

Increase value from your global 3PL strategies

Improve outcomes when employing a multi-3PL strategy for inbound transportation from global suppliers

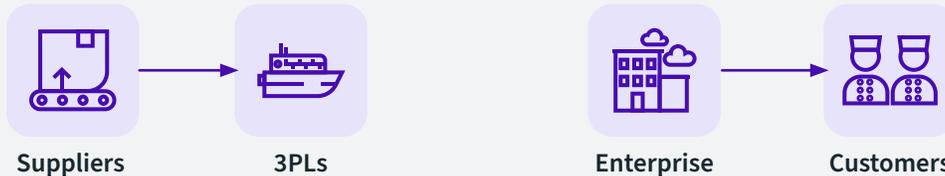


The challenge

Manufacturers lose many aspects of visibility and control over their inbound supply chains. Worldwide supply chain flows require transport orchestrated across multiple geographic regions, international borders, and transportation modes. Third-party logistics providers (3PLs) and international freight forwarders can help manage this complexity with local transport execution staff, regional familiarity and expertise, and multiple supporting service offerings—which can include order consolidation at origin, temporary warehousing, transportation booking, tendering and execution, and customs facilitation.

Transportation service costs and performance can be difficult to project, control, and optimize when inbound supply chains are outsourced to multiple 3PLs and forwarders.

Information lost due to siloed data systems



When 3PLs are on their own proprietary systems, there is no centralized source of information to keep track of inbound transport.

Global 3PLs tend to manage their assigned regions or transport modes from their own technology platforms, often with isolated “control towers.” As a result, the systems intended to bring all activity monitoring into one view for the customer are limited to narrow visibility for only one segment of the manufacturer’s shipments and are blind to shipments being managed by other 3PLs.

Impact of having no centralized platform

Manufacturers using multiple 3PL systems lose a large degree of control over their outsourced activities. Without a cloud platform to centralize and standardize information across all service providers, they are forced to gather transportation information in separate systems with different formats and standards for each region or mode.

In this case, there is no single source of truth for inbound activity. Given the cost and disruption involved in switching 3PLs to gain greater supply chain visibility, manufacturers may choose to tolerate lower margins, lost or late shipments, and manual reconciliation in order to avoid a new implementation process with a new 3PL.

When manufacturers lack control, they experience:

- Shipments that are missed by carriers
- Manual rule-checking to ensure accurate execution
- Lack of visibility and control into the entire process
- Declining service levels due to being “locked in” to a particular provider

The root of the problem

Since each 3PL uses its own system, manufacturers usually have no central location for data on events like shipping orders, shipment plans, bookings, load plans, and ASNs from every partner.



Proprietary 3PL systems

When manufacturers outsource logistics to 3PLs, they must work on multiple systems. Each may require a different process and use varied KPIs to monitor performance, which yield:

- Lack of consistent processes and information on inbound supply transport
- Non-compliant bookings by suppliers to one or many 3PLs
- No automated and trusted audit trail of past or current activities



3PL lock-in

Manufacturers invest a great deal in choosing 3PLs. They must integrate the software to existing ERP systems and bring employees up-to-speed on its use, leading to:

- A high cost of switching to a new 3PL and subsequent “lock-in” to the chosen system



No platform for supply chain control capabilities

Without a cloud-based system on which to manage transportation, companies lack visibility into supply chain activity, resulting in:

- Low level of control over the supply chain and tedious, manual processes to manage supply chain activity

The solution

Manufacturers cannot manage inbound and outbound supply via a single platform if they are forced to use isolated systems for each 3PL they contract with. However, there is an option that allows companies to outsource important transportation activities while maintaining a single system of record.

A cloud-based global transportation platform allows each 3PL partner, supplier, carrier, and buyer to collaborate on a single network. Manufacturers can purchase from suppliers all over the world, book shipments on various modes, and make supply chain decisions based on harmonized data. When a manager identifies the need to switch to a different 3PL, the process is painless.

Connecting on a neutral cross-supplier and cross-3PL booking platform to manage inbound flow enables organizations to:

- 1 Manage the process from booking to ASN creation through a supplier portal
- 2 Capture end-to-end visibility from supplier shipment through customer delivery
- 3 Make better transport consolidation and routing decisions with a logistics workbench
- 4 Work across partner 3PLs, regardless of their back-end systems to make better decisions

The benefits of using a global transportation platform include:

- Ensuring on-time shipping and delivery vs. “get out on time”
- Providing one source of truth for suppliers, partners, and carriers to manage transport information
- Avoiding higher-than-expected freight spend by ensuring compliance with allocation and routing plans



The value propositions

The value of a single platform for global transportation lies in the power of the network. All proprietary 3PL systems are integrated onto a cloud-based platform, where processes can be automated and unnecessary spending eliminated. Manufacturers can create transport plans from a clear, high-quality picture of their inbound supply chains, allowing them to:

1

Harmonize processes across all suppliers and 3PLs instead of decentralized workflows

- Standardize processes that can be automated

2

Ensure optimal product flow at the lowest possible freight spend

- Use cross-supplier/cross-3PL shipment planning platform
- Change 3PLs as needed; avoid being tied to a single provider

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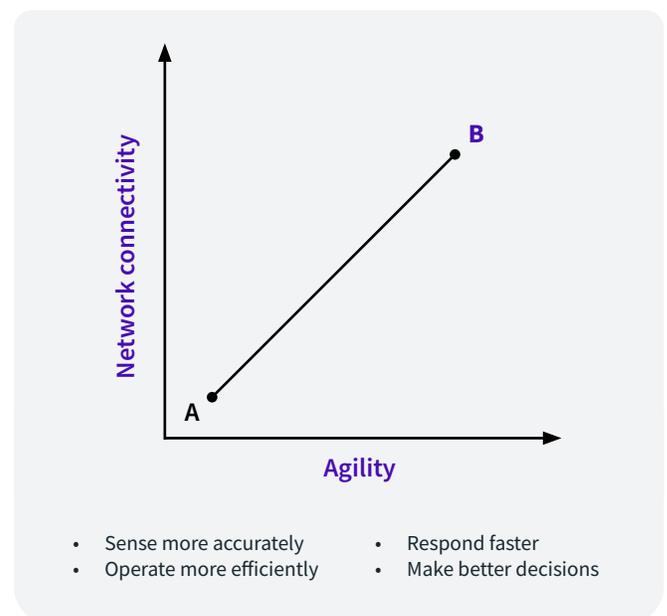
Reduce unnecessary expediting

- Adjust proposed high-cost transport plans through advanced visibility and pipeline insight

Supplier transport control and the networked company

To benefit from inbound supply from a single platform, companies must transform themselves from silo-based, inward-facing corporate operators to interconnected, highly agile business network orchestrators.

Shifting to a networked digital supply chain



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