

Current event assignment: how to use technology to improve customer service



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BUSTER**

How can technology further enhance the range of opinion of customer service relative to logistic support?

Information technology drives innovation and innovation is the path to business success. Innovation in business has the same impact that steam had on the industrial revolution. The origin of new technologies is creating a strategic opportunity for different organizations to build competitive advantages in various functional areas of management including logistics and supply chain management.

However, the degree of success depends on the selection of the right technology for the application, availability of proper organizational infrastructure, culture and management policies. In logistics, information, communication and automation technologies has substantially increased speed of identification, data gathering, processing, analysis and transmission, with high level of accuracy and reliability.

Today's customer expectations are increasing greatly. They expect businesses to get goods faster, more flexibly. Manufacturing in businesses itself is becoming more customized, which is good for customers but hard work for the logistics industry. This can be done only by making maximum intelligent use of technology, from data analytics, to automation, to literally the internet itself. This promises lower costs to the customers, improved efficiency in work, and the opportunity to make genuine breakthroughs in the way the industry works. To attract the right skills itself is one issue, but through developing the right strategy, it becomes more crucial.

Taking a closer look at some of the key disrupting factors: changing customer expectations, technological breakthroughs, new entrants to the industry, and new ways to strive or work with.

Sam Liang, chief executive of Otter.ai, shows the company's product, which automatically transcribes speech with high accuracy. New York Times details the article about a new service that automatically transfers speech into words with high enough accuracy that it gains popularity with journalists, students, podcasters and corporate workers. Coupled with the plunging cost of storing data, it is now possible to use human language. It helps humans to work efficiently and transfer those ideas and thoughts immediately into records for future requirements.

The basis for competitive advantage in the logistics industry is changing fundamentally. An established network may become a hindrance rather than an advantage. New technologies will change the industry's cost model and call existing business models into question. And there may well be new approaches to dynamic pricing that take capacity utilization more fully into account. Although the core needs of most customers have changed very little, customer expectations are increasing greatly, whether those customers are consumers shipping packages or OEMs partnering with an LSP on the production line.

In the futures we have described, can a logistics company meet the growing expectations of customers, remain profitable and generate growth? The short answer is yes. But it's not going to be simple or easy. Whatever industry segment a T&L company operates in, it will be crucial to commit to

an identity and develop a clear strategy to fulfil this, focusing only on markets where they believe they have a 'right to win'.

Companies need to ask themselves whether they have the distinctive capabilities they need to compete. If not, can they develop these capabilities, use collaboration to succeed, or should they withdraw from certain elements of their business? Logistics companies will need to focus on 'digital fitness', cost efficiency, asset productivity, and innovation if they want to meet changing expectations.

Building and refining these and other capabilities, and then bringing them to scale across the enterprise, will be key as they translate the strategic into the everyday. Change in the competitive environment puts a company's culture to the test - especially in a mature industry like logistics, where it can be tough to change, even when traditional 'ways to play' are being fundamentally changed or even replaced. T&L companies need to be ready for this change, and the successful companies will be those with agile and flexible cultures that make it easier for people to work together across internal boundaries.

You need to put your culture to work. Logistics companies also need to bring costs down; but not only for the sake of efficiency. They also need to prune what doesn't matter and thus free up resources for the key areas of focus - such as digitisation, asset productivity, and innovation - and invest more to support the company's key capabilities and value propositions. So, 'cutting costs to grow stronger' should be seen as something closely related to strategy.

Finally, with more disruption ahead, companies need to anticipate how their capabilities will need to evolve. The best will develop services and solutions that will create demand instead of just following it. To do this, T&L companies need to establish strong relationships with key customers, have an ear on the markets they target, and actively shape the future. The above describes our concept of ‘ five key acts of unconventional leadership’ that drive success by aligning distinctive capabilities with business strategy, and applying them consistently.

This approach, defined in our recent book, *Strategy that Works*, spans the entire business, from developing the business model through to daily operations. In this paper we’ve taken a broad perspective. It gives hints on some ways the industry might develop, but you will want to consider the detailed implications for your specific business and operating model. Going forward, we will reflect further on how these scenarios may play out differently around the world as well as up, down and across the value chain, and supplement this broad overview with deep-dive perspectives in specific areas.