

News Release

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Interactive Transport Event Management (eLogistics): the road to transport excellence

Transport buyers report savings of 20% or more in internal process operating costs. A Deloitte Consulting White Paper with Case Studies from DSM and Transwide.

Brussel, 13 April, 2005 – A White Paper of the Deloitte Supply Chain management group reveals clearly the potential of improving the visibility and efficiency in a transport execution process by applying the Interactive Transport Event Management (ITEM) concept.

A study of Deloitte Research indicated that electronic collaboration between transport buyers, shippers, external transport providers, 3PL's, end-customers, etc. is recognised by a vast majority of participants (88%) as a breakthrough performance improvement area. Only 8% though are committing sufficient financial and operational resources to this strategic area.

Today's recognised transport execution inefficiencies include non automated processes to share transport orders, difficulties around allocating time slots for pick-ups and deliveries, manual handling of transport documents (CMR's, COA's, etc.), manual informing of Advanced Shipping Notices, late or no notification of delays or problems, gathering proofs of delivery and waiting times, etc.

The purpose of the White Paper is to support companies who want to take advantage of this opportunity. The White Paper provides an ITEM framework which describes in different levels the maturity of a transport execution environment. Each level has its own set of tools and the different levels indicate the implementation sequence required to achieve a short time to market.

ITEM solutions are built around an information network (or hub) running over the internet which includes software, an open communication network, integration between the IT systems of the different parties involved, capabilities to digitise transport documents, tailor made monitoring and alert systems, shared reporting tools, training services, support helpdesk, project management capabilities, etc.

The study points out that benefits are available for all the stakeholders in the transport execution chain. The transport buyer will be able to automate and standardise internal processes whilst providing more accurate information on deliveries. The transport providers also standardise processes and can more easily share transport information to enable quicker reaction and an adaptive behaviour. End-customers have full visibility on in-coming goods and can therefore better manage their in-bound supply chains.

ITEM solutions are available on the market and there are examples of companies that have implemented the framework successfully. One example, which is outlined as a case study in the White Paper, is from DSM, the leading Life Science Products, Performance Materials and Industrial Chemicals Group. DSM implemented the ITEM Solution from Transwide, the leading European ITEM solutions provider.

Frank Otten, Director of Physical Distribution at DSM illustrates one of the value creation achievements around time slot booking solutions: "Before the ITEM solution was in place, 50% of the expected trucks stayed over 2,5 hours at the pick up location. After the solution was in place, over 80% of the trucks were back on the road within 2 hours". The ITEM project in DSM won the internal 2004 Logistic Award for its measurable achievements and value creation.

Johan Van Den Broeck, Senior Manager from the Supply Chain Management practice of Deloitte states that "the overall objective of the ITEM White Paper is to provide tools and lessons learned in terms of strategic intent, value creation and implementation guidelines. The aim is to create an ITEM reference document for vocabulary, priorities, strategy, implementation approach and longer term vision."

The white paper is available online at www.deloitte.com/be/ITEM.

About Deloitte's Supply Chain Management (SCM) Group

The SCM group is composed of service professionals who have a wealth of experience serving companies throughout the world in areas including Supply Chain Strategy, Product Innovation and Lifecycle Management, Sourcing and Procurement, Supply Chain Planning and Optimisation, Operational Excellence and Service Parts Logistics. These specialists understand the challenges that companies face throughout all stages of their business cycle and are committed to helping them succeed. Their mission is to help clients gain competitive advantage and create shareholder value through improved supply chain strategy and operations.

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