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# THE MOBILE SUPPLY CHAIN OF THE FUTURE

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## Table of Contents

Mobile Software's Beginnings	2
The Mobile Supply Chain	3
Software for the Mobile Supply Chain in 2010	3
ROI	5
Mobile Supply Chain Software: 2010 and Beyond	6
Choosing a Mobile Software Provider for the Supply Chain	8
Contact	9

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## Mobile Software's Beginnings

There has been a steady and rapid evolution of technology for improving the performance of the supply chain, which has accelerated in the past few years. Supply chain software was leveraged to automate simple transactions, manage supplier relationships and facilitate daily business processes. Early adopters leveraged solutions to increased productivity, efficiency and traceability of their employees and products within the four walls.

The visibility allowed organizations to make significant efficiency and productivity improvements and it quickly became obvious that the more data that was visible within a supply chain network, the better that business performed. This revealed a large opportunity for supply chain managers to see areas within their operations where dollars were being lost and productivity was suffering—and make necessary adjustments to improve business performance. This insight brought to light the need for mobile supply chain solutions—the “secret sauce” for large enterprises that were able to operate strategically and more efficiently with a solution built for the way they operated.

During this time, the majority of supply chain management software providers used a “toolkit” of applications to build custom mobile solutions for customers. Whether it was the solution for customer requirement processing, purchase order processing, inventory management, warehouse or supplier management, software providers would develop a unique solution for that particular business. Because the use of technology for mobile supply chain management was a new concept for many organizations, having a custom built solution that tailored directly to their business processes was ideal. Bringing real-time data to the fingertips of workers in the field and opening the network of communication to the managers in the back office unlocked an entirely new world of visibility. Managers were eager to invest in this custom solution because of the competitive advantage and cost savings it delivered. Using this solution in their supply chain helped operations and supply chain managers focus on doing their jobs better and more cost-effectively.

The “toolkit” approach was time consuming and expensive for both the software providers and businesses leveraging the solutions. Software providers were consumed with meeting the demands and needs of their customers. Little time was being spent in development. New, sophisticated and intuitive features and functionality that address the need of the mobile worker were scarce. As a result, innovation suffered. Businesses were thinking of new ways to leverage their software, but the features and functionality were not evolving as quickly as the supply chain. The “toolkit” approach of custom mobile supply chain solutions is no longer an effective option for today's business.

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## The Mobile Supply Chain

The essence of the supply chain is the network of communication through each link within the “chain”. In order to make the most informed, intelligent decisions for their business, managers needed the ability to obtain information in real time from each stage in the process. While the cost savings and improved productivity levels were staggering, the information being captured was only representative of the information gathered within the four walls of the organization at that location. There needed to be more visibility of the “who, what, when and where” of the workers in the field, across all locations—the mobile supply chain and the business transactions that occurred there.

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THE ESSENCE OF THE SUPPLY CHAIN IS THE NETWORK OF COMMUNICATION THROUGH EACH LINK WITHIN THE “CHAIN”.

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Supply chain managers were faced with the burden of choosing what applications were right for their business. Managers were left wondering, “what additional data can I gather that I am missing about my mobile transactions”. The information gathered in the field was extensive, but manually uploaded and didn’t always seamlessly integrate with the ERP software. The decreased accuracy made it difficult for decision makers to draw conclusions and improve their business performance from the data being reported from their mobile workforce.

Software originally only provided data for transactions within the first 95 percent of the supply chain, leaving zero visibility or data on the last 5 percent, or the “last mile”, of the process. The “last mile” refers to last leg of the supply chain, the delivery or distribution of the product to the end-customer. The last mile is the most crucial in the chain because it is the point that value is being generated for the customer—being able to capture data verifying a business transaction is completed is vital to customer satisfaction, timely invoice reconciliation and remaining competitive.

