



ANALYST VIEWPOINT

Enhance Outbound Performance with Better Inbound Logistics

A survey of supply chain professionals conducted by Adrian Gonzales, Adelante SCM, explores how to improve inbound logistics operations.





Considering that customers are at the tail end of the outbound supply chain, it's unsurprising that it generally gets more attention than the inbound side. But the fact is that supply chains are interconnected systems, so what happens on the inbound side matters on the outbound side and ultimately impacts customers too.

How would you rate your overall inbound logistics processes? What capabilities are you currently lacking that are having the greatest negative impact on your operations? What actions do you plan to take to improve your inbound logistics operations?

Logistics industry expert Adrian Gonzalez surveyed the Indago supply chain research community members — all supply chain and logistics executives from manufacturing, retail, and distribution companies — on their experience with the inbound logistics process.*





More than half of the Indago members rated their inbound logistics processes as “Average” (41%) or “Poor” (14%); only 5% rated them as “Excellent.” The survey also asked what inbound capabilities supply chain executives lacked and believed to have the greatest negative impact on their operations.

Figure 1: Rating of Overall Inbound Logistics Process (both inbound transportation and receiving)



Good/Excellent

45%



Average or Below

55%

Source: Indago survey, November 2022 (n = 22)

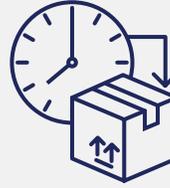


Figure 2: Top Five Inbound Capabilities Currently Lacking and Believed to Have Greatest Negative Impact



Poor visibility to when inbound shipments will arrive

68%



Unable to automatically adjust appointments based on real-time freight visibility data

45%



Yard check-in process is manual

32%



Unable to match warehouse labor requirements with inbound arrivals

27%



Poor visibility to what orders/line items/quantities are arriving

23%

Source: Indago survey, November 2022 (n = 22)

More than two-thirds of the respondents (68%) said they have poor visibility as to when inbound shipments will arrive, and almost half (45%) said that they could not adjust appointments automatically based on real-time freight visibility data.

Therefore, not surprisingly, when the survey respondents were asked about the actions they plan to take this year to improve inbound logistics, “Implementing a real-time freight visibility solution” topped the list. Converting inbound shipments from pre-paid to collect and implementing yard management and [labor management systems](#) rounded out the top actions supply chain professional are planning for in the next 12 months.

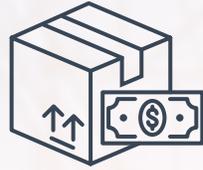


Figure 3: Four Actions to Improve Inbound Logistics Operations



Implement real-time freight visibility solution

27%



Convert inbound shipments from pre-paid to collect

18%



Implement a yard management system (YMS)

9%



Implement a labor management system (LMS)

9%

Source: Indago survey, November 2022 (n = 22)

“[An inbound capability that I believe would deliver the greatest business benefits would be] RFID capabilities that streamline receiving inventory through our dock doors with less manual effort.”

“Adding real-time transportation visibility capability will really help us, and we are taking steps to implement a solution within the next 12 months.”

“Having more visibility to projected inbound loads would be very useful. While some locations maintain a list, most do not, and we are still heavily reliant on carriers to give us their data, which is difficult.”

The Takeaways

First, with more than half the respondents rating their inbound logistics processes as average at best, the results indicate that significant room for improvement exists at many companies.

Second, it's clear that the starting point for improvement at many companies is getting more real-time and accurate visibility of when inbound shipments will arrive.



