Common Framework for ICT in Transport Logistics

Deployment on the Market

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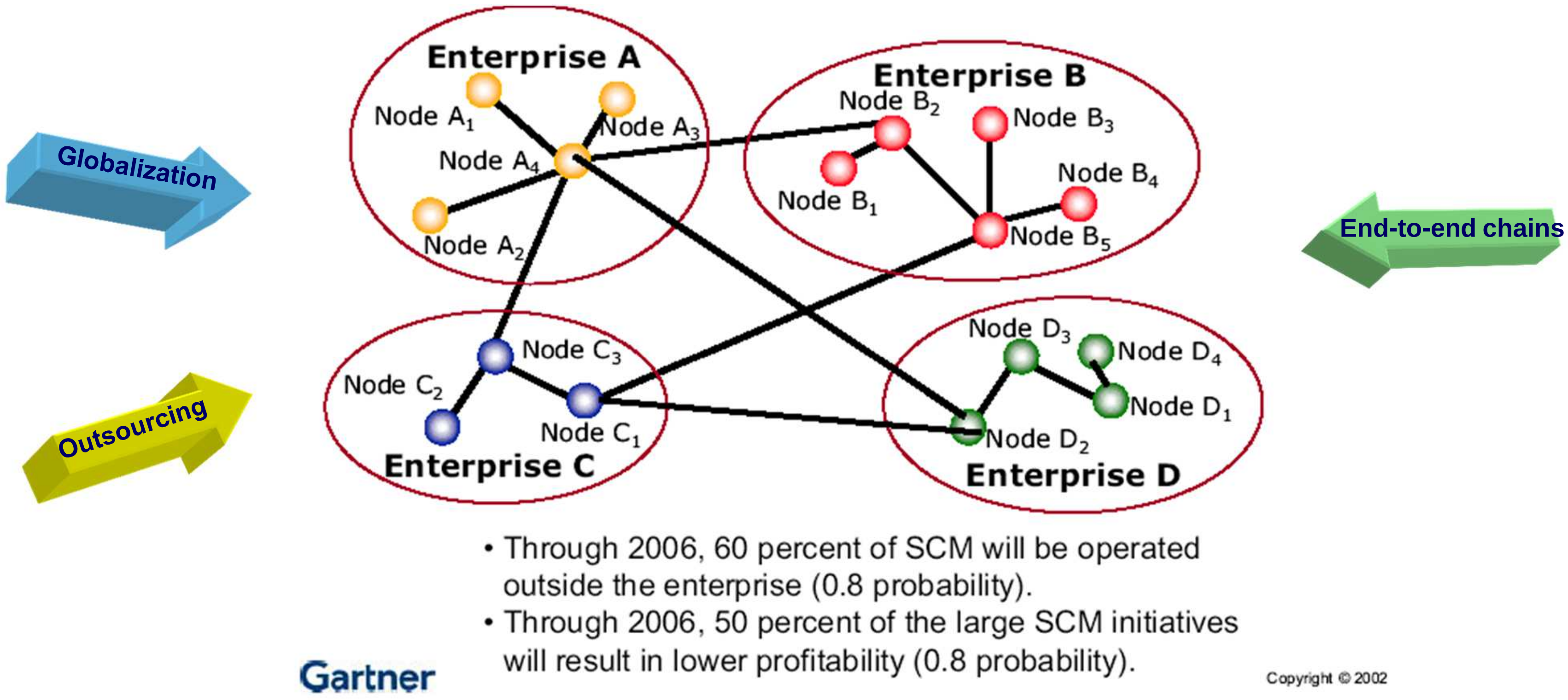
Contents

- Some lessons from the past
- The problem of accessibility
- The problem of value
- Possible way out

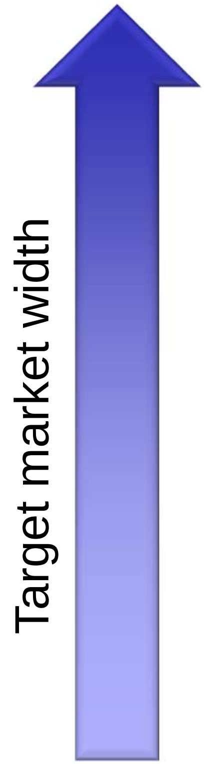
Supply chain interoperability is an old "new market"



