devices for salespeople is also available on each customer service representative's desktop while they are communicating with customers. Sales reps can display customers' entire shipment history and current visibility while they are meeting.

The carriers that provide customers with this kind of shipment information on mobile devices will be the ones that dominate the future.

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