Significant room for improvement in inbound logistics processes

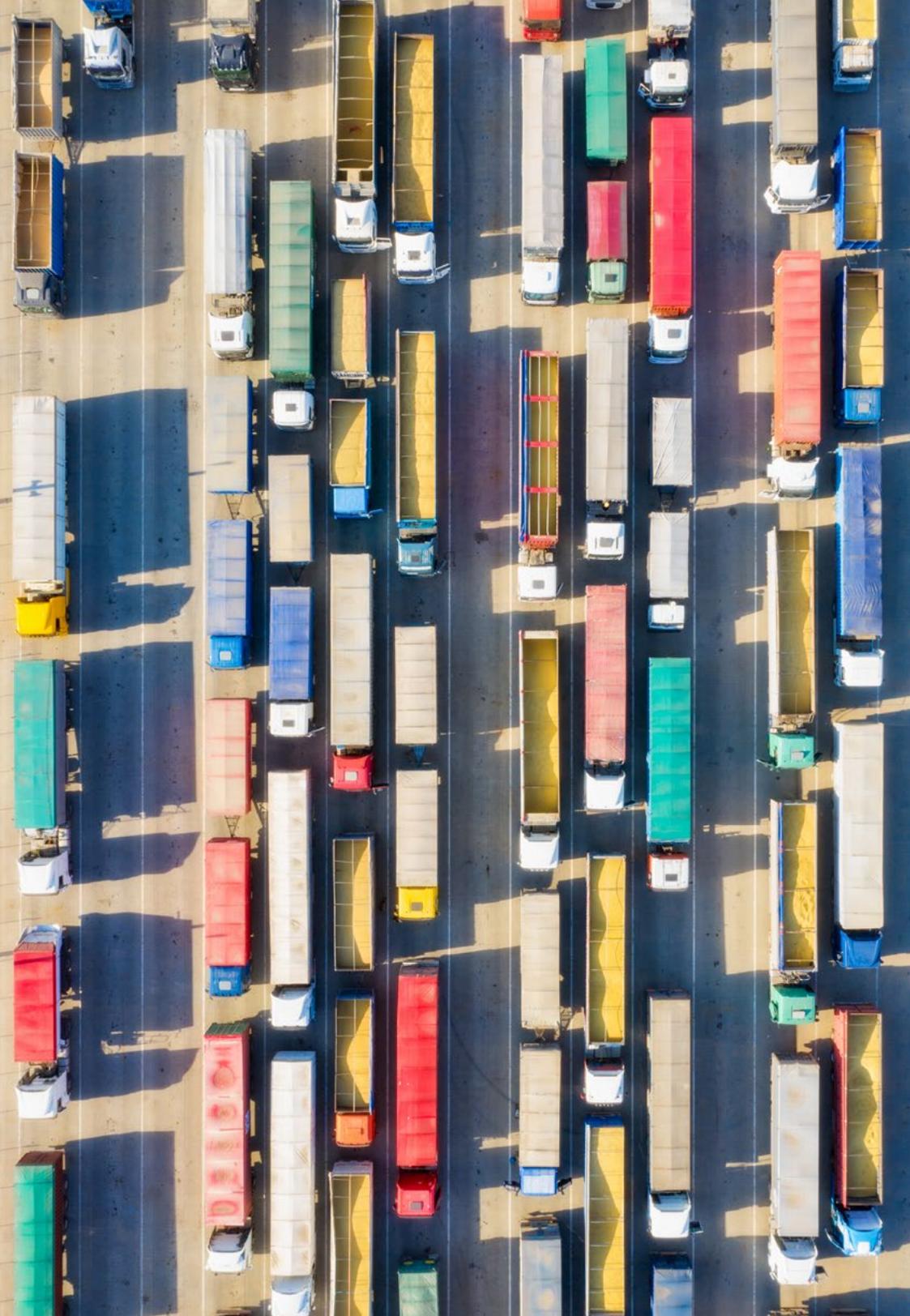


Start with real-time and accurate visibility of arrival of inbound



Better inbound logistics improve appointment scheduling and warehouse labor management shipments





Having better inbound visibility would also help companies improve their [appointment scheduling process](#) by enabling them to automatically adjust appointments based on updated estimated times of arrival. Better inbound visibility would also provide [labor benefits in the warehouse](#), as noted in this comment by an Indago executive:

“An inbound capability that I believe would deliver the greatest business benefits would be Variable Labor Management to better align resources to account for headcount shortages, along with additional cross-training across the warehouse for more agility to source team members to receiving as trucking schedules shift.”

As highlighted in an earlier survey (“A Formula for Change in Supply Chain: Insights from Indago Supply Chain Executives”), the ability of companies to drive change and innovation within their organizations is constrained by a lack of resources. As one Indago executive commented, “The path to progress is hindered by the sheer number of things to do.” Put differently: There’s too much to do and too few people and time to do it all.

