

Viewpoint: LSPs Increasingly Turn to Technology For Enhanced Competitive Advantage

When the only thing guaranteed is market uncertainty, as it is in today's recovering global economy, logistics service providers (LSPs) are increasingly turning to new technologies to deliver greater supply chain efficiencies to maximize value-added deliverables for their clients.

As the industry shifts from one of survival mode to one of anticipated growth, companies are forced to assess all elements of their business processes to create more scalable and agile enterprise systems that enable them to react rapidly to market change. This means companies need to develop improved communications with their customers, as well as provide more interactive, effective client partnerships that deliver sustainable and profitable business. As the logistics industry evolves into a very reactive service business, LSPs are being increasingly challenged to fulfill a broader spectrum of global and multi-channel supply chain services on demand and on time.





New Business Environment Requires Focus on Flexible Budgets and IT Scalability

On Demand 'hosted services' provide flexible options for controlling total cost of ownership and providing enhanced value-added services to customers.

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New technology options offer greater cost control and add value to business partnerships

This dynamic business marketplace not only requires LSPs to reorganize resources and processes to meet the greater supply chain expectations of their customers, but they must do so without increasing costs. To meet these demands, LSPs are increasingly turning to newer On Demand 'hosted service' options to provide flexible and diverse business competencies while offering customers added value in their partnerships and controlling the true cost of ownership.

The increased demand for communications between businesses today requires a level of IT infrastructure, automation and skill sets that most medium-sized businesses cannot deliver without high costs to them and their customers. But organizations can optimize their opportunities and meet the challenges of market dynamics by eliminating costly in-house IT infrastructures, avoiding 'purchase-and-install' systems and adopting 'pay-as-you-use' hosted, multi-functional software applications. These On Demand Software systems also reduce the need to predict the future scale of client demand.

Utilizing an On Demand hosted solution can eliminate the hassle of the continuous need to keep abreast of technology in-house in order to service one's business and meet customer demands, and offer benefits such as:

- **Reduce Total Cost of Hardware and Software.** On Demand hosted solutions allow companies to keep up with the growing complexities of technology and data distribution while reducing the costs associated with in-house IT departments. The issue of maintaining and frequently

upgrading technology is eliminated by placing the onus on the service provider – for hardware maintenance, technical support services, and physical and electronic security to enable business continuity and flexible working environments.

- **Eliminate Costly Application Implementation and Integration.** By avoiding lengthy and complicated software implementations, LSPs can reduce the costs of purchasing new hardware and software, negate fragmented servers or devices and still meet unique customer demands through detailed, flexible and focused configuration options. With an On Demand hosted service, ongoing software integration and deployment issues are eliminated, providing LSPs more time for concentration on core logistics competences.
- **Control Total Cost of Ownership.** With a hosted service solution, costs are spread over a number of clients by the vendor, and internal IT costs are reduced to a predictable monthly user fee, with a guaranteed level of service. This eliminates the need for internal IT departments to constantly tweak their existing technology strategies to meet evolving market demands and optimizes software technologies for their specific operational platform.

By implementing On Demand hosted technology, businesses can achieve highly agile and scalable systems that can be tailored to their specific operating needs at lower costs. LSPs can then focus on providing their customers with the ability to regularly adapt their enterprise systems to market changes and fluctuations without worrying about whether an IT infrastructure is capable of coping with technological changes.

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, 2,000 logistics service providers, consisting of 50,000 users in 50 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