

LOGISTICS:

bluegrace | whitepaper

how to make it your **strategic advantage**

How To Make Logistics Your Strategic Advantage

Introduction

Small to mid-size businesses can often find themselves in a tough spot when it comes to the freight market. Low volume often means less purchasing power, meaning these businesses are often left to the discretion (and rates) of the carriers and brokers they negotiate with.

As a result, these businesses can often find themselves losing out on business or even losing customers to their larger competitors simply do to the higher freight costs. Additionally, the lack of purchasing power means a lower margin on the products they are able to sell due to the higher receiving costs from suppliers.

However, this doesn't have to be the case, regardless of what size your business might be or how often you need to ship freight. The freight industry has entered into something of a renaissance period that is in a constant state of both innovation and evolution.

Now, shippers and their CFOs have more power than ever to control their freight, supply chain, and overall costs of operation.

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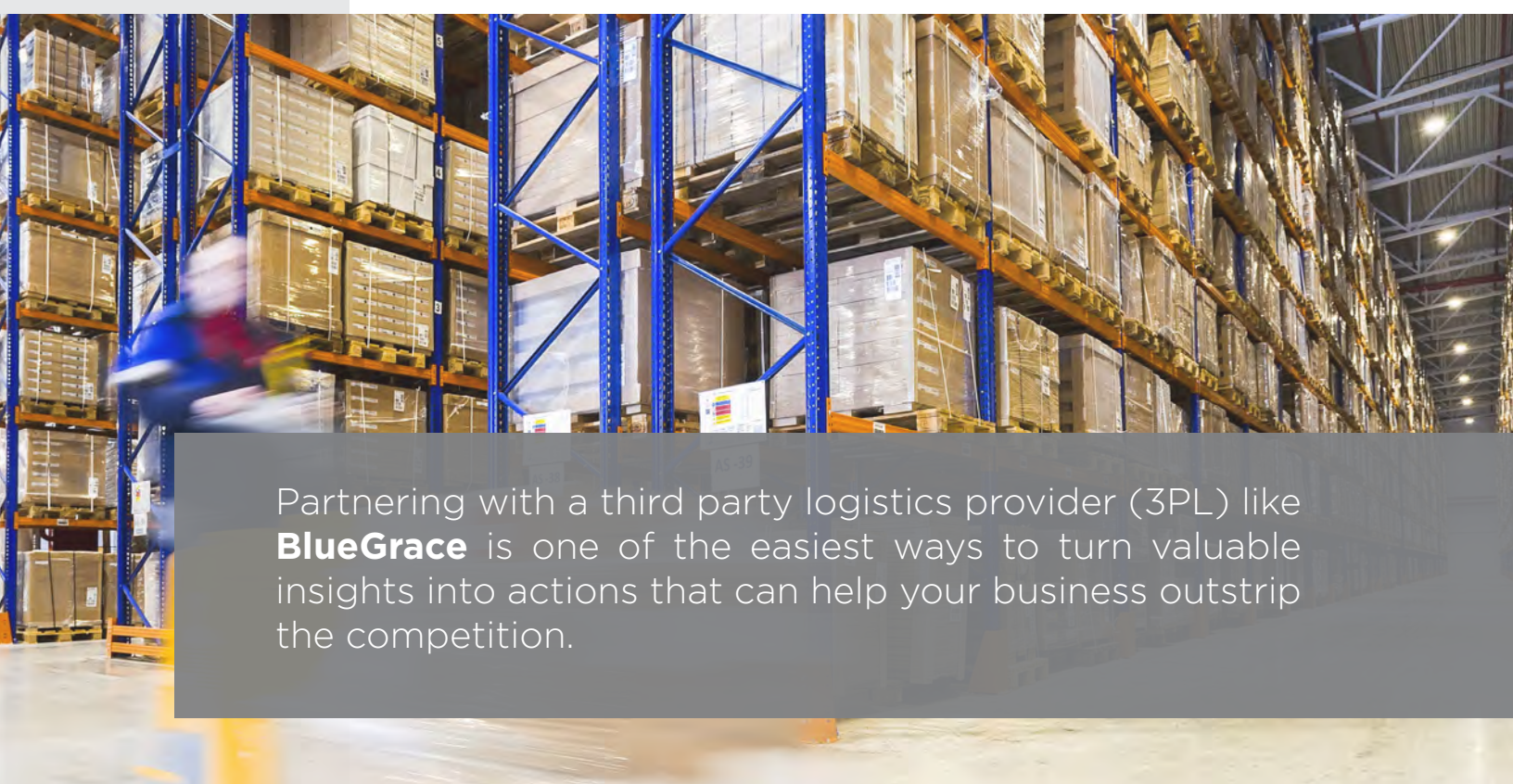
SHIPPERS AND THEIR CFOs HAVE MORE POWER THAN EVER TO CONTROL THEIR COSTS OF OPERATION

