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Integrated Transportation Control Towers - what is your view?

By Anton Nieuwoudt

When in late 2005, then Walmart President and CEO Lee Scott, gave his first presentation broadcast on a 'greener' retailer to over 1.5 million employees in over 6,000 stores and each of its suppliers, transportation optimisation was critical to its sucess. In fact, thirty percent of their sustainability targets focussed on transportation. Scott provided an example by calculating that improving fuel mileage efficiency in the trucking fleet by one mile per gallon would save more than $52 million per year. Walmart committed to double their fleet efficiency in the USA by October 2015 (based on the 2005 baseline) and has achieved eighty percent of that target by the end of 2012.

Achieving ambitious goals such as the above, research has noted that increased control and visibility to inbound and outbound transportation, a priority for up to 70% of Chief Supply Chain Officers, is now feasible. The term "Control Tower" is used in many supply chain circles to describe an environment that operates on a shared platform of visibility and control/optimisation. Such a platform offers a collaborative multi-party holistic view of the end-to-end supply chain that acts as a "single, shared version of the truth" for all affected parties. In addition to visibility, the control tower brings an element of near real-time "collaborative execution," which enables ongoing "in-flight" course corrections, advanced decision making, and optimisation.

Its also worth noting that cloud-based platforms and Control Tower solutions are being adopted by leading companies to support ongoing collaborative execution, and that managed services that provide transportation management staff and system software services are also growing more popular.

In this edition of **RESULTFOCUSED** we look at **Walmart's ambitious 'green' supply chain goals.** We review the findings from research conducted by the Aberdeen Group on **Integrated Transportation Multi-Party Control Tower**. Finally we discuss **Servant Leadership**, because as leaders our job is to encourage and support team members in order to help them unleash their full potential.

We must be willing to get rid of the life we planned, so as to have the life that is waiting for us - Joseph Campbell

Green Supply Chain Management - A Walmart case study

By Adam Heying and Whitney Sanzero
(apicsterragrande.org, May 2009)

Supply chain management has been the cornerstone to Walmart's success and remains their primary competitive advantage in the retail/department store industry. Their distribution system is generally regarded as the most efficient and they have an approach to supply chain management that has long emphasised visibility through the sharing of information with their suppliers. Although there are hundreds of logistical functions which allow Walmart to be the price and logistics leader, the focus will be primarily on the company's newly adopted strategy of making logistical processes "green" and more environmentally conscious. According to the Supply Chain Management Review, Walmart CEO Lee Scott committed the company to three ambitious goals: to be supplied 100 percent by renewable energy; to create zero waste; and to sell products that sustain Walmart's resources and the environment.

Walmart's 14 Sustainable Value Networks, the Network's structure, new "green" logistics technologies, and additional future initiatives will be considered along with counter arguments which suggest that Walmart's green initiative is simply unsustainable. The main sticking point seems to be the same one that has long held back the adoption of better light bulbs, home solar panels, or hybrid cars. Upfront costs are unavoidable; and the promise of potential savings down the road does not resonate with consumers, or smaller Walmart suppliers, the same way it does with big corporations. So that's the big question: How much will Walmart invest in green technologies now to clean up its act down the road?

Walmart has undergone many growth stages since Sam Walton first decided to be the best retailer in the world. His initial strategy was to target low-income families in rural areas by offering significantly lower costs. When David Glass took over in 1988,

Walton's mission was truly realised through the use of technology in distribution and supply chain logistics, which allowed Walmart the opportunity to cut costs and lower prices for end users. Lee Scott took the reins in 2000 to steer Walmart toward sustainability. Scott's business model to strengthen supply chain management processes by "going green" was a strategic decision that positively impacted Walmart's growth, distribution techniques, and corporate identity. His knowledge of distribution systems and push for sustainability has transformed the company into an ecofriendly powerhouse that continues to cut costs and remain at the frontier of distribution systems technology.

Walmart leadership has done well to put the right people in the right seats on the bus to drive the company forward. Founder and original Walmart CEO Sam Walton strategically chose his successor David Glass to lead the company in 1988. Art Turock claims that "the most impactful decision Sam Walton made during his reign was to select and develop successors equipped to lead Walmart to the next level of complexity". From 1988 to 1999, CEO David Glass transformed the company from just a retailer into a retail distributor, using technology to develop Walton's original goal while staying in line with his core values. While Sam Walton built his strategy on low prices to the masses, CEO David Glass enhanced his growth strategy through the use of technology.