Surely there will be success stories to learn from…

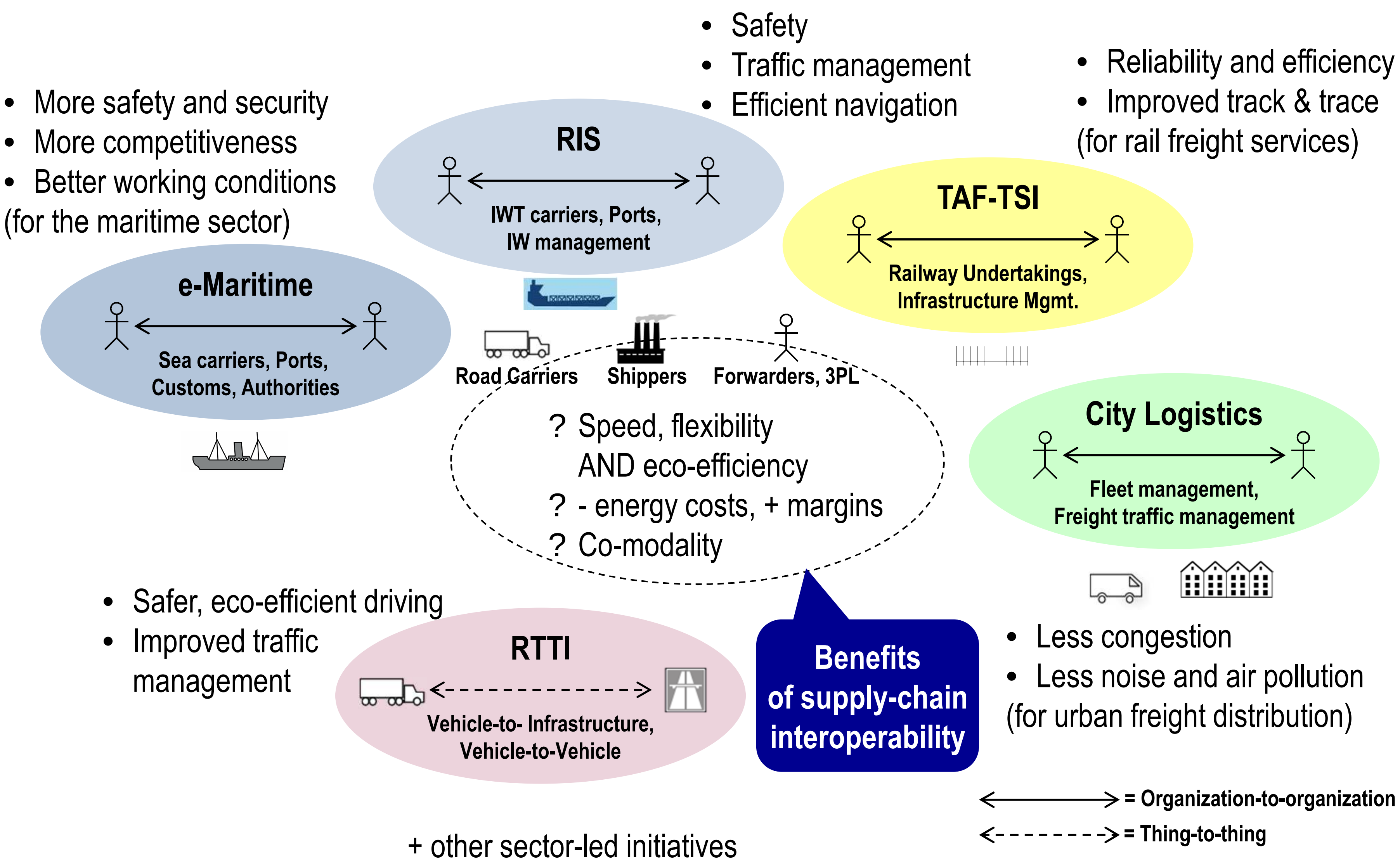
How to make money with interoperability?

