



**Learning from a Mega Crisis:**  
How IoT-based risk management can change transportation from a cost center to a value driver

# WELCOME



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# Content

What can we (really) learn from this MEGA Crisis and its impact on supply chains?

Where data from supply chain visibility can help managing risks – and where it cannot?

How can visibility-enabled risk management be implemented for supply chains with the help of Arviem?

What this means for the post-corona time? How will supply chains change and adapt?

How to make supply chains not (only) short & local but (also) safe & secure?



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What can we (really) learn from this MEGA Crisis and its impact on supply chains?

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# crisis

(Noun)

a time of intense difficulty or danger

*What makes it MEGA?*

# What does this crisis prove for supply chains?

- ✓ Global supply chains still work!
- ✓ The only way to mitigate risks and tackle such a crisis is: Together!
- ✓ Human habits are an obstacle for efficient Risk Management and Mitigation.
- ✓ It is key to accept risks; risk mitigation requires to change existing standards & procedures
- ✓ Risk Management and Mitigation needs planning & preparedness
- ✓ Data & information are key in order to do enough risk mitigation but not too much.

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Where data from supply chain visibility can help managing risks – and where it cannot?

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# The amazon effect on logistics and shipping

- ✓ Free/ low shipping costs
- ✓ Fast, On-time while also meeting quality expectations
- ✓ Logistics and shipping 24/7 around us



**Transportation perceived as a cost center**  
at most organizations and by consumers







**“SUPPLY CHAIN IS LIKE  
NATURE, IT IS ALL  
AROUND US!”**

**DAVE WATERS**

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Can supply chain visibility help to better manage supply chain risks?

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# Cargo centered and data-based risk management



# Powerful risk management is about a systematical approach to identifying and understanding risks and reacting on them

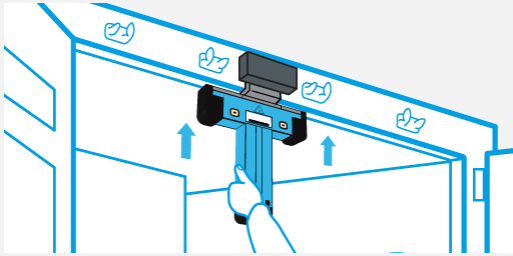
- ✓ Statistical & dynamic risk profiling
- ✓ Preventive risk mitigation
- ✓ Adaptive risk avoidance



## The right amount of reliable, quickly accessible data

- TO ensure we remember the lessons we learned (historical data)
- TO enable control (real-time data)
- TO predict the risks and the exposure of cargo (data and machine learning)

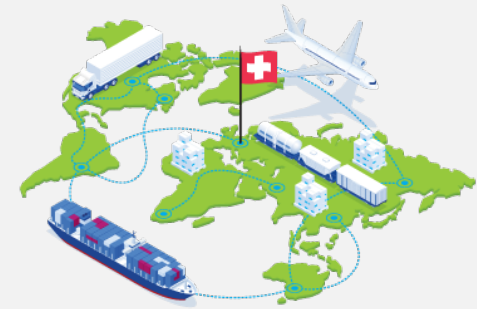
# Cargo monitoring as a basis for supply chain visibility by generating data