Sophisticated technology boosted supply operations such that Walmart's efficient retail stores became the manifestation of a fast and flawless distribution business. When Glass succeeded Walton, he believed that "technology would ultimately drive this business to be the size that it is" which was the fundamental difference that set his approach apart from that of Walton's. The late 80s and 90s began a technology boom, with the computer industry making rapid advancements. Glass identified this as a strategic opportunity to enhance business and distribution at an early stage in development. Emphasising visibility through the sharing of information with suppliers, Glass reframed the company strategy in terms of how to be the low-cost operator and low-cost leader by focusing on logistics and distribution. A more advanced distribution system would move product faster and more efficiently, allowing Walmart to maximise use of their suppliers as well as internal distribution lines. Glass used cutting edge technology to create a logistical competitive advantage in "an industry with high volume, inelastic pricing, fragmented market share, and inefficient distribution". Because of David Glass'

work, Walmart's supply chain and distribution system is now regarded as the most efficient and remains their primary competitive advantage in the retail industry.

Going Green Requirements

Lee Scott took control of Walmart in 2000 with a newly adopted strategy of making logistical processes more economically friendly. "Green" logistics, at its core, means implementing a system that can independently monitor overseas suppliers to make sure they meet social and environmental standards. Though the push for becoming environmentally friendly is important, a global company like Walmart must consider the transformation's effect on the bottom line. Lee Scott saw the two goals as intertwined: "being a good steward of the environment and being profitable are not mutually exclusive. They are one and the same". Scott provided an example by calculating that improving fuel mileage efficiency in the trucking fleet by one mile per gallon would save more than $52 million per year. The move toward sustainability also integrated Corporate Social Responsibility (CSR) into Walmart's business model. Ideally, this CSR policy would function as a built-in self-regulating mechanism where Walmart could monitor and ensure their adherence to laws, ethical standards, and international norms. This CSR policy would be a way for the company to embrace responsibility for the impact of their activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere.

> **Walmart's then CEO Lee Scott committed the company to three ambitious goals: to be supplied 100 percent by renewable energy; to create zero waste; and to sell products that sustain Walmart's resources and**

The Next Level

Walmart has attempted green initiatives before, but Scott's plan is different and has the potential for success based on many reasons. In the past, Walmart dealt with environmental issues defensively rather than cooperatively, proactively, and as opportunities for profit. In 1989, in response to letters from customers about

environmental concerns, the company launched a campaign to convince its suppliers to provide environmentally safe products in recyclable or biodegradable packaging. However, this large-scale effort was met with some skepticism from commentators who believed that it was intended to generate benefits for Walmart at the expense of its suppliers. Nevertheless, the company did earn some goodwill among environmentalists as the first major retailer to speak out in favor of the environment. When vendors claimed they had made environmental improvements to products, Walmart began promoting the products with green-colored shelf tags. It should be noted that although Walmart promoted these products, the company did not actually measure or monitor the improvements. Regardless, the company sold as many as 300 products with green tags at one point. By the early 1990s, the green tag program disappeared altogether, and environmental issues slipped off of the Walmart's list of strategic priorities.

The new sustainability strategy needs to be deeply embedded in Walmart's operations and supply chain management to meet the ambitious goals set in 2005. In the words of Lee Scott, "We recognised early on that we had to look at the entire value chain. If we had focused on just our own operations, we would have limited ourselves to 10 percent of our effect on the environment and eliminated 90 percent of the opportunity that's out there". Walmart's leadership must therefore evaluate the entire value chain as a means of implementing sustainability through distribution systems. Creating metrics for analysis is paramount to Wal- Mart's ability to monitor corporate operations and global suppliers to be able to support their real efforts for improvement with substantial data.

