LOGISTICS
WHITE PAPER

INFORMATION FLOW IN LOGISTICS

Logistics is more than just transport from one place to another. It is a collective term for everything involved in organizing, planning, controlling and executing a flow of goods from the first to the last phase. The most current and emerging form in logistics is outsourcing through Fourth Party Logistics (4PL). Third parties and partners are called in to carry out transport, storage, VAL (Value Added Logistics), but often also planning and stock management.

THE LOGISTIC CHAIN AND INFORMATION FLOW

Logistics comes with information exchange, such as orders, status reports, schedules, customs documents, traffic information, etc. If there is no integrated goods flow control, the various links function more or less "independently" from each other and it will be impossible for a chain director to steer everything in the right direction.

INFORMATION MANAGEMENT

To manage all logistics processes it is of great importance to properly process the information flows. Where, when and how should the goods be delivered? Logistics stands or falls with a good organization. With integrated goods flow control, the different information flows are connected to each other.

Integration challenges

For many organizations there it is a huge challenge to integrate all data. We have listed some of the most identified challenges. How many apply to your organization?

- The transport orders (which are in an external system) are processed manually

- Goods remain at customs for too long because documents appear to be missing

- EDIFACT messages from customers and carriers are not processed automatically

- Cross-dock information received by email must be manually processed in TMS

- Excel documents with data about the shipments are manually transferred to TMS

- Communication with carriers takes place via paper documents and email

- It is not possible to exchange acknowledge messages with carriers

- The ERP system can only receive data in its own standard programming language

- There is uncertainty after the goods have been sent;
  - There is a lack of traceability of transports and goods
  - The service performance cannot be monitored
  - It is difficult to collect data from carriers
  - There is no automated "feedback loop" to Customer Service
  - Customers cannot look up the status of a shipment themselves

- There is no warning system when there are delays or irregularities. The real-time information that is required for this, is now missing, including planned delivery times and routes

- Shipments cannot be properly combined to optimize the loading, because this requires information that is needed from the various freight offer systems

- The most current information about environmental zones, window times, available loading and unloading places is not available

- The routes and stops are not yet shared with road authorities. For example, information about current road works, events, window times, loading and unloading points, environmental zones and – from the point of view of liveability – desirable and less desirable routes. At the moment they are therefore unable to respond to this with the help of intelligent traffic control systems

- No data is now shared with the party further down the chain that is responsible for city distribution. They are unable to optimize their planning process and receive feedback on this

- The information about when which carrier is expected at which branch or depot is not directly available in the system

Often many of the above challenges exist in an organization, but they have never been seen as a problem because people don't know better than to work with workarounds. And they are labor-intensive and error-prone.

When employees are asked to describe the ideal situation, they want to have all the necessary information together "with 1 push of a button". But this sounds like a utopia, right? Many of us can probably remember that we all once walked around with a mobile phone, electronic pocket diary, TomTom, digital camera and an iPod…

Replace ERP?

What should we do?

We will explain this using the Kipling method (5W1H questions)

