



REVOLUTION!

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Supply chain trends to watch out for in 2018

Australian e-commerce logistics will see a rise in new-age technologies revolutionising modern-age logistics. Digital disruption caused by cloud computing, mobility, AI and analytics is enabling breakthrough innovation in the supply chain industry.

An interesting observation about the Australian market is that, with a population of just 23 million, e-commerce is largely fuelled by a stronger economy and infrastructure, rather than the number of consumers. 85% people of Australia have internet access, and the number of users is increasing at a rate of 1.7%.

Compared globally, this is a very high proportion and ensures that e-commerce websites are able to easily reach a large audience. Changing consumer preferences and the level of internet penetration have fuelled the e-commerce growth and created the need for digital logistics.

CxO are mulling over ways to gain 360-degree visibility of the logistics processes, driving productivity and creating new revenue streams. With companies around the world experimenting with digital technologies such as AI and Blockchain, supply chain and cross-border growth is spurred on with technological progression that is aimed at improving the speed of deliveries, enhancing delivery satisfaction scores and perfect order scores.

Another important aspect to note is that visibility is no longer about 'where is my truck?', it is now about 'where is my parcel?'. It is being drilled down to

SKU level and, coupled with predictive analytics, is changing the game.

Together, blending the study on the technology advancements and the emerging logistics models we predict supply chain and logistics will shape up in 2018 the following way.

1/ RISING DEMAND FOR DATA-DRIVEN LOGISTICS

In the ever-changing logistics business, companies will continue to adopt big-data algorithms, data-visualisation techniques and smarter analytics to boost process efficiency and shorten delivery times. However, the big change in 2018 will be that companies are expected to use geography-specific data to anticipate demand of certain products in a region and ship in advance.

2/ PERFECT ORDER DELIVERIES

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. According to a recent survey, only 84% of all orders can be termed as perfect orders. In order to reduce losses, companies will take the aid of technology to help achieve the perfect order mark.

3/ RISE OF ELASTIC LOGISTICS

CxO plan their operations in order to meet demand fluctuations. Flexible automation solutions increase the agility and elasticity of the logistics infrastructure to meet market fluctuations, cost-effectively. With

optimal utilisation, companies can make their operations flexible enough to expand and shrink capabilities to align with demands within the supply chain model at a given time. 2018 is expected to be a year driven by elastic logistics.

4/ ARTIFICIAL INTELLIGENCE AND BLOCKCHAIN

Blockchain and Artificial Intelligence have hit the logistics industry early this year, and they are expected to become an automatic choice for logistics companies for the impenetrable way they store and share transactional data and improve credibility with secure transactions. For example, a customer's proof of identity is available digitally through a blockchain-based structure, so there is no way it can be fudged by the driver at the time of delivery.

INCREASED ADOPTION OF DRONES AND SMART-GLASSES

With automation and mobility being the support system to survive competition, 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 adoption of smart glasses, the operational efficiencies of first- and last-mile logistics is expected to increase, along with flexibility and speed of deliveries in completed and congested cities.

Alongside adapting digital operations, logistics companies globally are trying to set up and meet their sustainability goals - mainly by reducing their carbon footprints. With an objective to reduce their carbon footprints, logistics companies are expected to aggressively adopt industry-best practices by 2020. As organisations become increasingly conscious of their efforts towards environmental sustainability, businesses will cut down their carbon footprints by automating their end-to-end logistics operations and by eliminating manual repetitive tasks.

Kushal Nahata is the co-founder of FarEye, a carrier-agnostic SaaS platform that digitises logistics by integrating and optimising business processes. For more information visit www.getfareye.com. ■