Accenture Freight and Logistics Software
Using information for competitive advantage in freight and logistics
High performance. Delivered.
Introduction: How advanced software solutions are changing the game

If freight and logistics companies are to respond to the challenge of slowing growth across the industry, they need to harness IT capabilities more effectively. They must improve the efficiency and transparency of operations while simultaneously developing more innovative services based on understanding customers’ requirements, monitoring performance in real time and serving customers in a differentiated way.

For asset-based cargo carriers, creating stronger and more agile IT capabilities is not an easy task. Legacy systems often cause delays in the development of new capabilities, making carriers less competitive. Carriers need the ability to make rapid changes to processes, services and rules according to business needs, without being slowed by the long lead times of typical IT development.

The consolidation of the industry through mergers and acquisitions further complicates matters from an IT perspective, making integration of software and business systems more difficult. This situation can cause redundancy, increase unnecessary spending and prevent carriers from quickly reacting to market change.

How can the legacy IT challenge be addressed? Most of the time, wholesale replacement of systems is not an option for carriers, at least in the short term. So an important IT alternative is today’s powerful software solutions for the freight and logistics industry. Thanks to the industry knowledge and advanced analytics embedded in such software these solutions can help carriers:

- Improve transparency across the shipment cycle
- Enable more granular track-and-trace capabilities
- Support more accurate pricing
- Improve delivery times through dynamic route generation
- Support management of individuals’ performance and contribution to the business, even to the level of a single booking
- Improve customer centricity

Added up, these capabilities mean that advanced software solutions can change the game for both air and ocean cargo carriers, helping them use information for competitive advantage.

A complete customer view, in real time

In an era when driving growth depends on providing more value, faster, to existing industry customers, the following goals are imperative for freight and logistics carriers.

Provide a broader suite of innovative and differentiated services

The ability to offer new, value-added services such as temperature monitoring, supply chain product inventory level tracking, etc. can be a differentiator for carriers. Leading logistics companies are becoming integrators of specialized service solutions, building scale and investing in new logistics infrastructures and customer capabilities. Yet these kinds of services require an integrated approach to managing information, something legacy systems and applications are often incapable of providing.
**Improve visibility**
Supply chain visibility remains a top operational priority, especially for large customers. Such companies need their freight and logistics carriers to update order status in real time and manage incidents and exceptions more proactively. This in turn requires standardized applications and platforms.

**Develop dynamic pricing capabilities to improve revenues**
Better software can also drive revenue growth by providing better knowledge and timely insights across the overall network, including the ability to dynamically price slots on the network for different types of customers. For high-volume customers, carriers can offer more competitive rates; for other customers, carriers can make more informed pricing decisions because they know the routes available and what the customer’s real options are.

**Leverage analytics for real-time decision making**
Changing a process or service quickly to respond to customer and market opportunities depends on having the capabilities to acquire data that is high-quality, timely and relevant, and then transform that data into knowledge to steer the business in an effective manner.

To remedy this situation, carriers can turn to expensive add-ons or to a long-term data warehousing and business intelligence offering. But another alternative, “rapid analytics,” is a platform that delivers analytics capabilities within the basic capabilities of the software. The software is designed to deliver high-quality data and then enable the analytics capability that supports real-time decision making.

The analytics capability can also help to correct persistent problems that carriers have with revenue leakage. For example, packages are often rated and priced incorrectly, and the problem may not be discovered until it’s too late to collect additional fees from the customer. With advanced software, the dimensions of a package or crate are put into the system along with other critical information; all documentation is immediately re-rated and re-billed so the carrier is correctly compensated.

**Use software solutions to achieve better customer centricity**
Many asset-based cargo carriers face similar challenges to freight forwarding and contract logistics companies. According to recent Accenture research into high-performance businesses in freight forwarding and contract logistics, high performers have moved well beyond using IT merely as an enabler of internal process management. Instead, they leverage customer-facing technologies to better understand customers and provide them with an improved service. Important to ongoing success will be the ability to develop more intelligent services, dynamic planning and better alignment with customers’ operations and processes.

In freight and logistics, because there are only so many carriers customers can choose from, the quality of the customer relationship and the level of service provided are critically important to overall competitiveness. Unfortunately, carriers’ legacy systems and applications have traditionally been designed around products, not customers. This means that, no matter how hard a carrier may try to develop a more customer-centric culture, legacy processes and technologies may stand in the way of achieving that goal. A software solution can help a carrier reorient its services more quickly to see the world as the customer sees it.

Conclusion: Achieving better agility through advanced software

Business needs are urgent in freight and logistics. A carrier may need to quickly correct issues with underutilized capacity, or respond to a competitor’s offering, or change pricing algorithms so that the carrier itself is not subjected to undue risk.

Today’s advanced software platforms help to improve overall responsiveness by enabling carriers to make changes and enhancements based on business needs instead of being forced into configurations and timetables dictated by legacy IT requirements. Advanced software solutions give the power to business users to make changes to processes and products, helping a carrier to respond faster to customers’ needs and marketplace developments.

Industrialized software solutions also improve speed to market and responsiveness to customers by embedding leading practices and capabilities into the overall solution. Currently, many carriers are spending an inordinate amount of time creating capabilities in areas that industrialized industry software has already addressed. If freight and logistics carriers are to drive growth in what has increasingly become a zero-sum game, they need to leverage those leading practices wherever they can, and focus instead on the strategies and customer service capabilities that can be truly differentiating.

About Accenture Freight and Logistics Software

Accenture Freight and Logistics Software (AFLS) melds innovation and broad-based solutions to bring agility and precision to freight and logistics operations. AFLS provides air and ocean cargo carriers with a platform designed to reduce costs and increase profitability. Whether seeking to address sales and customer service, operations planning or route execution, AFLS can help organizations gain transparency and real-time visibility to information at every point of the shipment life cycle.

Combining an experienced team with leading-edge software and a global delivery capability, Accenture integrates the industry experience and know-how with practical product solutions to place organizations firmly on the path to high performance.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with 275,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$28.6 billion for the fiscal year ended Aug. 31, 2013. Its home page is www.accenture.com.

Accenture Software combines deep technology acumen with industry knowledge to develop differentiated software products. It offers innovative software-based solutions to enable organizations to meet their business goals and achieve high performance. Its home page is www.accenture.com/software. For Accenture Freight and Logistics Software, its home page is www.accenture.com/freightsoftware.