And they should. Failure to properly understand and manage supply chains can cost companies big time and millions of dollars a year.

With their finger on the pulse of a company's data, analytics and budgets, CFOs today play a crucial role in managing supply chains.

CFOs have lots of data that others may not, such as accounts payable, accounts receivable, manufacturing data, cost of goods sold and vendor records.

One of the easiest ways to turn these valuable insights into actions and take control of the supply chain is to partner with a third party logistics provider (3PL). Not only do they have the requisite experience, but they often have additional resources that can help your business outstrip the competition.



Partnering with a third party logistics provider (3PL) like **BlueGrace** is one of the easiest ways to turn valuable insights into actions that can help your business outstrip the competition.



01

Increase
Visibility
With A 3PL



3PLs Can Increase Visibility

Visibility is incredibly important when it comes to optimizing your supply chain. **It can mean the difference between pro-actively solving an issue before it becomes a problem or reactively dealing with the consequences of said problem.**

Visibility also plays a vital role when dealing with more stringent delivery policies from customers such as On Time; In Full (OTIF) or Must Arrive By Dates (MABD) policies are a perfect example of this, which can punish shippers for not adhering to a strict delivery schedule.

[According to a report released by TIA](#), 3PLs can, in fact, offer the level of visibility that shippers are looking for despite contrary beliefs.

“SIGNIFICANT ADVANCES IN VISIBILITY TECHNOLOGIES HAVE CREATED A WIDE RANGE OF PERCEPTIONS AND EXPECTATIONS AMONG SHIPPERS, INCLUDING SOME THAT ARE INACCURATE.



3PLs in this report identified a complicated web of factors that affect those perceptions and expectations, such as the demands of data aggregation, the need for more education, and the accelerated pace of change that affects 3PL and shipper alike,” **the report says.**



3PLs are becoming technology leaders, determining how **visibility** will be created and its **dominance over communication & technology strategy** in the supply chain.

Source: TIA's 2018 Visibility Report



INCREASED VISIBILITY = BETTER DECISIONS, BETTER BUSINESS, BETTER RESULTS

It's important for CFOs to consider the advantages that can be gained from working with a 3PL rather than trying to go it alone.

A strong collaboration between the CFO, Supply Chain Leaders, and a 3PL can put your company in the best possible position to weather unexpected events, the often unstable market place, and the ever-changing industry.

In companies where a business-partnering model is established, CFOs are drawing on their unique, fact-based view of the organization to solve business problems and provide insight to deliver informed decision-making.

Better decision-making and increased visibility can drastically improve your company's ability to meet and exceed customer expectations, including customer with OTIF or MABD requirements. Making such an enhancement not only helps to improve your company scorecard but it can also lead to more business.

Companies that can factually prove they are capable of keeping their delivery schedules often have opportunities to increase their purchase orders which, in turn, increases their profits.



02

Integrated
Supply Chains
Are Informed
Supply Chains

Move To An Integrated Supply Chain

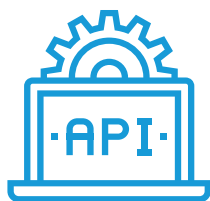
Some might argue that it's better to just cut down on the transportation budget rather than finding a way to adapt the supply chain. While that might be easier from the outset, the long-term disadvantage is rather high and can lead to poor customer service, bad rapport, and an overall disjointed delivery network.

