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## Logistics insights

### Industry 4.0 and the “information logistics specialist”

Industry 4.0 is digitally uniting the participants in the supply chain into a network of core competencies with respect to procurement and distribution. Procurement is the more complex topic. Let us focus on that.

A modern industrial operation controls the production of its suppliers and upstream transport, including warehousing, even across company boundaries. Clear processes regulate areas of responsibility, and everything is subject to a continuous improvement process and systematic cost optimization. The situation in retail is also quite similar.

The “information logistics specialist” organizes the transports and tracks the respective status of shipments for planning purposes. This is especially important for slow-moving ocean freight. According to the customer’s wishes, the information logistics specialist also helps with the organizational processing of the orders using IT-based “purchase order management”.

The cargo space of trucks and containers should be fully utilized, and framework orders offer the freedom to customize agreements. While the customer’s Purchasing department thinks in terms of products, the logistics chain thinks in kilos, cubic meters, truck and container loads. Especially in the era of COVID-19, shipments of sea, air and rail freight must be reorganized. The coordination of sometimes contradictory and delayed instructions and information or linguistic difficulties can result in significant losses of time and money. The more products and suppliers, the larger the need for organization.

Global players operate through their own local purchasing organizations and generally have their own IT-systems. These are populated by information logistics specialists, who are even responsible for processing in the case of IT integration. Other customers make use of their own software, either stand-alone or, ideally, integrated with the procurement system via APIs. This is cost-effective on the IT side and integrates the entire office network of the information logistics specialist. The resulting “visibility and collaboration data platform” assists in the early detection of delays, provides flexibility in reorganization and supports cost-saving transport systems such as “buyer’s consolidations”.

The expense of the organizational change at the suppliers is a one-time and reasonable cost. COVID-19 has knocked the global supply chain of industry and retail out of balance for the foreseeable future. The more global the supply chain, the more drastic the impacts on costs, time factors, risks and frequently even on feasibility. Now could be a good time to develop an even closer cooperation and communication between suppliers and the buyer’s logistics specialists. This would yield flexibility in daily operations and new capacity for the core business as well as development and cost advantages in most cases. COVID -19 will continue to present us with many new situations for some time to come.