![FarEye logo]

E-BOOK

Poor Logistics Visibility is Paralyzing 94% of Companies

Evolving customer expectations and the need to make operations cost-effective are driving supply chain and logistics companies across verticals to act upon the 'visibility' problem. Organizations are finally waking up to the fact that disparate supply chain units cannot work in silos anymore. As much as 94% of supply chain and logistics businesses say that they do not have "full visibility" into their supply chain operations.

How Poor Supply Chain and Logistics Visibility is Disrupting Your Business

Lack of visibility has far-reaching effects on supply chain and logistics operations. From customer churn, inadequate SLA adherence to increase in risks, visibility issues can make operational and financial dents that can be extremely difficult to recover from in the long run.

Customer Churn

Where is my shipment? When will I get it? What's causing delays? Customers can no longer be kept in the dark when it comes to deliveries. They want end-to-end transparency of the delivery process. And if businesses fail to meet their expectations, they don't think twice before switching brands. According to a survey, 30% of supply chain managers consider the need to respond to customer mandates faster and more accurately as top business priority.

Did You Know?

30% of supply chain managers consider the need to respond to customer mandates for faster, more accurate & unique fulfillment as a top business priority

25% Increase in profit can be achieved by boosting customer retention only by 5%

Inaccurate KPI Benchmarking

Planning delivery routes and assigning logistics tasks to 3PLs and delivery executives without referring to performance history leads to poor productivity, unnecessary delays, rising fuel expenses and financial loss. Therefore, businesses need to gather historical data for cost-efficient route planning.

Poor SLA and On-time in Full Adherence

To improve inventory management and deliver flawless customer experiences, enterprises are strictly enforcing their Service Level Agreements (SLAs). Walmart tightened its on-time, in-full (OTIF) policy that requires suppliers to deliver full truckloads within a two-day window 87% of the time. This is up from the previous requirement of 85%. Suppliers are fined 3% of the cost of goods sold if they fail to meet these requirements.

Visibility and real-time insights into driver performance has become critical for 3PL companies to meet the high On-time, In Full (OTIF) standards.

For enterprises, failing to accurately measure the KPIs of trucks and routes often results in creating SLAs based on poor knowledge. The absence of predictive visibility over ETAs result in bad route planning and inaccuracies in performance measurement of logistics providers.
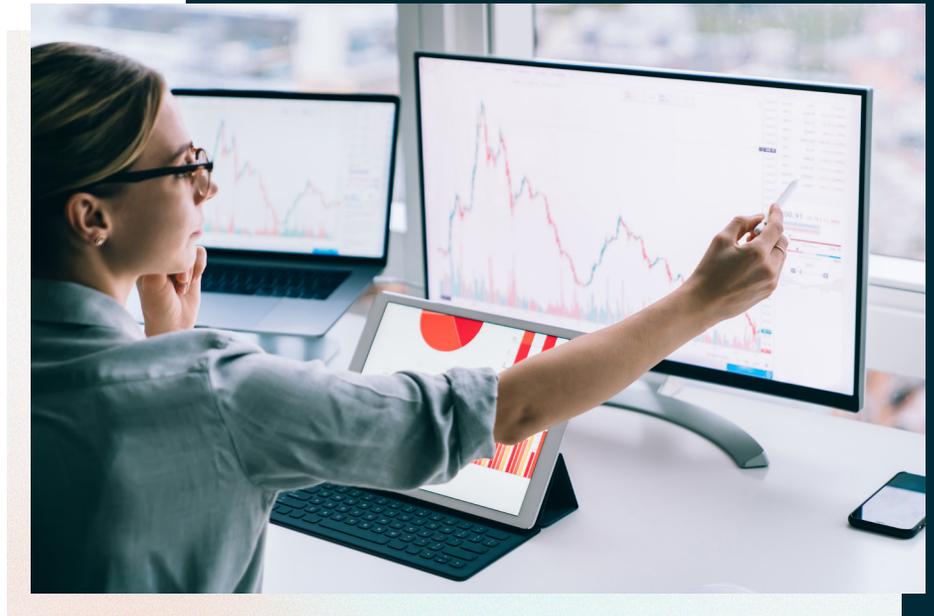
Productivity Loss and Costly Delays

Poor visibility can have a significant impact on productivity. Think of a situation where you supply heavy equipment to telecom companies responsible for setting up towers in remote locations. You have sent out a full truckload of antennas and fiber cables to a remote location. On doing a manual analysis of historical data, you informed the customer that the delivery will be done in two days.

