

INTEGRATED LOGISTICS PLATFORM:

A GROWTH FRAMEWORK
FOR 3PLS





3PL service providers enjoy a long history of offering services to help control the supply chain more effectively. Modern 3PLs have enhanced their offerings and integrated technology to meet customers' needs. Additionally, shippers are turning towards technology-based 3PLs to improve overall efficiency. The fusion of logistics and technology provides a complete logistics solution.

The most significant problems that 3PLs face are listed below:



INCREASING COST OF OPERATIONS

It's tough to find a Logistics service provider who is not affected by the rise in the cost of operations. Rising fuel cost, manpower cost and the cost compliance adherence has created dent in the overall profit margins.



DRIVER SHORTAGE

More than 65% of entire freight in the US market is moved on the road. And the driver problem is here to stay, blame it on the age, demographics and skills. 3PLs are dancing on a dangerous cliff when it comes to handling driver shortage.



RUDIMENTARY SYSTEMS

A lot of small and moderate-sized 3PLs make use of Excel as well as Google Sheets to track and keep track of shipping. It can be a hassle with many shipments and multiple suppliers to keep the status and ETAs of every shipment up to date. There is also the possibility of errors and inaccuracies when reconciling inventory.



INCREASED COMPLIANCE

Many 3PLs send shipments to various countries around the globe. The regulations and rules of every country could be different. Furthermore, regulations may differ even within a particular country. Rules and regulations change to make matters more complex. This is why growing compliance can be a huge problem for 3PLs.





LACK OF COLLABORATION OR LIMITED COLLABORATION

End-to-end supply chains involve many participants, including shippers, carriers, ports, customs and end consumers. Lack of collaboration could create disruptions and inefficiencies in the chain of supply.



MEET SPECIFIC REQUIREMENTS OF THE SHIPPER

An issue that 3PLs face is having to meet the shipper's demands on the packaging, on-time-in-full (OTIF) delivery, and customer service, among other things. This happens when there's a misinterpretation of the process on the part of the shipper on the 3PL's side. For instance, failing to include details of the 3PL number on packing slips can delay the arrival of goods.



INSUFFICIENT INFRASTRUCTURE

The issue is a common problem in developing countries where highways aren't maintained properly, internet connectivity is weak and insufficient, and insufficiently developed methods of transport, like roads and railways.



CONSTANT SHIFTS IN DEMANDS

The constant shifts in demand for e-commerce create difficulties for 3PLs in planning. This creates challenges for the fulfillment and delivery of orders.



CAPACITY MANAGEMENT IN WAREHOUSES

The low or non-existent utilization of technology can cause this problem. It is more difficult because space isn't efficiently optimized.





CURRENT TECHNOLOGY LANDSCAPE



LARGE BUSINESS SUITES

Typically, 3PLs with a sizeable volume and business prefer a large business suite to handle their entire operations including booking, planning, hub management, warehouse management, line haul, last mile, invoicing, human resources and finance. Though these large suite products provide multiple solutions that help Logistics companies operate, it always needs a middleware to operate as a single unified system. These middleware needs multiple integration parameters, and it comes at a cost. The second downfall is that most of these big wig ERP systems were typically designed for manufacturer. Hence an LSP needs to force fit that system with multiple customizations to ensure the system helps the business process of a Logistics organization.



POINT SOLUTIONS

Smaller and Mid-sized 3PLs usually prefer point solutions that take care of a very specific need compared to a large suite solution that takes care of multiple operations. Most companies in this segment have limited capabilities in terms of business, for example some 3PLs may be strong in transportation and they would prefer just a Transportation Management solution alone. Though this methodology saves cost, the digital solution does not give a complete picture since every point solution acts independent of each other. It needs a complex integration to ensure seamless data flows.



CUSTOM BUILT SOLUTIONS

While this is a traditional approach to building an IT blueprint for a 3PL, the growth of modern cloud-based software has eroded this kind of software. Having said that, there are good number of organizations even the larger ones, who still depend on legacy systems, since it gets the job done on a short-term basis. Age-old tech stack, lack of integration with third party software, outdated functionalities are some key reasons majority of 3PLs tend to move away from these solutions.

HOW CAN AN INTEGRATED LOGISTICS PLATFORM HELP?

