



Highlights

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 - Challenges to I.T.
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B2B integration for the logistics industry

The logistics industry is somewhat unique in their business model as they get caught in the middle between their clients and their client's customers resulting in complex business relationships and supply chains to support. And to stay competitive Logistics Service Providers (LSPs) and Third Party Logistics operators (3PLs) must have a corporate growth strategy that includes:

- Acquisitions
- Globalization
- Offering new and differentiating services
- Enabling faster cycle times
- Tighter integration with their client's customers and suppliers

If that wasn't enough, industries like retail and automotive present their own set of challenges to LSPs/3PLs. The impact of Omni-channel retailing for example is causing a transformation in retail logistics operations while the automotive industry is a leader in the demands for the just-in-time exchange of business documents to support their operational requirements. At the same time many logistics companies are being asked to outsource their own I.T. capabilities, like order management, by their clients

The end result for logistics companies is a very complex operational environment to support. Each client has their own on-boarding requirements, there is increasing demand for the real-time exchange of business documents, the global nature of operations implies 24x7x365 operations with no downtime and the security of the brands you support is critical.



Challenges to I.T.

From an I.T. perspective many logistics operators find themselves in a dilemma with their B2B integration platform, the underlying technology that enables the internal and external exchange of business documents between their clients and client's customers. Either the mergers and acquisitions that helped grow the company or the continued reliance on a legacy approach to B2B integration has left I.T. with separate siloed platforms for EDI, managed file transfer and B2B integration resulting in integration and support challenges and in many cases outdated capabilities.

Globalization meanwhile requires 24x7x365 operations leaving I.T. little or no time to perform maintenance to their B2B platform. And a general movement to a more real-time exchange of business documents is requiring I.T. to get creative in enabling more responsive processes. In addition, data standards and security are two other areas of focus due to the complexity of logistics operations.

Data standards and transformation

For logistics operators the nature of their business requires flexibility to accommodate the integration requirements of a diverse, technically challenged, B2B community. Whether it is their clients, their client's customers or suppliers, I.T. can be overwhelmed by the different data standards and formats they need to support. So help in staying current with relevant industry data standards or having the flexibility to quickly convert from one data format to another is critical to their business model.

Protecting data and networks

Network protection and the security of data being exchanged either externally or internally is without question a high priority for logistics operators. The concern is how to apply security best-practices when you operate multiple platforms and firewalls, have an on-going use of FTP or lack "De-militarized Zone" (DMZ) based network protection. And then, how do you manage and monitor compliance?

The value of a modernized B2B platform

So how can LSPs/3PLs satisfy the challenges of a diverse B2B community without having to deploy multiple integration platforms? As a leader in providing B2B integration capabilities for the logistics industry, IBM has helped many best-in-class LSPs/3PLs modernize their B2B platform and recognize the value it provides as a competitive differentiator to help their business:

- Consolidate B2B integration operations on a single platform
- Improve cycle times
- Reduce the costs to support complex global supply chains
- Never say "No" to an on-boarding request
- Improve visibility over multi-enterprise logistics operations
- Help secure their network and data
- Support complex B2B processing requirements

Best-in-class capabilities for logistics operations

The successful integration of data across internal and external logistics supply chain processes requires a number of capabilities including:

- Supporting the on-boarding requirements of a diverse B2B community
- Automating manual, redundant, error prone processes
- Providing end-to-end visibility over multi-enterprise logistics operations
- Ensuring the timely and reliable delivery of documents
- Enabling data encryption and DMZ based security
- Offering out-of-box support for most communications protocols
- Enabling compliance with industry data standards
- Supporting both file and message based exchanges on a single B2B platform
- Providing real-time processing for complex operational requirements
- Leveraging E-invoicing for international trade requirements

In addition, the Omni-channel retailing and automotive examples highlight a movement toward a more response driven supply chain where the overnight batch exchange of files is no longer acceptable. So I.T. organizations in logistics are leveraging WebServices to enable a real-time exchange of business documents. All of this becomes extremely difficult if you are operating multiple B2B integration platforms. So instead of deploying point solutions to address EDI vs. managed file transfer vs. message based integration your best-in-class peers have consolidated on a single B2B integration platform.

B2B integration as a competitive differentiator

Logistics operators are always looking for ways to differentiate themselves from their competition. IBM's perspective is the best-in-class logistics operators view their B2B integration capabilities as a competitive differentiator and not just I.T. infrastructure and this is at the board room level. They invest in a modern B2B integration platform because they recognize the value to their business, to help lower operational costs, offer differentiating services, improve customer service and protecting the security of their network and underlying data.

IBM's B2B integration capabilities at a glance

Capabilities	Description
Integration	<ul style="list-style-type: none"> Automate multi-enterprise processes WebServices to enable real-time processing Support file and message based integration patterns Wizards and templates for rapid on-boarding
Communication protocols	<ul style="list-style-type: none"> s/FTP/s Client/Server HTTP/HTTPS Client/Server Web Services AS1, AS2, AS3, AS4 ebXML RosettaNet OFTP
Data translation	<ul style="list-style-type: none"> X12 Edifact Database Flat File XML Tradacoms SAP iDoc Cobol Copybook RND SPEC2000
Governance, risk and compliance	<ul style="list-style-type: none"> Perimeter security ensures no data is stored in the DMZ Data is encrypted at-rest or in-motion Policy controls for systems and processes that move data Integration to enterprise security infrastructures (LDAP, Active Directory) Detection and audit for real-time reporting and management HSM (Hardware security modules) ability to report and audit
Application Adapters	<ul style="list-style-type: none"> Connect:Direct JMS WebSphere MQ JDBC Oracle e-Biz SAP suite BEA Tuxedo

Why IBM for logistics operations

The best-in-class LSPs/3PLs IBM works with recognize and leverage the flexibility IBM's B2B integration capabilities have to support their operational requirements. It's these out-of-box capabilities that logistics operators use to support their regional or global supply chains using a single B2B integration platform and what helps differentiate them from the competition. IBM offers basic to enterprise class B2B integration capabilities and a choice of deployment options to help mid-market to global LSPs/3PLs modernize their B2B platforms to stay competitive.

For more information

To learn more about IBM's B2B integration for logistics IBM Sales Representative or visit <https://ibm.biz/BdRUtL>.



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