Based on your information, the telecom company has already assigned a team of engineers that will reach the remote destination on the day the antennas and cables arrive. But unfortunately, your delivery truck reaches the location a day late.

With zero visibility into the delivery process for the customer, the engineering team's hours for a day gets squandered. This impacts productivity and unnecessarily increases the cost of operations.

Poor Inventory Management

Visibility of inventory is crucial when it comes to meeting customer demands. Imagine a situation where a business accepted a same-day delivery request and later learns that it does not have inventory ready to execute the request. Poor inventory management almost always leads to bad customer experience.

The ROI of Ensuring Supply Chan and Logistics Visibility

Even though in general terms supply chain visibility is mostly associated with tracking and tracing fleet, it's actually so much more than that. It encapsulates visibility of freight, customer experience, inventory availability, route planning, insights into delivery KPIs and last-mile delivery.

A robust delivery management platform is needed to ensure visibility across different functions and value chains

Improved Delivery Happiness Score

To thrive in the age of instant gratification, businesses need to provide visibility to customers at every step of the delivery process. A delivery management platform regularly updates customers on the delivery status of their shipments. It provides information like when the package was shipped, who is going to deliver it, and real-time ETAs. Organizations that are transparent with their delivery processes benefit with greater customer loyalty. According to Bain & Company a 5% increase in customer retention correlates with at least a 25% increase in profit.

Did You Know?

6% **Increase in on-time in-full deliveries can be gained by improving freight visibility**

Enhanced Procurement

In a production environment, adequate visibility is needed to maintain operational continuity and keep the production cycle up and running. Lack of visibility affects yard management, dock management and ultimately impacts end customers. A delivery management platform makes procurement processes transparent and enables enterprises to function smoothly.

Reduced Delivery Costs

Leveraging a visibility platform helps companies can gain crucial insights from real-time data generated by fleet movement. They can easily eliminate unnecessary diversions, vehicle idling time and prolonged breaks. This can help enterprises save millions of dollars with efficient route planning, increased driver productivity and reduced fuel consumption - reducing the overall cost incurred per delivery.

Improved KPI Benchmarking

Accurately measuring 3PL performance, and analyzing the best routes for effective planning are critical components of a cost-effective business function. A delivery management platform carefully analyzes previous performances by leveraging machine learning capabilities, and recommends the best possible delivery partner and route to execute last-mile operations.

Risk Mitigation

Predictive visibility is indispensable when it comes to risk mitigation. By leveraging machine learning, businesses can quickly analyze historical route data to significantly reduce the chances of theft and pilferage. Through artificial intelligence and machine learning capabilities, enterprises can deal with risks and delays more effectively. Large manufacturing businesses have successfully eliminated chances of theft and pilferage by more than 55% and have saved millions of dollars worth of cargo from being stolen.

Did You Know?

79% of companies with high performing supply chains achieve greater revenue growth than enterprises with inefficient supply chains.

How Hilti Delivers an Amazon-like Delivery Experience with FarEye

Present in over 120 countries and employing over 28,000 people, Hilti is a leader in developing manufacturing products, systems, software and services for the construction and energy industry. But despite the organization's sprawling business, it was facing significant challenges on delivering a seamless customer experience.