Ambitious Goals

In late 2005, Walmart President and CEO Lee Scott gave his first presentation broadcast to over 1.5 million employees in over 6,000 stores and each of its suppliers. He laid out a detailed summary regarding Walmart's new sustainability initiative to make a positive impact and greatly reduce the impact of Walmart on the environment in order to become the "most competitive and innovative company in the world". In his speech, Lee Scott laid out three very ambitious goals in which he vowed Walmart would:

1. Be supplied 100 percent by renewable energy in the very near future
2. Create zero waste

Emphasising visibility through the sharing of information with suppliers, David Glass reframed the company strategy in terms of how to be the low-cost operator and low-cost leader by focusing on logistics and distribution.

3. Sell products that sustain Walmart's resources and the environment

Clearly, Walmart is trying to differentiate itself in an area where it was once considered a laggard. Even some of the harshest Walmart critics have started to agree that the company has begun to make good on its promises. Obviously, these goals can seem overly ambitious to most, but they should not seem inconceivable considering Walmart's past success with seemingly unreachable goals.

The three goals were just an introduction to Mr. Scott's speech. He also discussed the following goals:

1. Increase fuel efficiency in Walmart's truck fleet by 25 percent over three years and doubling it within 10 years
2. Reduce greenhouse gases by 20 percent in 7 years
3. Reduce energy use at stores by 30 percent in 7 years
4. Cut solid waste from U.S. stores and Sam's Clubs by 25 percent in three years.
5. Buying diesel-electric and refrigerated trucks with a power unit that could keep cargo cold without the engine running, saving nearly $75 million in fuel costs and eliminating an estimated 400,000 tons of CO2 pollution in one year alone
6. Making a five-year verbal commitment to buy only organically grown cotton from farmers, and to buy alternate crops those farmers need to grow between cotton harvests. Last year, the company became the world's largest buyer of organic cotton

7. Promising by 2011 to only carry seafood certified wild by the Marine Stewardship Council, a group dedicated to preventing the depletion of ocean life from overfishing.
8. Buying (and selling) 12 weeks' worth of Restrictions on Hazardous Substances (RoHS)- compliant computers from Toshiba

Although this may seem like a very large list for a company to accomplish, each of these are attainable and place Walmart in a great competitive position for the future.

Sustainable Value Networks

While Walmart is building value added networks of government agencies, nonprofits, employees and suppliers to "green" its supply chains, the company is using a network approach to lower overall carbon and environmental footprint in order to increase profitability while increasing margins. For years Walmart has been narrowly focused on operations and supply chains, growth, and profits. Recently, Walmart reached out to external stakeholders to try and develop areas of maximum environmental impact and identify key networks which would help achieve these goals. In return for participating in these value-added networks, participants would receive information about as well as a say in Walmart's operations. Tyler Elm, Walmart's senior director of corporate strategy, and Andrew Ruben, Walmart's vice president of corporate strategy and business sustainability, directed Walmart's network leaders to, "derive economic benefits from improved environmental and social outcomes". "It's not philanthropy," he adds. According to a Stanford Social Innovation Review, "By the end of the sustainability strategy's first year, the network teams had generated savings that were roughly equal to the profits generated by several Walmart Supercenters".

At the center of the business sustainability strategy pursued by Walmart is a shift from generating additional value through price-based interactions, relationships with nonprofits, suppliers, and other stakeholders. Through the above networks, Walmart is gaining a system perspective which helps retailers find ways to address environmental issues. In exchange for these suppliers addressing the issues, nonprofit network members gain huge leaps towards their overall missions because of the scale of the operations at Walmart. Suppliers also enjoy not only the stability that more intimate relationships with Walmart brings, but also the guidance and support from Walmart's nonprofit partners.

The Walmart sustainability strategy no doubt looks to be off to a promising start; they must not become complacent and must press-on carefully in order to make these networks sustainable and able to expand without interruption. The first thing they need to do is manage these partnerships carefully in order to keep costs down. They also need to be able to manage the balance between offering "green" and conventional "non-green" products in its stores. Finally, because of the very high number of nonprofits in the network, Walmart must manage the loss of these partnerships.

> **"...being a good steward of the environment and being profitable are not mutually exclusive. They are one and the same".**
>
> Lee Scott, President and CEO, Walmart, 2000-2009

Individual groups may be unable to get credit for a large reduction on environmental impact. Over time, these groups' inability to be able to demonstrate their impact may cause some problems with their fundraising because donors will demand more and more data on their performance. These problems could eventually cause the nonprofit groups to withdrawal from the networks.

