

TOP 3 TRENDS IN SHIPPING AND LOGISTICS



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Extending Your Enterprise

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A WNS PERSPECTIVE

In an era of technological disruptions, 'grow or go' is the new norm for the Shipping and Logistics (S&L) industry. According to a MarketsandMarkets survey, the supply chain technology and analytics market will be worth USD 4.8 Billion by 2019.¹ Digital disruption underpinned by analytics, cloud computing, mobility and Artificial Intelligence (AI) is driving change in the S&L industry.

As the digital race picks up speed and C-suite executives mull over ways to gain 360-degree visibility into the logistics lifecycle, here are the top three trends shaping the S&L industry.

**ANALYTICS, AI, ML,
IOT & BLOCKCHAIN
ARE ALL DRIVING
CHANGE IN THE
SHIPPING INDUSTRY**



1. Safety & Efficiency Leveraging New Technologies

AI is the logistics industry's ticket to a fully digitized, data-driven future. While AI-enabled self-driving trucks and automated ports are already a reality, the Internet of Things (IoT) can bring in additional value. Data from connected smart devices in the supply chain network can be analyzed by Machine-Learning (ML) algorithms for innumerable benefits — from preventive maintenance and repair to improved efficiency and cost compression.

For example, Maersk Line, a leading global container shipping company, has partnered with Ericson to enable Remote Container Management (RCM).² Maersk's 300,000 IoT-enabled refrigerators transmit vital stats such as temperature, location and power supply in real time to a cloud server, where this information is analyzed by ML algorithms. This

has helped Maersk ensure port safety, efficiency, operational savings, and improved cargo care for the fresh produce that it delivers to 343 ports across 121 countries.



2. Intercepting Losses Through Blockchain

Blockchain technology has the potential to offer unprecedented levels of operational transparency and traceability to logistics companies. Currently, cargo theft is a major concern for the S&L industry. In 2017 alone, the industry lost over USD 39 Million due to cargo theft.³ Blockchain-enabled robust and secure business networks can prove to be game-changers in curbing cargo theft by optimizing cross-border transactions and trading relationships at scale.

For instance, customer identities on blockchain ledgers cannot be tampered with at the time of delivery. Blockchain can also enable foolproof deliveries and

¹ <https://www.marketsandmarkets.com/PressReleases/supply-chain-analytic.asp>

² <https://internetofbusiness.com/maersk-ericsson-iot-success/>

³ <https://roadscholar.com/blog/cargonet-releases-2nd-quarter-cargo-theft-statistics>



returns by mapping the unique blockchain registration numbers of every vehicle against the delivery job IDs.

Logistics players such as UPS are betting on blockchain as the future of logistics.⁴ The company recently joined Blockchain in Transport Alliance (BiTA), a global standards organization aimed at devising innovative ways and regulating the use of blockchain in logistics.



3. Emergence of Elastic Logistics

Elastic logistics is the ability of S&L providers to expand and shrink their capabilities across geographies in response to market and demand fluctuations, changing consumer preferences, and socio-political changes. To be elastic, S&L companies will have to think outside the box and leverage the power of collaboration in

innovative ways. Companies such as DHL and FedEx are already partnering with local players and national postal services to address last-mile delivery issues.

Elastic logistics is about extending this collaboration to sharing fleets, warehouses and networks to handle more distribution channels, priority deliveries and penetrate newer markets. Elastic logistics

⁴ <https://techcrunch.com/2017/12/15/ups-bets-on-blockchain-as-the-future-of-the-trillion-dollar-shipping-industry/>

can help companies in getting real-time 360-degree visibility, connecting siloed processes, improving resource utilization and compressing operational costs.