- Publish the standard and they will use it
  - Institutions, consultants, not for profit agencies (money needed for survival anyway)
- Build a platform and they will come
  - B2B marketplaces, public interchange platforms
- Bundle interoperability with logistics services
  - Vector SCM, UPS e-SCM
- Build a platform and sell it to supply chain leaders (the others will follow)
  - Crossworlds, MS BizTalk, B2B marketplaces, SAP Netweaver, IBM Websphere



Has anyone ever made *real* money with interoperability?

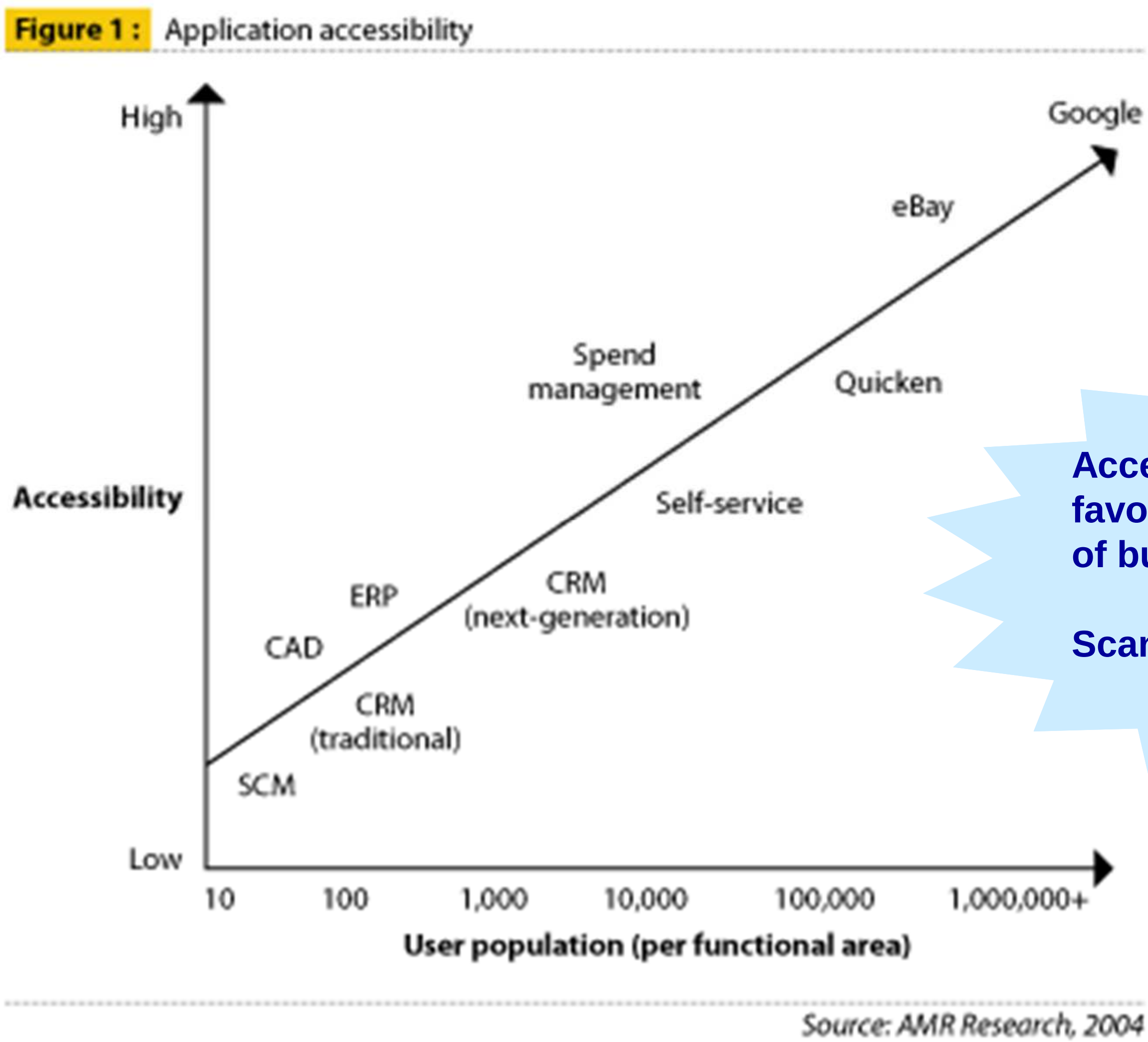
Focused "islands" of interoperability, driven by individual stakeholders priorities



