

Shipping and logistics industry must move faster in search for tech solutions

A Lloyd's Loading List roundtable discussion has heard that standardisation and collaboration lie behind changes necessary for better customer experience in logistics, writes *Richard Clayton*

Logistics businesses are struggling to invest in the latest digital technology at a time when the pace of change has quickened, a *Lloyd's Loading List* Round table discussion, sponsored by WNS, has heard. Time horizons have become shortened to such an extent that return on investment can no longer be guaranteed.

Speakers described a reversal in the way software businesses have interacted with their freight customers over the past 20 years. Two decades ago, digital start-ups learned to understand the industry by hearing about customers' processes and visions; today those customers are asking digital experts to brainstorm the business model to identify a way forward.

"The pace of change has prompted a shift towards buying-in solutions from the rapidly-evolving tech start-up community"

"Even two years ago our customers had a plan, now they are asking us which



Shutterstock.com

project they should go with." Often, there is no definitive answer. The solution depends on the need and the time. However, this lack of certainty – which is sometime seen as confusion – does have a positive side: it was unanimously agreed that the logistics sector offers real opportunity for both large- and small-scale forwarders.

The pace of change has also prompted a shift away from businesses investing in in-house IT teams developing solutions for their customers, and towards buying-in solutions from the rapidly-evolving tech start-up community. Although some logistics companies

Continued on F5...

Lloyd's Loading List
Maritime Intelligence | Informa
Incorporated with *The General
Weekly Shipping List* and *IFW*
Published by Informa UK Limited

Publisher
Nick Marsh
+44 (0) 20 3377 3964
nick.marsh@informa.com
Marketing Services Specialist
Adrian Skidmore
+44 (0) 20 7017 5211
adrian.skidmore@informa.com

**Commercial Campaigns
Manager**
Lucy Smith
+44 (0) 20 3377 3754
lucy.smith@informa.com
Production Coordinator
Jason Starling
+44 (0) 20 7017 5261
jason.starling@informa.com

Contributing Journalists
Will Waters
+44 (0) 7815 091071
willwatersmedia@gmail.com
Mike King
+44 (0) 7960 707766
mikeking121@gmail.com
Stuart Todd
+33 494 53 17 79
toddstuart@orange.fr

Subscriptions
Adrian Skidmore
+44 (0) 20 7017 5211
adrian.skidmore@informa.com
Annual subscription rates
UK £650
Europe €1060
Worldwide \$1555
ISSN 0144-6681

**Turkish Freight
Specialists**

Tel: 0208 311 9111
www.dailygroupage.com

...continued from F3

have successfully built their own solutions, others have come up against a challenge that is common to the digital experience: lack of talented people willing to remain committed to a single project within a single company.

"Attracting, nurturing, and retaining the right people has always been a challenge," one speaker said. There was particular concern about the Millennial generation, which has a different attitude to the concepts of loyalty and business disruption. "Millennials expect instant gratification; they want a booking rate in seconds. Where is my ship, when can I expect my cargo?"

Getting to know how the next generation thinks is an acknowledged challenge for established logistics businesses, who used to count their customers in hundreds of companies, but now do so in several thousands of individuals.

"Customers of freight forwarders, 3PLs, 4PLs, and the wider shipping and logistics community are changing in the way they do business: that's the reality"

Short-termism isn't restricted to Millennials. Customers have a pretty good understanding of their challenges, such as reducing operating costs and simplifying procedures. In the past, customers identified a concern and focused on finding a solution because it hurt them for a long time. "Now, when it becomes clear the problem hasn't been solved, customers adapt their focus to a different problem," another speaker said. "They move the goal-posts. But the problem really lies with us: we tend to over-engineer the solution."

The slow pace of finding a digital solution to a logistics problem, which wasn't a concern in the past, now makes investment more uncertain. Business

leaders in this sector must "orchestrate their people towards crystallisation of the problem," a speaker urged. A solution has to be found within weeks rather than in years. The way forward is to prioritise human resources and management capabilities. It's of little use approaching customers with a blank sheet of paper and asking what they are looking for in a digital solution. Most customers know they need to improve efficiency through interrogating data pools, however they have no idea how to go about it.

And this leads to calls for standardisation and collaboration. Data systems throughout the logistics sector suffer because they don't talk to one another. Digital experts tend to "over-customise" solutions that can't be replicated elsewhere. Processes need to be streamlined, with standardisation a common goal. The key, speakers agreed, is to recognise three critical elements: that technology is a tool not the solution per se, that getting the right people together to work on a project is critical, and that rapid evolution in digitalisation means solutions might not be perfect when launched.

Alongside the need for standard solutions comes a requirement for better collaboration. The logistics sector is not alone in being reluctant to share commercial secrets, and even technical solutions. Nevertheless in the quest for improved customer experience, the freight community must work much harder to identify partners, share expertise across communities of like-minded businesses, and put customers' demands before individual corporate need.



Automation, it was said, is not the solution but a solution; similarly, blockchain without a greater degree of transparency and trust will swiftly develop into a series of competing processes. "You have to figure out what is truly strategic and what can be left to others," safe in the knowledge that those 'others' will share their findings with you.

Customers of freight forwarders, 3PLs, 4PLs, and the wider logistics community are changing in the way they do business. Their time horizons are shortening at an alarming pace, they demand immediate answers, and they have little patience to wait for solutions to their problems. That's the reality shared by Round table speakers. It's not up to the industry to hold back the tide of change but to run with it. As one speaker asked: "What happens if we don't invest [in new technology]?" The answer was obvious: you will be left behind.

<https://www.wns.com/>

WNS

Extending Your Enterprise