DESCARTES™

COVID-19 Action Guide

Mitigate the impact on your logistics & supply chain operations

How can you take action now?

We've been receiving a number of questions from customers asking how to mitigate the impact of COVID-19 (aka coronavirus) on their operations, employees, customers and carriers. The good news is there is a lot that can be done now with your existing logistics and supply chain solutions. You could also quickly take advantage of new ones to be safe and mitigate the financial impact on your business. Here are a few ways you can help "flatten the curve":

Facilitate social distancing.

The strategy is to change logistics process and technology to allow employees, customers and suppliers to maintain reasonable separation as part of their daily tasks and not come into contact with surfaces that could have been touched by others.

- **Move away from "sign on glass"** As part of your proof-of-delivery process (POD), signature capture has become extremely popular, but is counter to social distancing objectives because drivers and customers share the same device. We've seen customers remove it as a step; however, if you still need acknowledgment, then our recommendation is to use picture capture of the goods with the person who would have normally signed with a "thumbs up" or even standing next to the goods delivered.

- **Go paperless** We know that COVID-19 can last for hours on surfaces and paper is a surface. There's no need to continue to generate paper receipts and documentation and hand them to customers, drivers and employees. Going paperless has also been proven to reduce operating costs and shorten payment cycles … something important right now as cash is so critical to many companies facing severe disruptions in their business right now.

- **Automate check-in and arrival processes** Use real-time GPS-based truck tracking of your fleet and carriers to send arrival notifications to limit the number of times your fleet and commercial carrier drivers have to enter your own facilities or those of your customers' and suppliers. Frankly, physical notification is an outdated process that can be eliminated because it adds non-value time to the total stop time. Electronic notification also allows the customer to be prepared in advance to receive goods when they arrive, which reduces stop time.

INDUSTRY TIP:

Use mobile photo capture apps instead of sign on glass methods to confirm the delivery of goods.

Boost real-time visibility.

Both inbound products arriving at your facilities as well as outbound deliveries for your distributors, customers and consumers have become increasingly challenging to manage, or even locate at all in this current reality. Real-time ETAs and insight into what's happening in transit is more mission critical than ever in preventing costly disruptions. Understanding where you are experiencing bottlenecks, driver shortages and dock congestion enables you to make valuable adjustments, keeping the right assets, in the right place, at the right time. We recommend supply chain executives evaluating how to allocate resources and mitigate operational impacts of COVID-19 consider a real-time visibility platform as a part of their strategy.

Rebalance the fleet.

For those operating a private or dedicated fleet, this pandemic is creating extreme delivery imbalances. Some businesses are facing a severe shortage of delivery capacity and others are experiencing dramatic slowdown of their business and have excess capacity. For some companies, the challenge is dramatic improvement of productivity and bringing on new capacity and, for others, the challenge is absolute fleet cost minimization. Many of today's route optimization solutions have the ability to perform strategic modelling scenarios where new delivery policies and practices can be quickly evaluated. If you've done a decent job maintaining the data in your route optimization solution, you already have most of the data you need to perform a strategic modelling exercise. Our experience with strategic modelling is that the results can be compelling in terms of increasing productivity and capacity and decreasing cost– much of the time they happen simultaneously. In addition, it can be the fastest way to make a difference as policies and practices can be implemented quickly as opposed to changes in assets and resources.

Secure scalable freight capacity.

Securing carrier capacity right now is proving difficult for freight brokers and transportation teams across the board. Traditional methods for finding available transportation can't keep up with demand; leveraging a capacity matching and sourcing solution would be a helpful method to ease the current capacity burden. These tools can help you quickly forge new carrier relationships based on historical lane data and forward-looking availability, enabling a more targeted outreach, covering loads in a fraction of the usual time.

INDUSTRY TIP:

Join a co-op network to selectively share carrier data in a secure way and gain significantly more access to capacity in return.

Reevaluate international sourcing.

COVID-19 exposed the weaknesses in many companies' sourcing strategies. Whether it's finding new supply sources now or looking to mitigate risk for the future, companies want to diversify their supply network. The question we receive is "Where are these new sources?". There's a class of global trade intelligence solutions that use shipment data from across the world to model trade flows globally and find new suppliers. These solutions can look beyond anyone's supply chain to see all of the companies that supply particular commodities that are already shipping into the US or even between other countries. For example, one of the interesting situations we've seen in the last two years is the creation of new manufacturing capacity in countries like Vietnam and Thailand as a result of the tariff changes between the US and China. The supply base is not static and, with the increasing sophistication of many economies, it's operating completely outside of US trade lanes.

Focus on what can be done quickly.

Because of the severity of the pandemic and the regulations being put in place by governments, many companies need to pivot their businesses now. Collapsing the time to change is key. Start by looking at what you have today and determine if it can get you most of what you need. "Perfect" is the enemy of "fast" so be prepared to compromise. If you don't have the right solutions, look for what can get you the furthest the fastest. Traditional IT solution evaluation processes won't help in this environment. Flexibility and time to results should be the most important measures for procuring the most appropriate solution or services.

Hopefully, the measures that have been or are being put in place will help COVID-19 to run its course quickly. In the meantime, we need to do all we can to keep everyone safe and healthy and keep essential goods flowing while surviving the severely disrupted economy. These are just a few examples and there is much we can do as supply chain and logistics professionals to help. What is your company doing with its processes and technology to mitigate the impact of COVID-19?

We're here to help.

Descartes is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community.

If you are looking to have a conversation about how Descartes can help your business in these unprecedented times, our supply chain and logistics experts are standing by.

Uniting the People & Technology That Move the World.