

Logistics management gets wings of cloud

The future of logistics will depend on the adoption of digital technologies and systems that will be more interconnected than ever before



BY AMIT MAHESHWARI

Logistics technology continued to evolve in 2022 with upgrades in robotics, Software as a Service (SaaS) technologies, GPS fleet tracking, and supported by policy changes. These factors have transformed the movement of freight by shippers and carriers. Real-time data insights are making supply chains smarter, and more businesses are emphasising sustainability as a crucial element of the logistics ecosystem.

Spurred by recent policy changes and infra upgrades, the logistics industry is expected to grow at a CAGR of 10%-12% in the near term, improving India's competitiveness. With a pick-up in demand, the logistics market, pegged at ~\$250 billion at present, is expected to touch \$380 billion by FY25.

The year 2023 will see business and supply chain executives face a vital and compelling challenge: where and how to invest in logistics technology, and how to secure data flow. Businesses can no longer afford to lag behind technological developments. Consumers today are tech-savvy and demand higher expectations from

businesses. They want fast delivery, real-time visibility, flexibility and excellent customer service.

It is here that the National Logistics Policy (NLP) can play an important role. Launched by Prime Minister Narendra Modi to encourage innovation and draw in more investment while making the industry more competitive, the goal of the policy is to bring logistics costs down from the current 13%-14% levels to that in line with developed nations. This would boost the competitiveness of Indian products in both the domestic and foreign markets. Furthermore, policy shifts and major decisions are being made to expedite last-mile delivery, eliminate transportation-related issues, save manufacturers' time and money, and prevent agricultural product waste.

The future of logistics will depend on the adoption of technologies that will make organisations more efficient and effective. Systems will be more interconnected than ever before and adaptation to uncertainty will become critical to the new normal. Organisations will have to constantly analyse the market, assess the risks,

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and devise strategies to improve customer satisfaction while reducing costs. The following are some logistics technology trends to look out for in 2023 that will help fill the technological gaps and enable efficiency.

CLOUD-BASED SOLUTIONS

The increased use of cloud-based logistics technology is ushering in a new age for logistics stakeholders. Cloud-based logistics technology integrates resources from all phases of the logistics process in real time for more precise coordination of the operations.

With the use of cloud-based solutions, shippers can track their cargo as it is transported to the destination. When a logistical problem arises or route optimisation is required, they can react in almost real-time to prevent delays and enable on-time delivery.

Carriers may use cloud-based technology to instantaneously bid on freight, increase the productivity of their fleets, and enhance how quickly they can react to traffic jams and other problems on the road. Cloud-based technologies enhance communication by enabling mobile app technology for drivers to stay in touch with shippers while on the road.

BLOCKCHAIN

The decentralised, encrypted system for storing and recording ownership and transaction data, Blockchain was originally designed for streamlining financial transactions. The technology has subsequently grown into a significant trend that numerous supply chain players have adopted.

Shippers can simply trace and monitor a product using blockchain, which saves them time and labour. In addition to providing real-time, tamper-proof transaction records, it also allows shippers and carriers to track the ownership and movement of freight as it travels from the warehouse to the final destination.

By using blockchain, carriers can put more of their attention on moving and delivering the freight at a higher rate while worrying less about lost, damaged, or damaged items, as well as other logistical concerns.

SUPPLY CHAIN VISIBILITY

In 2023, there will be a sustained emphasis on enhancing

Supply Chain Visibility (SCV). Traffic patterns, weather conditions, and inventory information are examples of real-time data utilised to enhance SCV. With the use of this real-time data, shippers and carriers can avoid inventory shortages or logistical problems.

Cloud-based tracking technologies can be utilised by shippers to improve customer service and inventory management by increasing supply chain visibility. They can make real-time decisions about whether to buy more items from suppliers or reschedule purchases due to supply chain issues such as overstock.

ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

With the arrival of AI and ML and led by 5G, data-driven decision-making is now possible and will play a vital role in the years to come especially in the supply chain management sector. It will help the entire industry to become more efficient and save costs in multiple ways. Right from evaluating tonnes of data to predicting air-transit delays or prioritising tasks, AI and ML can make all this possible with just a click.

INTERNET OF THINGS

IoT is already revolutionising various businesses across sectors. Supply chain and logistics are not any different. It has increased efficiency, reduced the risks, and helped in improving inventory management and collating granular data, among other benefits. IoT will play a significant role in the coming years and boost the growth of the sector even further.

With new developments affecting practically every aspect of legacy systems and technology, including the continuous development of freight logistics platforms, AI-driven transportation management systems, and smart contracts that track parcel and freight movement, the future of logistics appears bright. With stakeholders keeping up with the latest advances in logistics technology to stay competitive, clients can be assured of the highest quality experience. 🙌

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