## Software for the Mobile Supply Chain in 2010

The “toolkit” approach has proven to be no longer effective. Businesses of all sizes, across industries are demanding the automation of business transactions and real-time visibility into the processes of their mobile supply chain, of their suppliers and the who, what, when and where of their products—and they deserve it. Today, operational efficiencies are just as valuable to the bottom line as new revenue streams; and a mobile supply chain solution can unlock those dollars. Businesses are demanding the visibility and traceability they get from companies like FedEx and UPS for all aspects of their business—which only mobile supply chain software can deliver.

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OPERATIONAL EFFICIENCIES ARE JUST AS VALUABLE TO THE BOTTOM LINE AS NEW REVENUE STREAMS—A MOBILE SUPPLY CHAIN SOLUTION CAN UNLOCK THOSE DOLLARS.

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The inception of Software as a Service (SaaS), or “software on demand” has unleashed an entirely new model for deploying mobile software applications. Through a subscription, pay-as-you-go model, SaaS based products allow applications to be scalably deployed, allowing customers to utilize products “on demand”. Additionally, packaging the software through SaaS enables the products to be deployed on any wireless device or carrier. One of the most important benefits for both the business and providers is that the SaaS based model has given the providers time to focus on developing new and innovative features and functionality to the supply chain’s mobile solutions. These factors have proven to be the key drivers in wide spread adoption, rapid deployment and overall innovation in mobile software applications.

The improvements in SaaS models, combined with the extensive experience and expertise accumulated in the past decade, has allowed the mobile supply chain to step up its ability to drive superior business performance. The elimination of paper processes, visibility into the last mile, development of innovative and industry-specific applications, smarter business decisions from real-time data and integration with existing software systems, have made mobile supply chain software a vital component of success. The cost-savings, efficiencies, productivity and significant competitive advantage that mobile supply chain software delivers is key to optimizing business performance.

“ Mobile software products that are delivered via a SaaS or hosted model are ideal for enterprises with resource or personal constraints because of their ability to scale with the business and deliver the wide range of benefits, without forcing a large upfront investment of time or people. ”

Michael King, Research Director for Gartner

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## ROI

Eliminating paper processes has many more benefits than just being able to call your business “green”—to the tune of \$7 - \$9 per day per vehicle. Manual paper processes are cumbersome, time consuming and prone to many errors. Masses of paper accumulate for each delivery and invoice. With the mobile supply chain software of today, paper processes are eliminated—regardless of industry or business size. “Increased efficiencies” is more subjective and it can become difficult to measure the ROI, but eliminating paper has a hard ROI and costs are easily quantified. By simply eliminating paper, invoice reconciliation is streamlined and automates the entire billing cycle, resulting in faster turnaround, increased cash flow and a significant competitive advantage. The ability to settle invoices in real-time is a direct result of the new visibility that mobile software brings to the last mile of the supply chain.

### **Businesses that are able to eliminate paper processes can:**

- Reduce the high costs and errors associated with manual data entry
- Decrease lost orders and invoices
- Shorten processing times, improving customer service and DSO
- Increase invoice reconciliation
- Quickly acknowledge and verify receipt of documents

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The increase in accountability of each mobile worker has proven to also be a driving force in hard ROI from an investment in mobile software. When employees are required to document and report on their tasks, they are more efficient, work harder and make the most of their time spend in the field. This decreases overtime and increases the level of productivity across the entire organization.

Today’s mobile supply chain software provides visibility and traceability of the entire mobile supply chain network—each distribution center, business and end-user. The data has not only shown traceability from a large perspective, it has also become more granular. With visibility into the last mile, supply chain managers can leverage technology to solve business problems, operate efficiently, cost-effectively and raise their level of customer service.

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## Mobile Supply Chain Software: 2010 and Beyond

The responsibility of innovating mobile supply chain software applications has been placed on the providers again. The software industry leaders have leveraged their extensive expertise in addressing the mobile supply chain and logistics challenges in organizations of all sizes and industries to package vertical specific products proven to advance business performance. Packaged SaaS products have brought this technology to the masses. With the open architecture and ability to run on any network or device, software for the mobile supply chain has evolved from just “another tool” to being a mission critical component for optimal performance in all businesses.