Counter Arguments

While some stakeholders and management become increasingly confident about the new sustainability initiatives, history dictates that there is reason to worry. Many critics argue that Walmart's green initiative is simply unsustainable. As with many companies attempting to make their business strategy more "green", upfront costs become unavoidable and are simply not worth the investment. Walmart will need to spend in upwards of $500 million per year in order to achieve the goals mentioned earlier in the study. The promise of potential savings down the road does not resonate with consumers, or smaller Walmart suppliers, the same way it does with big corporations. However, it is important to note that Lee Scott stated in 2007, "Tangible profits generated by Walmart's sustainability strategy in the first year of implementation were roughly equivalent to the profits from several Walmart SuperCenters." Intangible benefits, such

as public goodwill and improved assurance of supply, are worth much more to the retailer than the profits generated the first year of implementation.

As Walmart attempts to scale up networks and improve upon "green" initiatives, the company faces three possible obstacles:

1. Increased Costs
2. A Sub-Optimal Product Assortment
3. Criticism of Factory Labor Conditions.

Walmart must take these challenges seriously because public reputation is on the line as it makes more and more promises to the public. With increased dependence on a limited number of selected suppliers, Walmart also may face rising prices from the narrow supply base, especially in times of limited resources. Also, with fewer suppliers Walmart may miss opportunities to create innovative products that customers may want but are not necessarily environmentally friendly. Walmart must continue to innovate while managing incremental "green" changes to their supply chain management. Each of the nonprofit partners will continue to push Walmart in choosing product assortment lines.

Conclusion

According to the 2009 Walmart Sustainability Report, Lee Scott was quoted as saying, "The facet is sustainability at Walmart isn't a stand-alone issue that's separate from or unrelated to our business. It's not an abstract or philanthropic program. We don't even see it as corporate social responsibility. Sustainability is built into our business. It's completely aligned with our model, our mission and our culture." In this case study we have outlined the requirements needed to become a sustainable business, the reason why this initiative is different than others previously attempted by Walmart, goals presented by management, the new value networks, and risks Walmart needs to address. They have already taken major steps including a "green" website where they give tips on how customers can go green and what they can do to reduce their environmental impact. Walmart critics argue that the steady dose of these initiatives is an effort to deflect attention from its work-place policies and its financial performance. They need to continue to invest in its environmental policies as well as address the issues facing their workforce in order to prove these initiatives are not just a public relations stunt. However, if Walmart proves that it is serious about reducing environmental impact and devoted to investing in green initiatives, critics will have to unclench their fists for a round of applause. At least for a moment. - *RF*
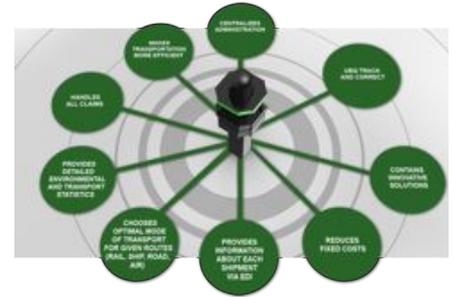
Rising above the Cloud:
The Integrated Transportation Multi-Party Control Tower

By Bob Heaney, Senior Reseach Analyst, Supply Chain Management, Aberdeen Group (aberdeen.com, September 2012)

SaaS (Software-as-a-Service) and cloud-based multi-party transportation solutions have evolved to match the explosive growth and expansion of global transportation networks. Today's solutions provide a single "collaborative, shared version of the truth" for shippers and suppliers, carriers, 3PLs and trading partners. Increased control and visibility to inbound and outbound transportation, a priority for up to 70% of Chief Supply Chain Officers, is now feasible. Multiparty transportation platforms and new control tower technologies are converging to make transportation more dynamic, real-time, and collaborative.

The term "Control Tower" is used in many supply chain circles to describe an environment that operates on a shared platform of visibility and control / optimisation. Such a platform offers a collaborative multi-party holistic view of the end-to-end supply chain that acts as a "single, shared version of the truth" for all affected parties. In addition to visibility, the control tower brings an element of near real-time "collaborative execution," which enables ongoing "in-flight" course corrections, advanced decision making, and optimisation. In this Analyst Insight, we define the cloud-based Control Tower concept and quantify the improved business performance it can deliver.