Two years ago, in 2020, more than two billion people bought items or services online, and online retailers' sales surpassed USD 4.2 trillion globally. The dynamics of business have transformed for both retailers and consumers. Consumers are more comfortable with online shopping, exploring options, looking beyond their locality, and even crossing boundaries. Retailers with established brands and start-ups have taken on digitalization; they are speeding to build an online presence.

In today's digital and global environment, companies seek an integrated logistics solution that will serve as the

foundation of their business. Integrated logistics systems improve business processes, from procurement and supply chain to customer returns and fulfillment. It anticipates customers' requirements and needs, purchases raw materials and coordinates delivery.

Integrated logistics is a service-oriented procedure aiming to create more effective and robust communication channels across the different business links. It helps companies maximize their resources and gain cost savings or competitive advantages.

The key to enabling the growth of e-commerce lies in the **accessibility of a reliable logistics system.**

Companies can focus on their customers, products, and marketing with integrated, end-to-end logistics solutions.





BENEFITS OF INTEGRATED LOGISTICS PLATFORM

Many businesses have adopted a unison approach to 3PL. Now the 3PL takes care bringing in the raw materials from a supplier to moving the finished goods from a manufacturing unit to retailers/distributors. Through an integrated logistics service approach, most of these functions can be managed and performed through a single service provider. To help shippers deliver goods on time and to overcome supply chain disruptions 3PLs need to look out for an integrated logistics solution that not only helps to improve efficiency but also helps 3PLs scale their business.

Some of the key benefits include:



IMPROVED COLLABORATION AND VISIBILITY

Using an integrated logistics system, users can facilitate strong collaborations, which helps companies improve their operational control and reduce costs, streamlining processes and increasing the speed of response to customers. By integrating and aligning processes, every department can understand the entire process and see the elements they must meet their objectives.



FORETELLING AND MEETING CUSTOMERS' DEMANDS

Among the benefits of digitalization is the usage of data. Through integrating the logistics system, processes like these are controlled by technology that gives access to information. 3PLs can now forecast demand, optimize routes, re-slot warehouses, foretell financial impact and more all with the data available in the system.



DEPLETION IN THE COSTS OF OPERATION

Every company aims to lower its operational expenses while simultaneously ensuring that customers are satisfied and the quality of its product. With an integrated logistics platform, the data flows seamlessly across multiple departments which automate operations, reduces cost, improves compliance and scales up operations.



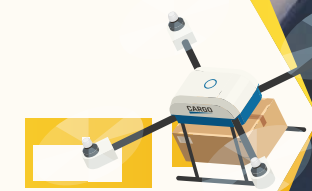
SCALE UP

Growth of 3PLs is directly proportional to the number of customers they onboard. An integrated platform that supports multiple industries helps 3PLs scale up to customers across multiple industries with ease. The diversity in the kind of industries help 3PLs overcome any economic downturn if they place all their eggs in a single basket.



REDUCTION OF WASTE

Logistics Organisations face a significant hurdle that increases their operations cost in the form of TIMWOOD. It refers to the types of waste that any 3PL faces in the form of Transportation, Inventory, Motion, Waiting, Over-Production, Over-Processing, and Defects. Among all TIMWOOD parameters, its Over Production that negatively impacts the profit of a 3PL player. With seamless data flow across multiple modules an integrated platform can deduce these wastes and present corrective actions.



A 3PL could help make the supply chain more efficient simply by providing the company with live information on the various elements that move their efficiency blocks, problems, and much more. Transparency in the company's supply chain will allow the company to be more able to make informed decisions that affect all aspects of the supply chain. With the current tech stack either favouring a large suite approach that needs a middleware to connect the disconnected point solutions, an integrated logistics platform is the definitive approach towards building a hyper growth framework for 3PLs. Ramco with an Integrated solution that's specifically designed for Logistics Service providers provides a competitive edge to Logistics organizations who are poised towards digitization and growth.

ABOUT RAMCO LOGISTICS PLATFORM

Ramco Logistics Platform provides a cloud-based integrated solution tailor-made for Third Party Logistics and Express Parcel Service Providers. The software helps to overcome key pain points, including supply shortages, limited resources, operational costs, the surge in demand and new compliance rules. The integrated solution encompasses Transportation Management System, Warehouse Management System, Fleet & Hub Management and Rating & Billing. Trusted by over 25+ logistics companies worldwide, the platform is powered by NextGen AI & ML features that help Logistics Service providers reduce cost and acquire new customers.