+ other sector-led initiatives
(e.g., IATA eFreight)

There are benefits from supply-chain interoperability, so why is it so difficult to sell?

- First likely motivation: scant accessibility

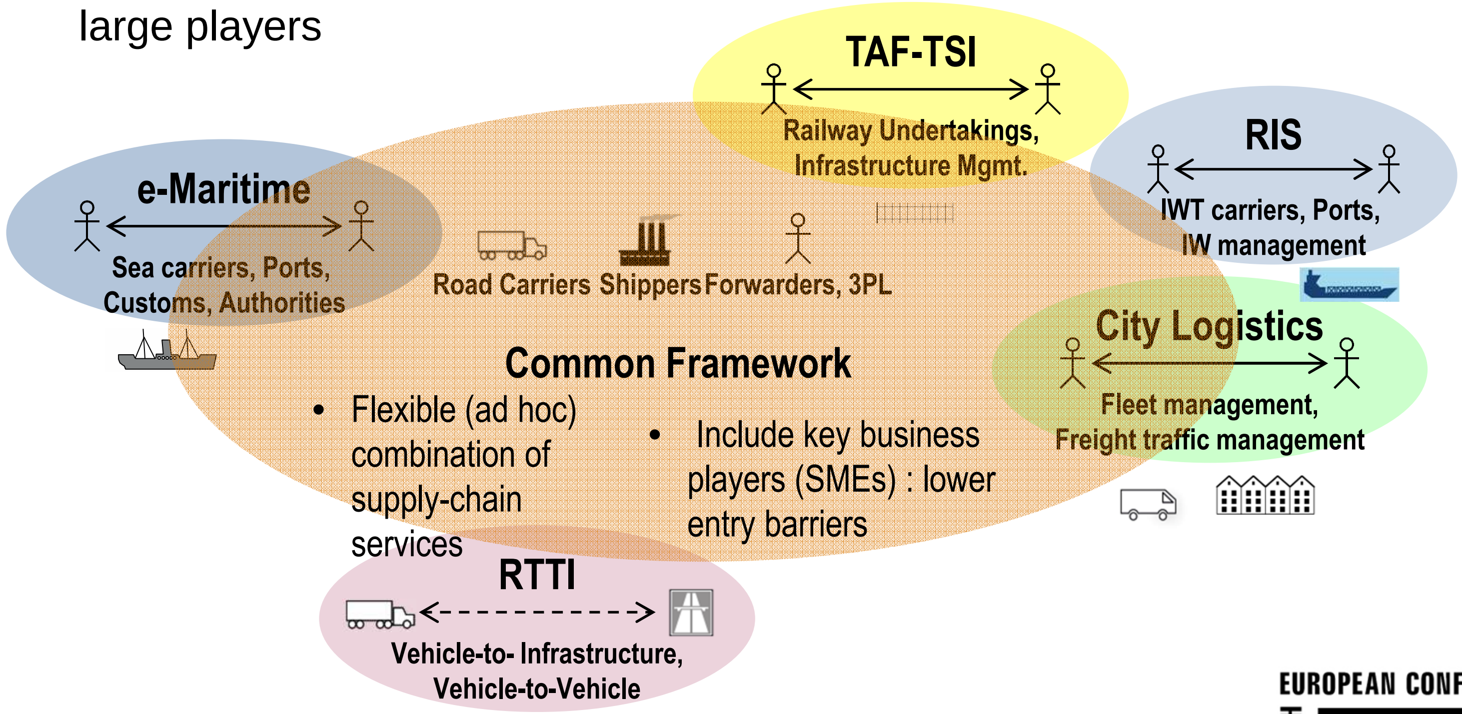


Accessibility = everything that favours adoption by the majority of business stakeholders