Let us now look at the pressures prompting companies to consider a Control Tower solution.

Top Performers Earn Best-in-Class Status

The maturity framework of Aberdeen's transportation survey (August 2012) was based on the key performance metrics (across both cost and service). The Best-in-Class are the top 20% of performing companies based on these metrics, followed

by the Industry Average as the middle 50% of aggregate performance scorers, and the Laggards are the bottom 30% of aggregate performance scorers.

If the last two years has taught us anything, it's that visibility into and control of the entire supply chain is critical to understanding the true impact of events on cost and service. That focus on visibility has suddenly shifted to supply chain community enablement, integration, collaboration across multiparties, along with event-driven optimisation. It is one thing to be able to manage and optimise transportation events within the company's control. But as we indicated earlier, more and more transportation networks rely on collaboration with external parties. Some companies are converting inbound freight from prepaid to collect to gain enhanced visibility / control, and most are requiring collaborative execution with external parties.

Such collaboration requires shared global visibility and action. Cloud-based platforms and Control Tower solutions are being adopted by leading companies to support ongoing collaborative execution. Best-in-Class companies are doing substantially better than their peers on key metrics. The Best-in-Class not only maintained a 97% perfect order rate, but they did so while reducing per-unit transportation costs 4% over the last year. The remaining sections of this document examine the assertion that multi-party tools for visibility and control can lead to transportation excellence.

Top Performers Earn Best-in-Class Status, are Early Adopters of Multi-Party Transportation Solutions

Cloud-based platforms and Control Tower automation tools are providing a strong foundation for companies. The conversion to multi-tenant SaaS transportation models and platforms is on the upswing.

Collaborative platforms are being deployed to handle each process step in the transportation flow, from inbound to outbound. The Best-in-Class are anywhere from 1.2- to 3.5-times as likely as Others to adopt Cloud-based platforms and leverage third party Managed Services for their transportation needs. These capabilities allow companies to "close the loop" on procure-to-pay processes and insure that across each step (carrier selection, track / pay /audit, and spend analytics) companies are delivering improved operational performance in the 3 key metrics.

The Trend toward Outsourced Transportation Services

Keeping up with fuel changes and controlling costs is a top priority (cited by more than 63% of all companies). This increasingly involves automating key elements common to closed loop transportation management. Controlling costs is also central to the success of the Best-in-Class relative to Industry Average and Laggard companies—the Best-in-Class were the only group to reduce year over year per unit costs of transportation. In a global transportation environment with escalating fuel costs, this is a significant result.

> **Cloud-based platforms and Control Tower solutions are being adopted by leading companies to support ongoing collaborative execution. Also, managed services that provide transportation management staff and system software services are also growing more popular.**

Managed services that provide transportation management staff and system software services are also growing more popular. More companies are considering the cloud-based managed services option as their supply chains become more global and far-reaching.

Performance Differentiators Transportation and Control Tower Optimisation Events

Optimisation of transportation events requires data sharing at a detailed level—both inside and outside the enterprise. Beyond shared data and visibility, collaborating companies must do something different with the

knowledge they obtain via the Cloud-based transportation platform. Using a standardised and approved series of transaction processes (web-based portals, EDI, XML etc.) to collect and integrate centralised data can improve collaboration with retailers / carriers / suppliers. Using this data, companies can increase savings, improve efficiency, support new multi-channel logistics formats, and consolidate shipments and continuous moves. But without the control tower decision support process, only limited value can be derived. Agents and optimisation tools are central to the control tower solution. Without these tools to act on multi-party planning and execution data, no savings can be derived. Once plans and shipment events are identified, the optimisation of transportation planning and execution drives superior performance.

Indeed, survey results show that the firms that enjoy Best-in-Class status are not only more likely to invest in Cloud-based Multi-Party Solutions and Services, but are also early adopters of control tower optimisation capabilities.