A good 3PL can help you to develop a more integrated supply chain that works off better communication and an overall holistic approach to shipping. For a shipper, every part of their business is (and should be) connected. Your sales team is just as important as those in the warehouse or operating the dock. Even if those are all considered to be connected and are even working as a complete unit, transportation is no less a part of that.

All too often, shippers look at their carriers as an afterthought and opt not to include them in the larger operations discussions as well as providing information to them at the last possible minute.



“When an order arrives, ideally the information shouldn't only be broadcast to inventory folks and the distribution center. The information should immediately go to the transportation group, so they can start to coordinate the capacity to move that freight. Too often transportation folks are only notified when the pallets are sitting on the docks,” said **Brian Gibson, Executive Director of the Center for Supply Chain Innovation at Auburn University.**



While **cutting down on the transportation budget** might save a little cash up front, it could (and often does) have an **impact on other facets** of your business.



03

Increase
Agility With
Data-Driven
Technology



THE USE OF TECHNOLOGY IS DRIVING NEW LEVELS OF AGILITY IN SUPPLY CHAINS

Data & Technology Change Everything

It's more than just the growth of demand that is making 3PLs a tempting partner for shippers. With the influx of big data, analytics, blockchain technologies, and so many more innovations, attempting to keep pace can be difficult. **As demand grows and capacity tightens, shippers and carriers alike need to be smarter about how they operate if they want to stay competitive in today's marketplace.**

While the digital age is exciting for many reasons, it also means that there will inevitably be growing challenges, for individuals and companies alike; for companies, as they try to re-work the supply chain to accommodate a change in the trade landscape, and for individuals, as they arm themselves with skills and information to be competitive in a digitally dominated present and future.

With this data comes new levels of agility that we've never seen before.

Companies in full control of their data can adapt and react to market changes well in advance of them becoming problematic.



“Shippers and 3PLs said they are making investments to increase the nimbleness of the supply chain. **Roughly three-fourths of shippers and 3PLs said they plan to invest in supply chain visibility/control towers within the next two years, and more than half of shippers and 3PLs are investing in predictive analytics,**” according to the 2019 Third Party Logistics Study.

SHIPPERS & 3PLS SAID THEY'RE MAKING INVESTMENTS TO INCREASE THE NIMBLENESS OF THE SUPPLY CHAIN



Data & Technology Investments By 2021:

3/4 OF SHIPPERS & 3PLS:
supply chain control

1/2 + OF SHIPPERS & 3PLS:
predictive analytics



“Logistics is being transformed through the power of data-driven insights, and current technology is enabling unprecedented amounts of data to be captured from various sources along the supply chain.

THE USE OF TECHNOLOGY IS EXPLODING WITHIN EVERY AREA OF THE SUPPLY CHAIN, WHICH IS DRIVING INCREASED AGILITY,” the study adds.

Traditional logistics companies that once facilitated the movement of commerce through the supply chain with standard practices slowly formed over a long period of time to support traditional commerce, many of which are still relevant to this day.

However, with an evolving market, dynamic, data-driven, third-party logistics (3PL) companies like BlueGrace are in increasingly high demand, for their ability to turn CFOs valuable insights into actions and navigate a changing trade landscape and help shippers optimize their operations processes.

As the industry continues to change, it's likely that we'll only see 3PLs continue to grow in popularity.



ABOUT BLUEGRACE

Founded in 2009, BlueGrace Logistics is one of the largest third-party logistics (3PL) providers in the United States. With over 500 employees and working with over 10,000 customers to provide successful shipping solutions, the company has achieved explosive growth in its 10-year operating history. Backed by a \$255 million investment by private equity firm Warburg Pincus, the company operates 12 locations nationwide, and its headquarters are in the sunny Tampa Bay area of Florida.

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