

## Requirements Analysis Process Helps Forwarders Determine True Expense of Maintaining IT Legacy Systems

*- Supply Chain Costs Can Be Reduced with Benefits of New, Advanced Software Technologies -*



Andrea Robinson, Business Development Manager - UK

*The transition to enhanced software systems can be painless, quick and efficient.*

*A company can gain immediate benefits through advanced technology and begin delivering more comprehensive services to maintain and secure new and profitable business.*

Throughout the freight forwarding industry many companies remain locked into their existing IT legacy systems and may not be taking advantage of new technological options that offer superior software solutions to better control supply chain costs.

There are numerous new software products available to the freight forwarding and logistics industries today; however, our experience indicates that many companies are not evaluating the true cost of maintaining their legacy systems. While these existing software systems may appear to function adequately, processes may be based on outdated software philosophies and skill sets that might not deliver what customers demand in today's competitive environment. Newer technologies are available that can streamline and improve operational efficiencies, while saving time and reducing costs.

In order for forwarders to truly understand the actual costs of maintaining legacy IT systems, they should consider conducting a Requirements Analysis Process (REAP) to compare their existing supply chain software system performance and costs to the benefits offered by newer, advanced software technologies. A complete analysis of the true cost of the operating methods in place will provide valuable insights into how a company can benefit with improved software technology and move forward more effectively and efficiently.

The software applications companies run within their businesses dictate their operating procedures and capabilities as a business. These applications should help companies move ahead by offering more value to customers with improved service options. Legacy systems can be very difficult and expensive to improve and expand upon if not done in an appropriate fashion. There is often a general lack of understanding of the existing, outdated system throughout the organization because staff members who were once experts on it have retired and new personnel have not been properly trained. By implementing new systems with improved documentation processes and better scalability options, a company can help to 'future-proof' their business and be better prepared for change and growth in the coming years.

One lesson I have learned in more than 22 years in the forwarding industry is that every business either moves forward in capabilities or languishes with the status quo. Companies can never stand still if they are to continue as thriving enterprises.

In my view, the same is true of software systems. No facet of the supply chain is advancing more rapidly right now than technology; and companies must evolve their systems in order to remain competitive. No matter how much one patches and glues an outdated legacy system,

it will become more fragmented and exasperating to work with over time. As customers improve their own technologies, they will require their vendors to keep up with the pace of technology and will expect added services and efficiencies.

## VIEWPOINT

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An outdated, proprietary legacy system can also be restrictive in terms of accessing data and information and is much less malleable to work with when it comes to making enhancements. Eventually it becomes difficult for these systems to meet customer demands. My suggestion is to re-develop outdated software in a timely, sensible manner if companies are to enhance their operating services and improve customer offerings in a cost effective fashion. Any delay in redeveloping enterprise systems can become a very costly and time-consuming process, as both partners struggle to play catch-up with the new technology and retrain the IT developers required for today's modern software language tools. Uninterrupted customer integration and continuity of customer service is critical when enhancing and releasing a brand new version of a software platform.

When re-developing an enterprise system with new technologies, it's important that the applications companies implement within their businesses are trusted and tested. Software suppliers and/or IT departments should have quality assurance processes in place and a robust production model that ensures employee skills are current and moving forward with contemporary technologies. It is also essential that their documentation and learning resources are recorded and the data updated so that future software developments can take advantage of the core expertise of the software's functionality.

In summary, while forwarding companies may view their software system as being adequate and see no reason to evaluate its costs and benefits or explore current technologies with more vibrant systems, that may not be the case in today's fast-paced technological environment where supply chain sustainability is so critical.

Many companies may choose to avoid the transition to a modern software system because of the potential for costly retraining, lost time and anticipated expenditures; however, these factors are overcome quite easily by choosing the right software vendor and by implementing straight forward planning and organisation. The transition to enhanced software systems can be painless, quick and efficient. A company can gain immediate benefits through advanced technology and begin delivering more comprehensive services to maintain and secure new and profitable business.

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