Scant accessibility → dubious ROI

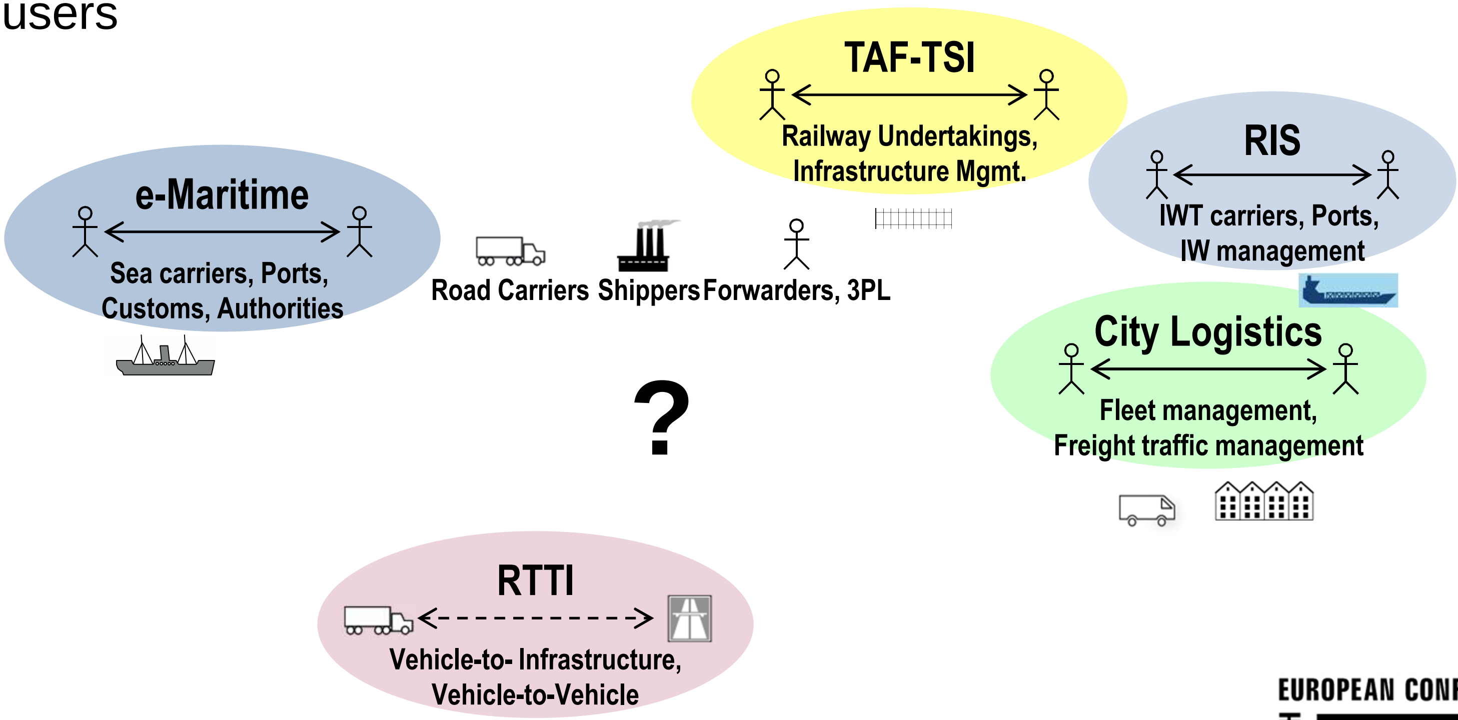
Want to deploy the common framework? First, make it accessible

