TECHNOLOGY AND DIGITALISATION IN TRANSPORT & LOGISTICS

One of the most important disruptions facing transport & logistics (T&L) companies is technology and digitalisation. Developments in technology provide uncertainty but also many opportunities for T&L organisations. The difference between the leaders and laggards in this industry will be in the ability to embrace these disruptions. Knowing where the benefits and risks are and how to leverage those begins by understanding the impacts. The T&L industry is impacted by technology and digitalisation in four different ways:

New technologies are impacting the entire organisation, in every domain

There are many technological breakthroughs impacting every business domain in the company, from marketing & sales, warehousing & transportation, finance, procurement, HR and IT. For example, using robotics in warehousing but also in customer service and the back-office, using data analytics in customer, supply chain or procurement, migrating to cloud, adopting blockchain, applying drones, 3D printing, etc... These innovations are all redefining the way that T&L companies operate.

New entrants can grab (profitable) pieces of the T&L value chain

Technology is enabling non-T&L companies to enter the market, e.g. new platforms to connect supply and demand (“uberisation” of the sector) and leveraging the sharing economy for shipping and pickup (especially the last mile). More and more start-ups are entering this space, but so are large shippers. The philosophy is growing towards ‘asset-light & data-heavy’, powered by new technology, getting control over the customer and the data.

Technology is changing T&L stakeholder behaviour and expectations

Customers (B2C and B2B), partners, suppliers and personnel are changing how they want to work and to be served. Companies and end-consumers expect more efficiency, more performance, and significantly more personalisation in the service. Retail and high tech companies expect the same level of experience for their clients from their T&L partners, as they would provide themselves. At the same time, a digital culture is needed to attract and retain new talents driving performance and innovation in the digital age.

Marc Engel,
Partner, Digital Transformation & Technology Consulting
marc.engel@mazars.nl
HOW CAN T&L COMPANIES BETTER PREPARE FOR THESE CHANGES?

In order to reap the benefits of these shifts, T&L companies need to understand, prepare for, and implement certain changes in their operations. T&L organisations are not the typical leaders or first-movers when it comes to change and innovation. They tend to be followers, looking at where customers are heading. Due to the speed and impact of digitalisation, this is a risky strategy. T&L organisations need to move quickly, be prepared to invest and learn, and create a digital and change culture in their organisation to support this. More than ever this will come down to visionary leadership in the top of the organization to drive this. Mazars experts can help companies get there.

Define a digital strategy based on ‘think big – start small’

This involves assessing the opportunities but also the threats: where do you want to be in 3-5 years’ time? What does your business model and organisation look like? What do clients expect? What does competition do? Where do you want to excel (and where not)? How do you get there, what’s needed, what does it cost and what does it deliver? This needs to be translated into a vision, strategy and roadmap. And finally, most importantly: get started! At Mazars we can help establish a vision, strategy and roadmap for all stakeholders involved to guide the way forward.

Consider new technology platforms to enable businesses to be scalable and flexible

Many T&L organisations still have legacy or ‘home-grown’ technologies that prevent them from keeping up with the pace in the market. They need to think about new platforms: do they need to go on the cloud? What should their IT landscape look like to enable their digital strategy? Which new applications are needed? Do they need a new ERP/CRM/TMS/WMS/etc...? When, from who and with whom should they work? At Mazars, we can help our clients set up, select and implement new technology platforms or architectures.

Start understanding and using new technologies: stop talking and start acting

Small projects with limited budget and impact, and short timelines work very well. These can provide answers in how and where can we get more and better business insights from our own data? What can AI bring? Can we apply RPA to our business? Where can it deliver value? What does blockchain mean for us? Applying and using new technologies creates required momentum with people within an organisation and clients. In order to do this, at Mazars, we can provide our clients with a proof of concept through our own competence centres (e.g. analytics, RPA) that we have in place.

Manage people and change in the digital transformation

In digital transformation the challenge is not in the technology; it is the people and managing the business and process changes in the organisation to make the technology truly deliver the value as defined in the vision and business case. People and change are at the heart of a successful digital transformation. At Mazars, we have a partnership with a program management company called Alter&Go that can help clients drive the agenda, understand the changes to expect, the budget to plan, the people to involve, and how to manage those steps.

www.mazars.com