Data through monitoring devices



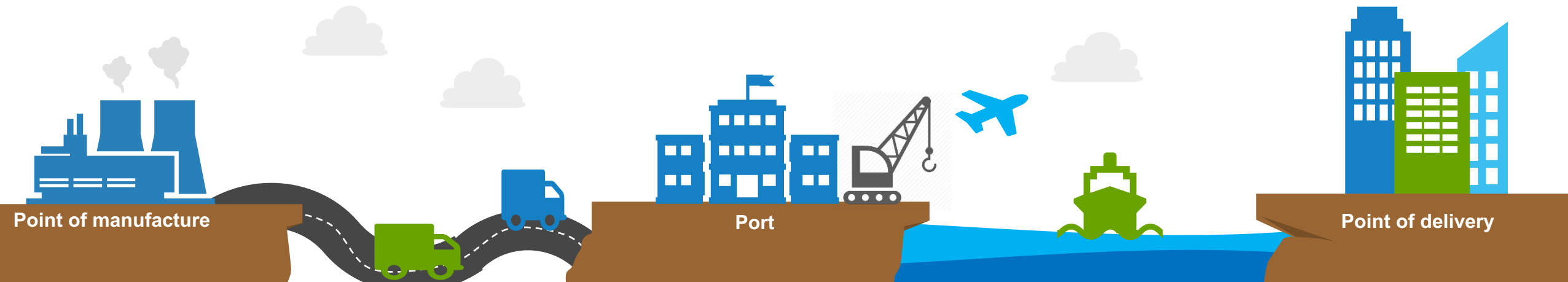
Data analytics and notifications



Global device logistics

# A modern Risk Management approach is certainly not only about “data & digital”

The core of any supply chain is still the physical movement and handling of cargo – and not (only) putting numbers in cells in Excel sheets.



# Presence 'in the field' is essential for effective risk management

- ✓ The «loss-preventive» capacity of field presence & services
- ✓ Insights & Information that are only available on the field
- ✓ Smart combination of data intelligence & field presence

## Field presence

- a. Cargo monitoring
- b. cargo operation surveys
- c. Packaging surveys
- d. Container stuffing surveys
- e. Audits & risk assessments on site,
- f. warehouse inspections
- g. workshops and trainings

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What this means for the post-corona time? How will supply chains change and adapt?

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# There will be a new normal....



## Companies need to develop a better understanding about their dependency from supply chains & transportation

There will be new features, new options, new procedures and processes, new best practices ... new habits and revised running systems.

- ✓ Understanding and awareness of risks and the exposure to them
- ✓ Creating more knowledge and expertise leading to a better preparedness for risk & crisis mitigation
- ✓ Accepting that the value of transportation requires certain costs
  - ... and that NO product ever was available free of shipping costs

# There will be a new normal....



## Companies need to develop a better understanding of the risks hidden in supply chains

- ✔ Establish / improve / extend visibility
- ✔ Be prepared without becoming paranoid
- ✔ Consequent and systematical Implementation of data intelligence to establish / improve the company`s Risk Management Organization