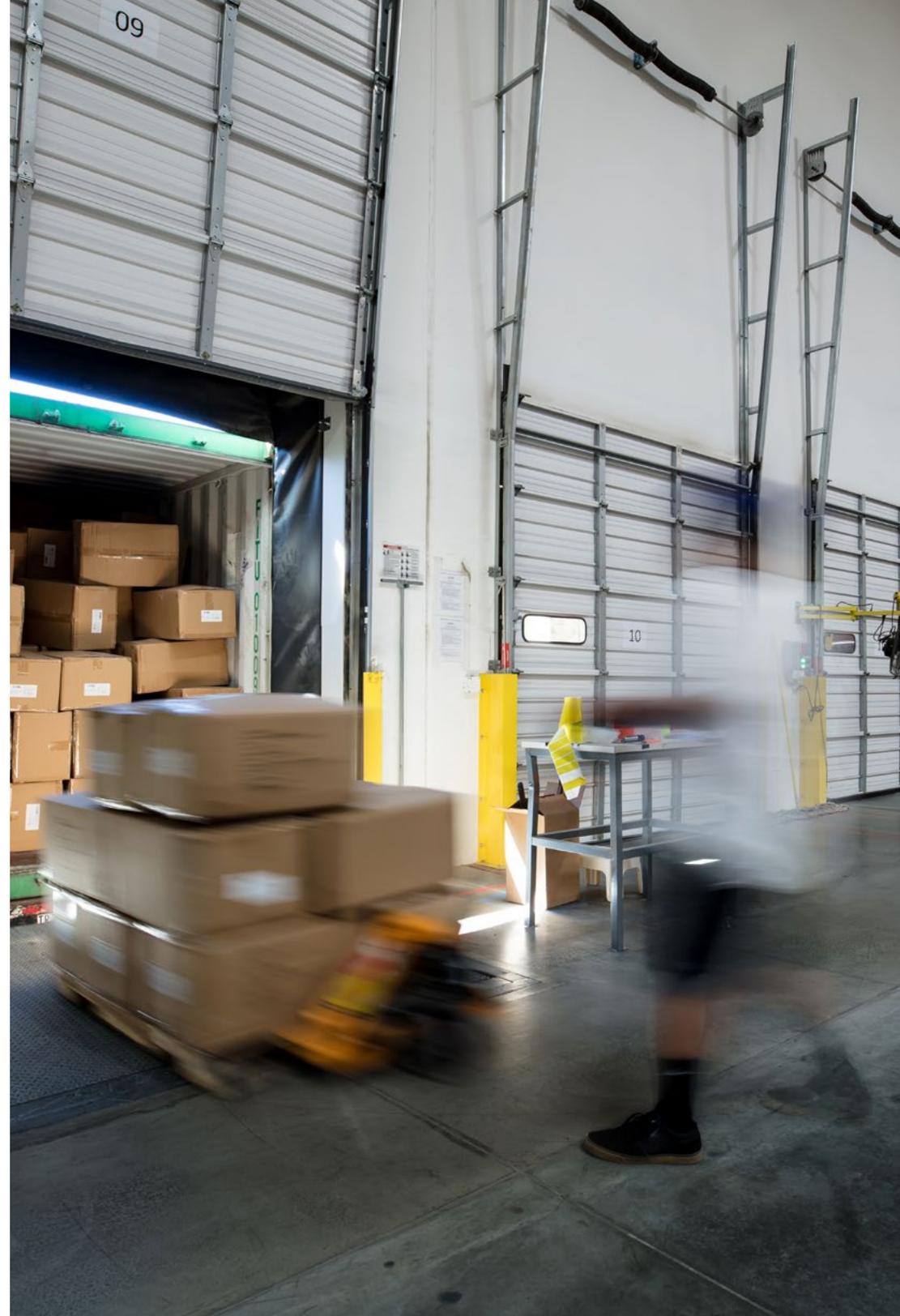


Breaking Down the IT and Process Silos

Several executives pointed to the silos between logistics processes and applications as a key hurdle to improving inbound logistics processes.

Although implementing different types of logistics applications (with the exception of real-time freight visibility solutions) did not rank high among the actions Indago member respondents plan to take in the coming year — likely because they already have a TMS, WMS, or YMS in place — it is clear from the following comment that they recognize the importance of taking a more holistic and unified approach, moving forward.

“The biggest impediment [to improving inbound logistics processes] from my experience is the lack of integration between transportation, warehousing, and yard management. If we had a more integrated, non-siloed platform to handle the entire lifecycle of an inbound shipment from when its status is marked as ‘READY TO BOOK’ by our supplier until receipt of goods by our 3PL, that would change our world drastically.”



The Bottom Line

When it comes to inbound logistics, significant room for improvement exists at many companies, including the need to have more real-time visibility to when inbound shipments will arrive. The survey results also suggest that inbound logistics still take a back seat to outbound logistics, especially if companies have limited resources.

Part of the problem is that inbound and outbound logistics are still viewed as independent processes. Logistics applications that power these processes (e.g., TMS, WMS, YMS, Visibility) typically operate in silos too.

Companies need to break down these process and application silos to drive change and innovation, moving forward. To paraphrase one of the survey respondents, leveraging “a more integrated, non-siloed platform to handle the entire lifecycle” is a step in that direction.

“It is not just the IT silos between transportation, warehousing, and yard management, but also between all the various transportation providers, brokers, and vendors that impact the inbound process. Lack of transparency and integration between systems, poor data management, reliance on manual processes and spreadsheets, and minimal senior leadership oversight or awareness of issues are all impacting inbound capabilities.”



About Adrian Gonzales

Adrian Gonzales, founder and president of Adelante SCM, is a trusted advisor and leading industry analyst with more than 20 years of research experience in transportation management, logistics outsourcing, global trade management, social media, and other supply chain and logistics topics.

In addition to launching Talking Logistics, Adrian established Adelante SCM, a peer-to-peer learning and networking community for supply chain and logistics executives and young professionals. He is also the founder of Indago, a market research service that brings together a community of supply chain and logistics practitioners who share practical knowledge and advice with each other while giving back to charitable causes.

Adrian held various leadership positions at ARC Advisory Group, Motorola, Polaroid, and Clare. He is also a member of the Council of Supply Chain Management Professionals (CSCMP) and is a LinkedIn Influencer.

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