Control Tower Decision Support Capabilities

Best-in-Class companies demonstrate advanced control tower capabilities in dynamic optimisation and collaborative execution. While it is important to optimise transportation during the planning process, it is equally important to support dynamic optimisation during collaborative execution. Several additional decision support process capabilities define the level of ability that exists for dynamic execution of transportation. In each case, from 35% to 52% of all companies have these capabilities, but the degree of capability varies. Each item is ranked below along with the comparative percentage of advantage (vs. all others) of the Best-in-Class:

- Ability to respond in near real-time to events across multiple channels - 33% more likely
- Ability to make supplier-distribution network realignments (sourcing, mode, or routing shifts) - 25% more likely
- Ability to support DC bypass (orders pre-labeled and shipped straight to store, consumer, or via cross-dock) - 11% more likely

Companies with the above process capabilities recognise that a key aspect of a control tower is to balance various cross-functional trade-offs required using optimisation and "what-if" analysis. Multi-channel logistics requires multi-party collaborative execution. As new formats become more popular, control tower solutions need to be able to adapt.

Process capabilities like those above require decision support and tradeoffs to be evaluated. Today's complex multi-party control tower systems need a fair degree of automation and optimisation features to adjust dynamically and in real-time. The next section highlights the automation tools used by companies of all types.

Control Tower Automation / Optimisation Capabilities

There are specific control tower optimisation capabilities in use today. In each case from 13% to 71% of all companies have these capabilities, but the degree of capability varies across different groups. Some of the key optimisation advantages used by the Best-in-Class include:

- Support for ocean or air procurement with Container Load Planning - 2.26x more likely. As global trade volume grows this is a significant area of opportunity.
- Multi-origin to multi-destination routing and consolidation - 1.72x more likely
- Optimally select inbound and outbound modes and carriers - 1.43x more likely
- Optimisation tools to effect near real-time control - 1.33x more likely

Enterprises that have been able to capitalise on technology to extend and advance key processes in real-time and involve more groups internally and externally are positioned to better leverage automation of these transportation processes. But integration and shared data visibility are not enough—companies must build out dynamic optimisation automation capabilities (like those additional areas listed above) if they ever expect to take advantage of load consolidations, zone skipping, and dynamic hub optimisation during inbound planning, or to be effective in real-time collaborative execution.

Benefits of Multi-party TMS Control Towers

Best-in-Class companies have been early adopters of 1) multi-party, cloudbased TMS solutions and 2) control tower optimisation and automation features. We asked survey respondents to quantify the benefits of these capabilities.

Cost advantages are a primary benefit for all companies (in the 40% to 50% range). However, cost benefits are even more probable if the requisite control tower solutions are in place. For example, versus Others, Best-in-Class companies are:

- 1.52 x as likely to cite cost savings through improved shipment execution
- 1.22 x as likely to cite cost savings through improved shipment optimisation

In today's complex transportation networks, shipment and carrier consolidations and load optimisation have resulted in double digit freight reductions at some companies.

Additionally, it is clear that 1) information status and analytics, 2) improved visibility and 3) improved access to transportation capacity are additional benefit areas.

Best-in-Class companies are anywhere from 1.19 to 1.92 times as likely as Others to cite these benefits.

In general terms, across both inbound and outbound flows, integrated multiparty control tower capabilities can improve on-time delivery, reduce expediting costs, and reduce transportation spend year-over-year. Leading companies have been able to effect freight rate reductions while meeting service requirements at the highest levels, even though confronted by increasing costs of fuel and freight.

Key Takeaways

Globalisation and complexity are placing a renewed focus on cloud-based multi-party platforms and third party managed services for transportation. Today's need is for coordinated and synchronised transportation processes and multi-party collaborative execution. Collaborative execution, which we define in the sidebar on page 2, is enabled by a platform that provides a "single view of the truth" concerning transportation plans, updates, and on-the-fly activities. The cloud-based system and processes provide integrated visibility and integration between parties. At the moment, Control Towers are defined as intelligent and centralised decision support solutions with the ability to drill down to the root cause and reach problem resolution from that shared view. This definition will evolve and become more standardised as additional solutions come into play. Regardless of the ultimate definition, key capabilities required include the ability to determine the impact of an event and optimise for resolution. Control Towers allow for continuous bidirectional information flow with alerts to coordinate who needs to know, and parties that must be brought together to resolve an issue. They rely on intelligence and decision support tools to solve problems, and are rolebased.

