The Logistics Report

Supply Chain Resilience

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Supply chain blame game

SiB SOLUTIONS
enabling flawless logistics

Part of building a resilient supply chain is having complete visibility of your operation. **SiB Solutions**, a Swedish logistics technology company, offers a subscription-based service that aids in detecting errors as goods pass through the supply chain.

The concept is simple on the surface. Having visibility across a logistics operation means you can stop things from going wrong before they do. When things do inevitably go wrong, learning how to prevent the same mistakes in the future is the next best thing. SiB Solutions provides the technology required to achieve this essential visibility. Here's how it works.

Video cameras capture data from different points within the logistics process. It is combined with other data gathered from other systems, including warehouse management software. Finally, the data is analysed in real time by the company's artificial intelligence and business logic, which identifies errors within the process by tracking objects. The AI adapts to specific operations as it learns, ascertaining what is likely to be right or wrong in a particular warehouse.

Staffan Persson

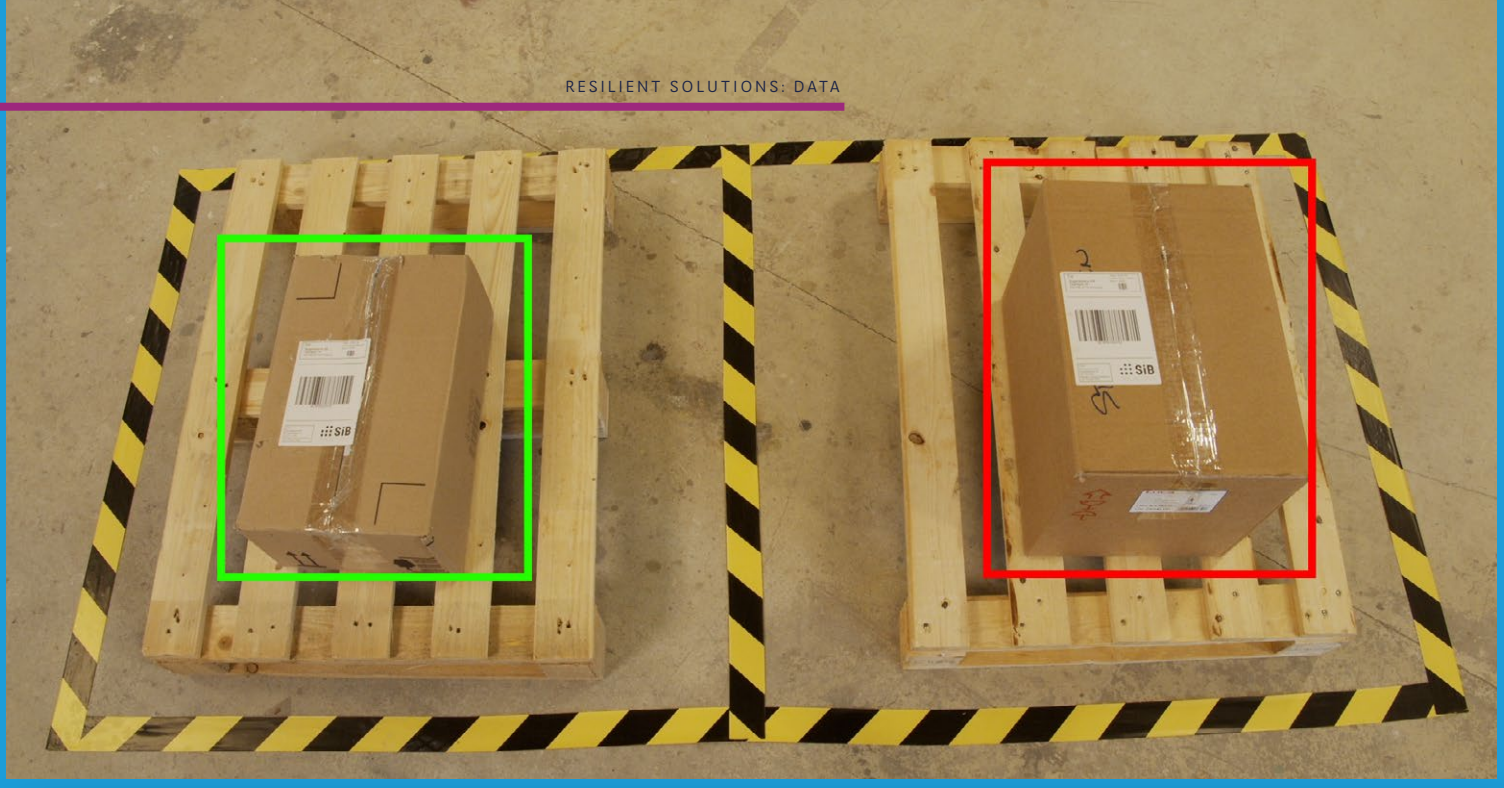
To get a greater understanding of how this technology helps avoid mistakes in logistics operations, and provide efficiency gains, Editor James Burman spoke to Staffan Persson, Global PreSales Director & Business Development and co-founder at SiB Solutions.

James Burman (JB): What is 'the supply chain blame game'?

Staffan Persson (SP): The warehouse sits in the middle of everything - you have the suppliers on one side, and you have customers on the other; if you're a 3PL actor, you also have your client above you, and they're all pushing you with so many questions. We say there is a 'supply chain blame game' going on, and it takes place everywhere in the process that goods change hands. You may have received nine pallets, but your supplier claims to have sent ten. It doesn't matter how much you scanned physically, you need visual proof. This can be applied to many parts of the process; goods receiving, put-away, packing, picking, loading, consolidation and so on.

JB: How does having clear visual of warehouse processes prevent errors in operation?

SP: In general, during any process in a warehouse, you benefit from having visual evidence. Firstly, in real time, utilising AI, we can detect something is about to go wrong and stop it by notifying the operator if it's a person. If it's a machine, we can actually send a notification to that machine in order to change its behaviour.



> **“Having visibility across a logistics operation means you can stop things from going wrong before they do”**

Secondly, when something does go wrong and wasn't prevented, you can travel back in time and have a look at what happened. Over time, you get to understand what can be improved on and change the process entirely. It's a tool for continuous improvement in the warehouse, which has a positive impact on the wider supply chain.

JB: What further gains can be made by implementing this technology?

SP: If we look at the use cases we have with our customers, a common one is that they save a lot of administration time. The real-time monitoring reduces the need for stocktaking investigation, as you're getting the answer directly, so that's a huge saving. Also, think about all those claims that are false, they get reduced sometimes up to 50% in the first week or two. Aside from reducing admin costs, that continuous improvement I mentioned earlier comes back into play. When you know what the issues are and you fix them by applying feedback, training, and process improvement, you boost efficiency.

We have seen customers that save a lot on transportation cost as well, because they don't have extra express deliveries required as a consequence of mis-deliveries. It also allows you to work together with the transport company to follow up on the packing instructions, the lost pallets and to improve that process. One company saved 15% transportation costs and that's huge if you have about £10 million transports. From a sustainability angle, obviously, when there is less transport involved there is a smaller impact on CO_2 output and use of resources in general; you don't need to use as much packaging material, and so on.

Finally, the well-being of staff is improved. In a warehouse today, where the complexity of logistics is going up, and you're under more and more pressure to increase efficiency, people are more likely to make mistakes. Due to the visibility, we believe that this technology gives the capability to create a positive spiral of collaboration between management and staff and encourages a constructive, fact-based dialogue about how to improve.