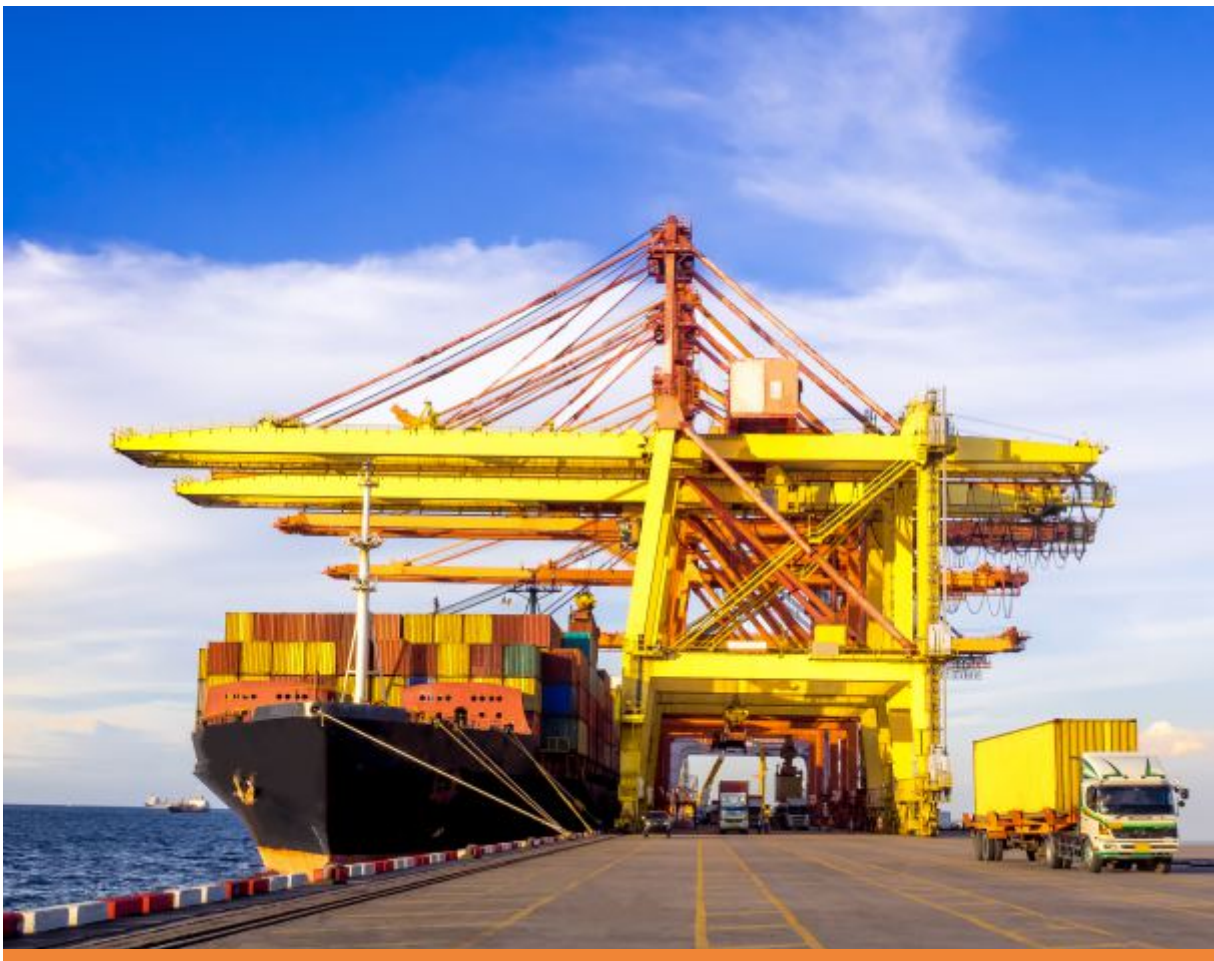
Global logistics leader DB Schenker has recently forayed into the elastic logistics space by partnering with online freight exchange provider uShip to map truck drivers and shipments more efficiently.⁵

New entrants, emerging technologies and unprecedented scenarios will continue to upend traditional business models in the S&L industry.

'Perfect order' deliveries are now becoming the ultimate yardstick to measure customer satisfaction. These are orders with the right mix of place, product, timing, package, quantity and documentation delivered to the right customer. In

such a business environment, the future will belong to companies that can prove their digital fitness consistently.

S&L companies should also be prepared for more disruptions ahead. The trick lies in anticipating which areas will be impacted and what capabilities should be developed to ride the wave successfully.



⁵ <https://www.wsj.com/articles/db-schenker-takes-25-million-stake-in-online-freight-booking-platform-uship-1487134860>

About WNS

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