Best-in-Class companies are early adopters of collaborative technologies for transportation, with up to 29% using cloud-based or SaaS platforms, and 27% using outsourced managed services. They are 1.2- to 3.7- times as likely as Others to use these capabilities and they are anywhere from 1.1 to 2.6 times as likely to use multi-party Control Tower processes and optimisation tools. From planning to execution across

> **In general terms, across both inbound and outbound flows, integrated multiparty control tower capabilities can improve on-time delivery, reduce expediting costs, and reduce transportation spend year-on-year.**

inbound and outbound transportation, processes and optimisation events superior capabilities are ranked and areas of improvement are quantified.

Recommendations

The Best-in-Class have invested most heavily, and, as indicated by their capabilities and the actions identified, they will continue to invest in the higher return activities to address the pressures and collaborative challenges they feel. To achieve Best-in-Class status, shippers, carriers, and transportation partners should consider the following:

1. Integrate collaboratively on a shared multi-party platform.

A shared technology platform is essential to integrated transportation management. SaaS and Cloud-based solutions are available that allow for private or public community access. Begin by automating either contract procurement or freight audit and payment collaboratively with partners. More than 57% of respondents are focused on improving their ability to track, analyse and automate true freight spend and monitor partners. While they are working to improve visibility, survey respondents recognise that visibility isn't enough and they are adopting processes to 1) use spend data better, and 2) improve activities around sourcing and payment. Much of the attention today is around extending data visibility and collaboration with carriers, suppliers, and trading partners, and this should be foundational to your solution.

2. Implement a Unified Transportation Control Tower.

The shared platform from step 1 should be able to synchronise visibility and control across all affected parties in a "single view". Using rolebased configuration rules, it should allow bi-directional updates of transportation costs and status, and be able to optimise dynamically based on decision rules applicable to your organisation. The visibility you gain from the shared collaborative platform is only as good as what you do with it, so optimise the control tower with optimisation tools

3. Close the Loop and span planning / execution with automation.

All other companies are less than 40% likely to adopt these crucial control tower automation components. The entire transportation procure-to-pay process relies on information to keep the "closed loop" moving, whether that information is collected at the planning or execution stage. Beginning with freight rates, contract performance metrics, actual cost, and shipment updates, you should close the loop on planning and execution. Automation of this shared data, coupled with payment details, are required inputs to each year's procurement cycle to reduce service and cost imbalances.

4. Optimise what you automate.

Every enterprise must optimise the growing number of trading partners in today's global supply chain. The steps to optimise are visibility, collaboration / synchronisation, selection / adherence, and "closing the loop" in a continuum from planning to collaborative execution. Now, more than ever, Best-in-Class companies are embracing people, processes, and dynamic optimisation technologies that drive the superior results needed to address global cost challenges and service requirements.

Transportation and logistics is an ever-changing landscape. Rates and capacities are in a constant state of flux. Managing these highs and lows in today's multi-party transportation network is central to sustaining transportation and supply chain costs. Keeping up with, and controlling, changes will become increasingly strategic. Leveraging the technology and processes available will become a necessity. Each organisation must assess their own level of maturity, but volatility, service demands and complexity will only continue to increase. Delay is not an option. Following the lead of the Best-in-Class is a sound place to begin as you explore collaborative solutions in transportation. - *RF*

Servant first, Leader second

**By Brent Gleeson
(inc.com, February 2013)**

More people talk about servant leadership than really understand it - or have the humility to practice it. When is the last time you acted as a servant to your team?

"I humbly serve as a guardian to my fellow Americans always ready to defend those who are unable to defend themselves." - USA Navy SEAL Creed.

Servant leadership. That's a concept that comes easily to a Navy SEAL, because a SEAL is trained to lead and to follow. Team leaders are strong and bold, and have the ability to make hard decisions under the most extreme conditions imaginable. But they also encourage their team members to step up, share the power, and not hesitate to take care of business without waiting for further instruction.

Servant leaders are not afraid to share the power. They want their teams to make independent decisions and keep moving forward until they feel they need assistance. As leaders, our job is to encourage and support team members in order to help them unleash their full potential. Let them do their jobs. They most likely can do it better than you. That's why you hired them, right?

> **Servant leaders are not afraid to share the power. They want their teams to make independent decisions and keep moving forward until they feel they need assistance**

Here are four tips for becoming a better servant leader:

Stop talking and listen

This has been said time and time again, but part of being a good communicator is being an active listener. And, a large part of being a successful servant leader is putting the needs of others first. So, listen to what your team is saying. You don't need to be prescriptive. Just listen, and only give guidance when the time is right.