- Support interoperability **across** transport sectors and players
  - Common subset of logistics processes and data
  - Common subset of indicators (financial, GHG, security, safety, ..)
- **Lower barriers** to adoption (ease of use, cost, minimal set-up, ..)
  - SMEs do not join standardisation committees
  - The “interoperability as a project” model only works in sectors dominated by few large players



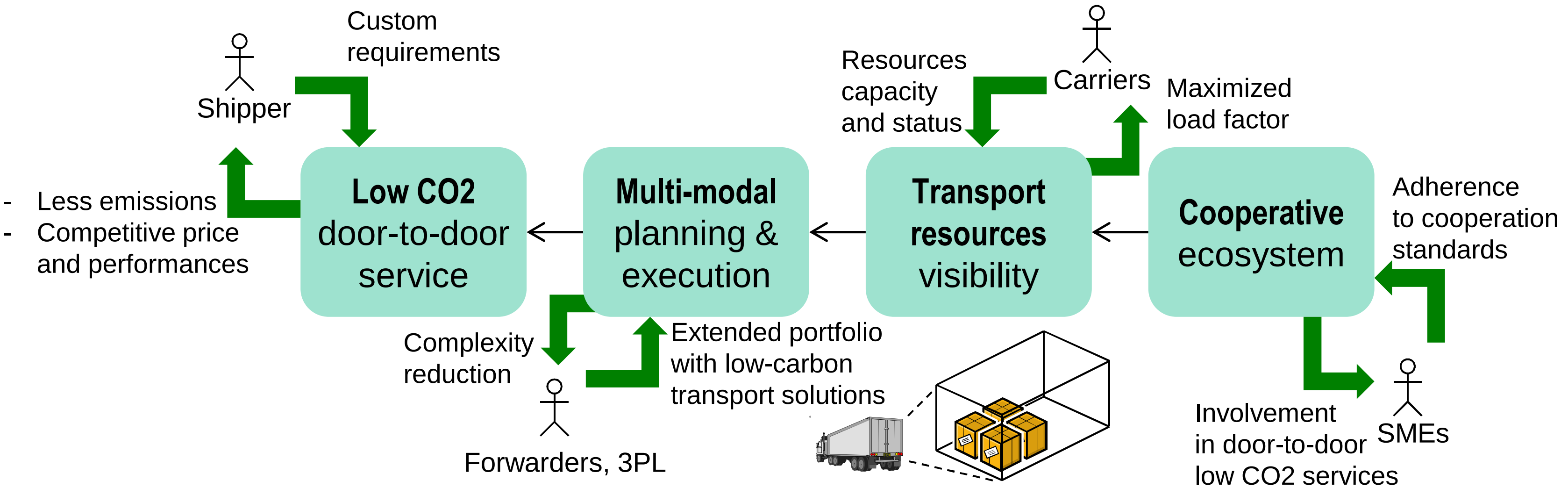
So, when the framework is cheap, lean and accessible, will they come?

- No, there is a second motivation: value
- Supply-chain wide benefits (savings, load factor increments, “greening”) are not a value proposition for any individual actor in the chain
- Only “leaders” have a supply-chain wide view, the others are simply not interested
- Interoperability per se has no convincing value proposition for the mass of users



Way out: the framework is a means to provide innovative, valuable services

- Example:
  Door-to-door freight transport services optimized for emissions reduction, as well as for speed, reliability and price



- The service is possible only if:
  - Each individual actor finds its value/cost tradeoff in it
  - A common framework allows to provide, combine and use freight information services

Conclusions

- Trying to sell the Common Framework as a value in itself might prove hopeless.
- Only the “platform for supply chain leaders approach” has had some result on the market, but that is far from “common”.
- The way out might be in proposing innovative services, based on cooperation and interoperability.
- For this, significant progresses have to be made on:
  - Accessibility
    - Cost, SMEs reach, set-up, know-how, …
  - Value services
    - Separate transport-specific services from generic horizontal services (identification, security, services management, billing, ..)
    - Destructure sectorial systems into individual services and components, easy to access and combine to match dynamic flexible supply chain
    - Business models.