**Only making Supply Chains shorter and the supplier network more local is not a sufficient answer!**

# An integrated risk management organization (RMO) is needed to oversee supply chain risks

## RISK TRANSFER & LOSS COMPENSATION

Legal – Contractual – Insurance - Liability

## STANDARDS & PROCESSES

SOPs / R&G – Best Practices – Reporting - Responsibilities



## OPERATIONS & MONITORING

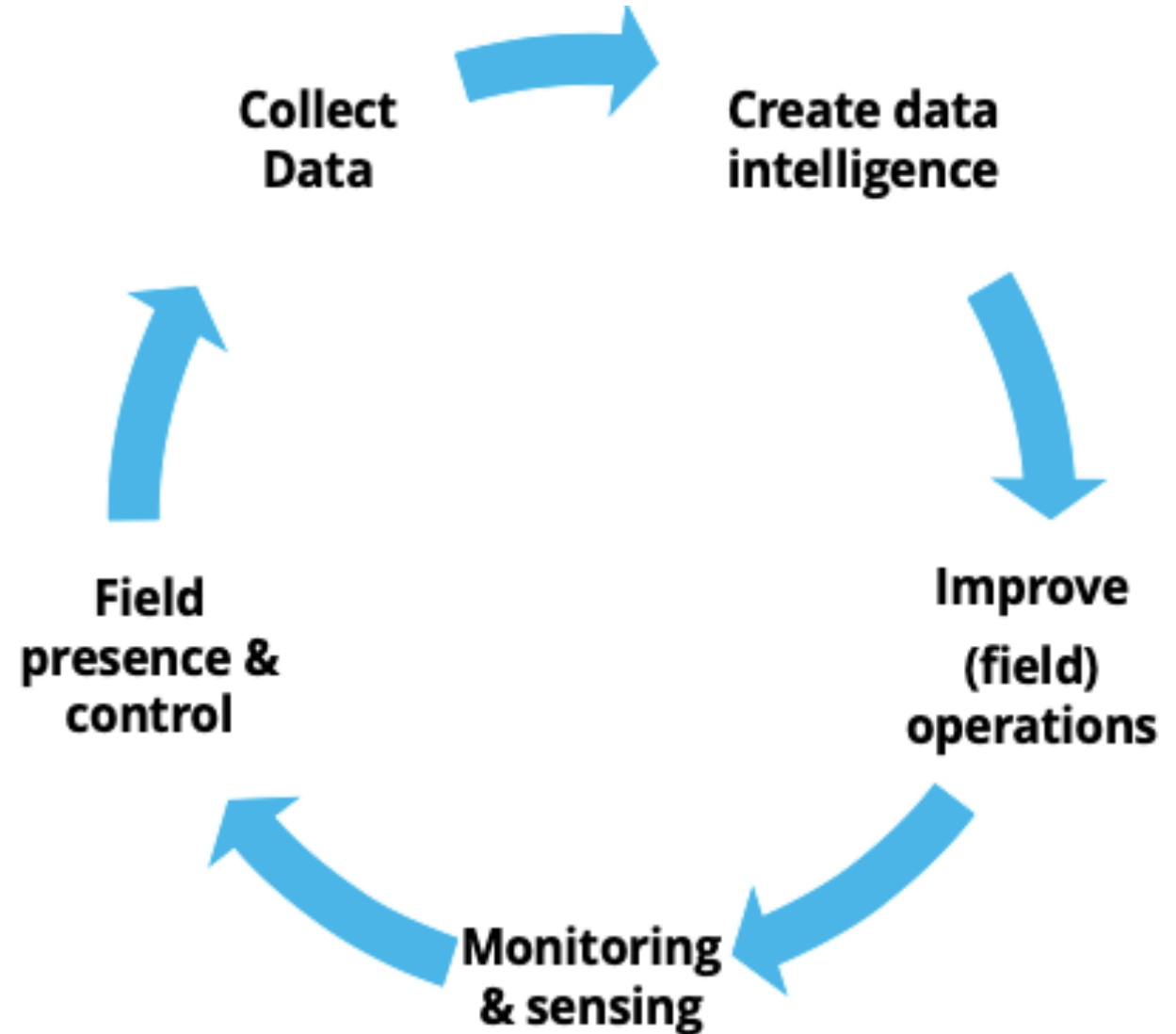
RT-Monitoring – Data & Information - Process & Performance

## FIELD ACTION & RISK MITIGATION

Surveys – Audits – Inspections – Risk Assessments

An integrated risk management organization is needed to oversee supply chain risks

- ONE Organization. Not a loose collection of divisions / departments
- Needs to focus precisely to the operative movement, storage and handling of your cargo
- Needs to consider both the macro- and a micro-risk-management perspective
- Must enter a continuous development & modification circle



# Top 5 recommendations of Lars to start rethinking your organization's supply chain risk management

## Key takeaways

- ✔ Think about your supply chain: What do you really know and what do you believe to know?
- ✔ Determine information and data (incl. ownership) increasing the level of what you really know.
- ✔ Analyze, if "in house" expertise & information is available but not as useful data – yet.
- ✔ Review your operating model and “look at the real operations” to identify RMO-Members
- ✔ ... start to prepare without becoming paranoid!

QUESTIONS ?

# Stay tuned for our upcoming webinar!

## Leveraging independent cargo monitoring data to optimize your logistics networks and improve your relationship with your 3PLs

Webinar | 16th of June



**Tim Wike**