Increase your awareness

Situational awareness is essential to making good decisions. Have a keen understanding of the current reality and communicate it to your team. In addition, it is important to have great self-awareness. This is probably the most difficult challenge for a CEO, because leaders rarely want to acknowledge their faults. By doing so, we can make adjustments and better serve our teams.

Start conceptualising

All too often we get so caught up in the day-to-day minutia of running the business that we lose site of our ultimate goals. This is where delegation comes in. Let your people do their jobs, so you can be freed up to focus on both short-term and long-term operating goals. Stop working so much in the business, and start working more on the business.

Be a true steward to your team

The only way the organisation will develop quickly is if the team develops even faster. Provide your team members with support and development opportunities. This takes time and often a dedicated budget, but if you encourage your team to keep learning, they will be more engaged and will provide greater value to the company, and employee retention will flourish.

Today, when you interact with your team, start by truly listening. Don't interrupt. Just listen. Then, ask your people how you can help, and follow up on your promises quickly. If they don't need your help, don't force it on them. Encourage them to carry on with your full support. Step back and let them take care of business. - *RF*

Note - All credit goes to the particular author and/or publication of the articles shared in this publication

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Result focused logistics and supply chain advisory services

By Anton Nieuwoudt / Niels Rudolph

dasResultat is a results focused logistics and supply chain management advisory company with greater than 30 years combined experience in various functional areas of logistics and supply chain management across diverse industries.

Our primary objective is to support our clients to reduce operational costs and increase their service offering to their clients through optimising their supply chain, by offering a wide range of services based on our own practical experience.

dasResultat stands under joint leadership of Anton Nieuwoudt and Niels Rudolph.

Leadership

Anton has more than 12 years experience in logistics- and supply chain management across various industries.

Prior to co-founding dasResultat as a boutique logistics and supply chain advisory company, Anton was at Accenture where he was involved in various projects in the Retail, Mining, FMCG and Energy sectors. Here he was able to expand and apply his fulfillment, supply chain management, supplier management, project management and business consulting expertise.

Anton also worked at DB Schenker where he gained experience in integrated logistics management, spare parts logistics as well as inbound- and outbound logistics solution implementation.

Anton holds a Bachelors degree in Marketing from the Rand Afrikaans University and a Masters degree in Logistics Management at the University of Johannesburg.

Niels has close to 20 years experience in logistics- and supply chain management mainly within the 3PL industry.

Prior to co-founding dasResultat as a boutique logistics and supply chain advisory company Niels founded ORAscm as a specialised logistics consultancy company. He also worked at DB Schenker and PriceWaterhouseCoopers in Germany as a project consultant.

Niels spent the largest part of his career at DB Schenker in various roles in Germany, Singapore, Malaysia and South Africa. During his last role at DB Schenker in South Africa, Niels was responsible for logistics development, reporting directly to the CEO. Here he applied and expanded his knowledge to develop logistics solutions across the local automotive, high-tech and retail industries.

Niels holds a Diplom Betriebswirt (BA) from Staatliche Berufsakademie, Mannheim (Germany).

Functional experience

Our functional experience include among others warehouse design & management, transportation management, inventory management, demand planning, supply planning, supply chain planning, supplier relationship management and project management.

Industry exposure

We have had exposure to industries such as retail, automotive, consumer goods and services, petrochemical, mining and defense aerospace.

Core offerings

Through our core offerings we can support our clients to achieve strategic, tactical and operational results. These offerings cover areas such as Strategic Supply Chain Planning, Fulfillment, Sourcing & Procurement, and Project Execution.

Credentials

Since founding the company in the fourth quarter of 2012 we've been involved in various projects.

Our primary engagement has been with a leading global third party logistics company. Here we've been tasked to support them in their turn-around of their contract logistics department.

Secondary engagements during our first quarter of operations included a warehouse performance assessment at the Cape Town operations of a global apparel company, supporting a logistics service transition at a German automotive manufacturer and providing warehouse implementation support for an agricultural equipment manufacturer. - *RF*

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dasResultat is a result focused logistics and supply chain management advisory company.

We partner with our clients to identify and unlock practical and sustainable solutions.

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