

Trends that will shape the logistics industry in 2018

With the advent of AI and digitalisation, logistics and supply chain industry is getting a makeover, altogether. Technology revolution has taken over every industry and supply chain is no exception.

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With logistics becoming the backbone of every industry like Retail, E-commerce, FMCG, Healthcare – the business world today especially the CxOs are aligning their strategies with respect to the ongoing and upcoming trends in Logistics. Robotics, Artificial Intelligence, and Machine-Learning algorithms. The once-future technology like Google Glasses and Drones have already hit the industry and making progression for improving speed, convenience and delight to the customer. With the recent technological advancements, companies are aiming at improving their delivery happiness score and enhancing customer experience.

We have observed that AI & Blockchain, Personalisation of Choices, Elastic Logistics, Perfect Order Deliveries, Drones and Smart Glasses and Anticipatory Logistics will dominate the Supply Chain trends in 2018.

With the security and transparency it gives, blockchain remains an impenetrable way to store and share the transactional data and improves credibility with the fool-proof transaction. For example, if customer's identity proof is available digitally through a blockchain based structure, there is no way it can be fudged by him at the time of delivery. Similarly, the unique blockchain enabled registration number of every bike can be mapped to the job IDs. By 2021, 25 per cent of large global companies will be piloting or using artificial intelligence automation in transactional procurement.

In the millennial era, customers today are poised to have personalised deliveries and multiple delivery options. If the customers were not already spoil for choices in terms of buying portals, products, and crazy discounts, they will also have the option to choose amongst logistics companies to receive their shipment by. There were only a handful of e-commerce companies offering this feature in 2017 but the trend is expected to pick up next year. This could be the game changer for logistics companies as they can no more afford to remain in the background.

Elastic Logistics essentially means flexibility to expand and shrink capabilities to align with the demands within the supply chain model at a given time. Flexible automation solutions increase the agility and elasticity of the logistics infrastructure to cost-effectively meet market fluctuations. The interplay



of demand and supply defines the day-to-day operations in the Logistics and Supply Chain industry. To handle the changing demand and the fluctuations in the orders, logistics companies are making their operations elastic to plan the capacity according to the requirement.

The complexities of the last mile make the odds against fulfilling a perfect order overwhelming and perfect orders are the ultimate measure of customer satisfaction. Perfect orders are the percentage of orders delivered to the right place, with the right product, at the right time, in the right condition, in the right package, in the right quantity, with the right documentation, to the right customer, with the correct invoice.

With automation and mobility being the support system to survive the competition, smart-glasses and drones are will drive the logistics performance to next level. Backed by augmented reality, integration with smart glasses will make deliveries easier by hands-free route searches, face recognition for error-free deliveries and personalised

deliveries. With the rise in unmanned aerial vehicles and smart glasses adoption, the operational efficiencies of first and last mile logistics can be increased, increased flexibility and speed of delivery in completed and congested metro cities.

By anticipating the demand and the studying the data-patterns companies can predict the demand, plan and align the operations well in advance. In the ever-changing business, staying ahead in delivering the service is the key and data-driven logistics will help enhance the future of logistics. Companies will adopt big-data algorithms, data-visualisation techniques, and smarter analytics to boost process efficiency and service quality by shortening the delivery times. However, the big change in 2018 will be that the companies would use geography based search trends to anticipate demand for certain products in a region and ship in advance.

So, if the people in New Delhi have been searching a lot about a new book to be launched next week, it is a good idea to ship extra copies to the nearest hub and make the most of this opportunity. Overall, the trend is moving towards empowering digital logistics and building a sustainable Supply Chain that will simplify the cumbersome processes, eliminate mundane and repetitive tasks to enhance the effectiveness of the organisation. ■

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