Key Challenges:

- Lack of real-time visibility on the movement of shipments once they left the warehouse

- Inability to integrate disparate data sources, communicate delays and ensure proactive failure management

- High volumes of customer calls regarding shipment status

- Decreasing customer experience scores and lack of delivery transparency
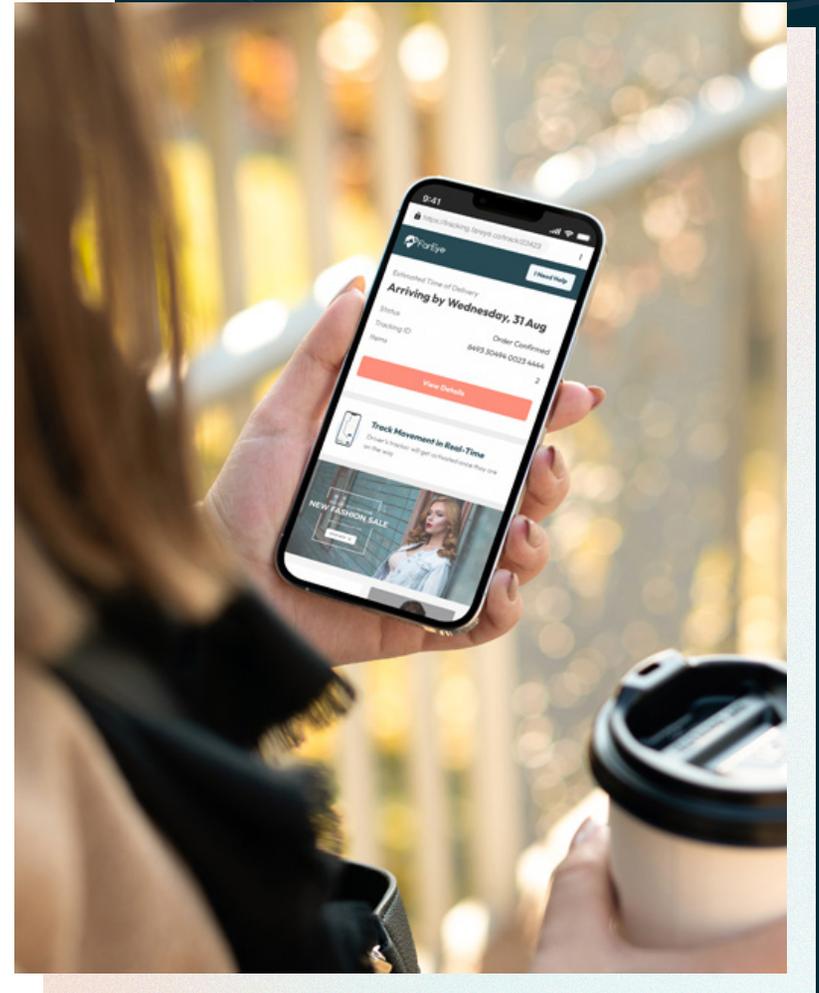
The FarEye Solution

FarEye's automation and machine-learning algorithms empower Hilti to transform its operations by enabling logistics managers to gain a 360-degree view of ground-level activities

Key Benefits:
- Provided an Amazon-like delivery experience, an Industry-first
- Ensured a 6% increase in OTIF deliveries
- Achieved 50% reduction in daily internal calls for shipment status
- Increased in productivity by 12-15% across stakeholders in sales and supply chain team
- Achieved 100% automation of delivery processes
- Reduced loading time by 2-3 hours at the warehouse

"
For us, the fundamental challenge was lack of real-time visibility on the movement of shipments once they left the warehouse. FarEye ensures that our supply chain is now more reliable and optimized and supports our business in making time-sensitive data-backed decisions.
"

PUNEET DHAMIJA

Former director, operations, Hilti India

First Choice for Last Mile

About FarEye

FarEye's Delivery Management platform turns deliveries into a competitive advantage. Retail, e-commerce and third-party logistics companies use FarEye's unique combination of orchestration, real-time visibility, and branded customer experiences to simplify complex last-mile delivery logistics. The FarEye platform allows businesses to increase consumer loyalty and satisfaction, reduce costs and improve operational efficiencies. FarEye has 150+ customers across 30 countries and five offices globally. FarEye, First Choice for Last Mile.

FarEye

First Choice for Last Mile.