

Viewpoint: Understanding the True Cost of M&A Sales

With today's global economic environment showing signs of improvement, it is more important than ever for logistics companies around the world to be able to accurately measure the true cost of sales.

The logistics industry has seen a trend over the past 10 years of increasingly aggressive mergers and acquisitions taking place on a multi-national basis. Many of the larger logistics operators are finding that various disparate software systems exist across countries and companies that do not support their anticipated global business strategies and operations. This inability to communicate with a single database and a common language presents additional operational challenges for logistics service providers (LSPs) that may impede their global success.





Measuring True Costs of Global Mergers and Acquisitions Requires Single, Dedicated IT Platform

The result of implementing a single platform enables LSPs to provide more accurate and concise supply chain visibility for all global trading partners.

Simon Clark
Business Development Manager - EMEA

Integrated operating platform that measures and monitors the actual cost of sales is needed.

The philosophy for many logistics companies is to focus on providing high levels of service while controlling the cost of generating increased sales. I often witness an attitude in the logistics marketplace that is aimed at only obtaining new business without fully comprehending the true cost of obtaining and supporting it – especially in a multi-national business environment.

With disparate systems, often in different countries, not all the necessary supply chain information on sales costs is visible or measurable in one place. Without this visibility throughout the entire sales cycle, management is not able to accurately measure the true costs of M&A sales – some of which are 'hidden' or overlooked. This includes such costs as project manpower, asset management and even costs such as rebranding, exhibitions, campaigns and other sales conversion costs.

The solution is to discard multiple software systems and implement a single, integrated operating platform that provides a unified view into all supply chain activities to continually measure and monitor the actual cost of sales involved with mergers and acquisitions.

Globally capable system can provide total supply chain operating transparency.

When involved in mergers and acquisitions, especially those that are multi-country in nature, logistics service providers require an agile, dedicated software system that accurately and efficiently tracks, analyzes, measures and manages their end-to-end business activities from qualitative and quantitative perspectives in order to fully understand their true cost of sales.

A truly robust and efficient enterprise solution that enables logistic service providers to further support their clients operating in multiple countries and regions is driven by efficient IT platforms that can also be integrated into their CRM programs. Additionally, a globally capable system can provide the capability to import operational data from other freight systems, as well as utilize local enterprise systems where necessary. This provides total supply chain operating transparency in one 'Master CRM Environment.'

In summary, a single, dedicated software platform enables logistics service providers to better understand and control the true costs of sales. The result of implementing a single platform enables LSPs to provide more accurate and concise supply chain visibility for all global trading partners, clearer management focus on operations, and realistic cost controls over merger and acquisition activities – all of which impacts ROI.

ABOUT CARGOWISE®

CargoWise is a globally renowned technology provider that delivers an innovative, single platform solution to improve customers' visibility, efficiency, quality of service and profitability. It provides dynamic and efficient solutions for logistics service providers focused on effortless supply chain execution capability in an integrated globally capable enterprise system.

Every day, 1,300 logistics service providers, consisting of 33,000 users in 45 countries, move goods through the global supply chain using CargoWise's ediEnterprise system, a powerful and feature rich software solution developed to meet the ever-changing needs of the logistics industry. CargoWise offers the only single platform supply chain logistics management system that provides integration across all departments with functionality for domestic, regional and global customers. The company operates from offices worldwide with headquarters in the USA, Australia and in the UK. More information on CargoWise can be found at www.cargowise.com