- First of all, an overview must be made of **which** data is currently being received, which data should be received and which data should be sent. And, of which systems and applications should be communicated with.
- Then you need to look at **where** the data is needed
- Then it must be mapped out **what** should be done with the data; fetch, convert, enrich, etc.
- The final step is to register **who** should be notified of any errors in the data
- It is already clear **why** data integration is needed, so the question is how best to do this. We are happy to explain this on the basis of our Seacon reference case.
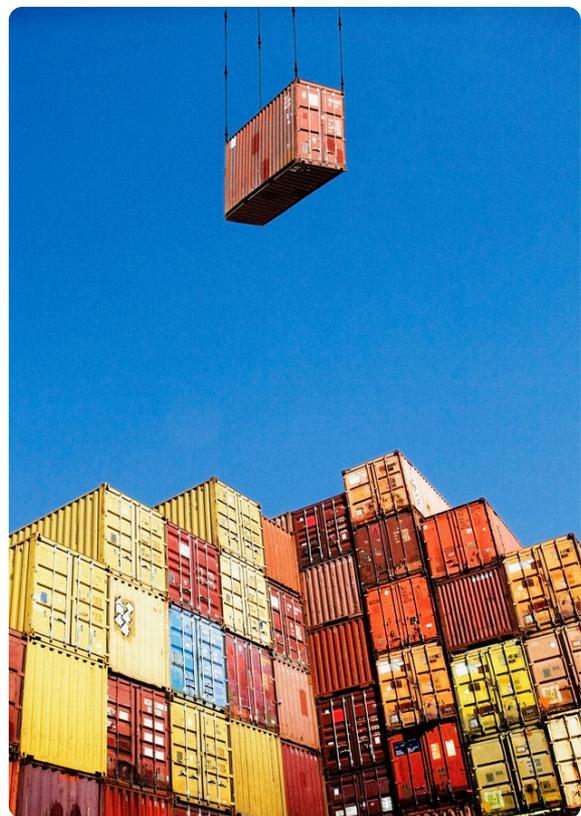
74% of delays in the logistics chain is caused by incomplete or false information.

Case study: Seacon

Seacon Logistics has been building their organization as a major logistics chain director since 1985. In 1986, the organization developed the first multimodal inland terminal in Venlo together with ECT Rotterdam. The family business is characterized by reliability, technical progress and long-term investments. The organization currently has more than 800 employees and its strength lies in tailor-made solutions.

The problem

Integrating data is something that Seacon has been doing for years, of course, but it was always difficult. The data was received, sent and distributed via 'Copy & Paste' and then manually converted to the correct format such as Excel or HTML. This had several drawbacks.

For example, integration was very time-consuming, it was not possible to move quickly enough (something that is very important in logistics). Furthermore, there was a great chance of errors, it was often a lot of manual work and the data flows could not be traced.

The solution: Dovetail

Seacon went to see how this problem could be solved. A number of conditions were set for this. For example, it had to be accessible; 'easy to use', it had to be stable, and have good error handling. Messages also had to be traceable and it had to be modular (new technologies must be able to be connected). After the implementation of Dovetail, data flows are transparent, everyone understands what it says, it is easy to maintain and new implementations are done quickly. In addition, it is stable and fast, there is good monitoring of flows, easy error handling and there is version control.

The different formats of messages can be converted in Dovetail to the standards of Seacon. It is now possible to process the data in different ways. The advantages of this are that data is available in real time, the organization can quickly move depending on the customers wishes, there is less chance of errors, data flows are handled automatically, there is less manual work and the data is easily traceable.
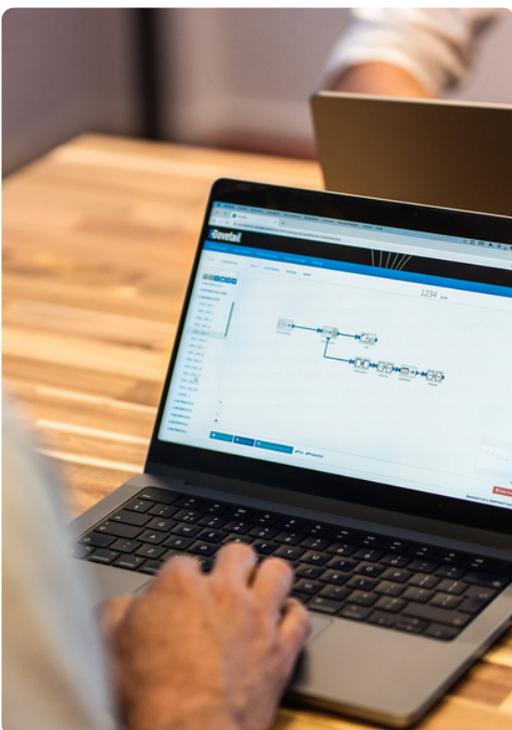
Learn more?
integrationmadeasy.com