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IDC ESTIMATES THAT BY 2014 ABOUT 34% OF ALL NEW BUSINESS SOFTWARE PURCHASES WILL BE CONSUMED VIA SAAS, AND SAAS DELIVERY WILL CONSTITUTE ABOUT 14.5% OF WORLDWIDE SOFTWARE SPENDING ACROSS ALL PRIMARY MARKETS.

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A trend that is coming to the forefront for software in the mobile supply chain is to address the demand for greater visibility and increased analytics and reporting to ensure superior performance management. Efficiencies, productivity, accountability and cost-savings have been, and continue to be, the primary reasons for adopting a mobile software solution. As businesses continue to use software products in their mobile supply chain and logistics operations, the opportunity of advancing all aspects of their business performance increase—from customer retention, competitive advantage and automation to the overall standards of business operations.

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EFFICIENCIES, PRODUCTIVITY, ACCOUNTABILITY, COST-SAVINGS AND CUSTOMER SERVICE HAVE BEEN, AND CONTINUE TO BE, THE PRIMARY REASONS FOR ADOPTING A MOBILE SOFTWARE SOLUTION. INCREASINGLY, COMPLIANCE IS BECOMING AN IMPORTANT BUSINESS DRIVER FOR MOBILE SUPPLY CHAIN SOFTWARE ADOPTION.

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Performance will continue to drive the adoption of software products in the mobile supply chain for years to come. Software will no longer just help business do their jobs faster—it will also advance and automate the ability to measure various business performance metrics. Customers will demand and expect the superior level of service and accountability they receive from businesses leveraging mobile supply chain software.

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The performance metrics will set standards for national enterprises that experience inconsistencies in productivity and efficiencies across locations and contractors. If one location is outperforming another, decision makers will be able to draw conclusions and solve business problems quickly and effectively—maximizing their performance.

Visibility into the last mile of the supply chain will also get more granular as businesses continue to place an increased stress on business performance. Decision makers will have visibility into not only which truck the package is on, but also which box it is in, the temperature of the environment it is being transported in, and any other characteristics of the product. This level of detailed data will significantly advance the performance of mobile supply chains across all industries.

There a number of initiatives focusing on regulatory and compliance in industries distributing food, pharmaceuticals and medical equipment and supplies. As government regulations increase requiring companies to enable visibility across the entire supply chain, these become additional business drivers for companies to automate the last mile of their supply chains.

The possibilities for the amount of data that can be obtained from a solution for the mobile supply chain are endless. The past decade has proven that. The software providers that deliver innovative, easy-to-use products that work with any device or carrier are the strategic partners that will optimize business performance.

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Investments in SaaS-based mobile technology are no longer business strategies for early adopters. In order to remain competitive, companies of all sizes must invest in mobile solutions for their supply chain that not only reduce costs, increase efficiencies and productivity. They need a solution from a sophisticated technology partner that drives an overall improvement in business performance.

Choosing a software provider for the mobile supply chain solution should not be a difficult task. There are five key qualities to look for in a provider.

## Choosing a Mobile Software Provider for the Supply Chain

- **Experience** – Look for a provider who has years of experience working with organizations similar to yours. Nothing beats a word of mouth referral from a trusted colleague in your field.
- **SaaS-based delivery model** – SaaS-based products in this economic climate are smart. The products can be up and running in less than 30 days, scale easily and are cost-effective and there is no need to install and run applications locally. Additionally, SaaS-based products allow for seamless development and deployment of new, innovative features and functionality, resulting in more sophisticated business processes.
- **Strategic Partnerships** – Mobile software providers for the supply chain need to have deep partnerships with both carriers and other existing business applications to ensure a successful and rewarding mobile software deployment.
- **Superior Training and Support** – If employees don't use the system, the investment is a wash. For successful adoption, find a provider who offers extensive expert training and ongoing support.
- **Rapid ROI** – Rapid implementation means that you will see quick returns on your investment. If you're not measuring performance before and after, there is no way to accurately analyze your results. Use an ROI calculator based on best practices or similar tool to benchmark your improvements.

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