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A Control Tower by Any Other Name

Defining the elements of a real-time control tower

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By Activ Technologies · May 12, 2022

What's in a name? With apologies to Shakespeare, a control tower by any other name would NOT smell so sweet. And the breadth of control tower definitions often makes it difficult as a solution concept to pass the "sniff test."

As supply chain issues continue to make front-page news, manufacturers, distributors, and 3PLs want the end-to-end visibility that control towers promise. They seek visibility into their inbound materials and finished goods to enable better decision-making about how to service their customers. Many providers claim control tower functions but don't deliver the fundamental end-to-end visibility.

So, what's in a name? Let's define the elements of a real-time supply chain control tower to gain supply chain functionality and operational efficiency.

1. Cloud-based platform

The agility of a cloud-based platform offers the infrastructure needed to provide a platform as a service (PaaS) model to configure, run, and manage applications or solution use cases. It decreases the need for IT resources and leverages the use of application programming interfaces (APIs) as well as microservices and a library of connectors to third-party systems. As a subscription-based package, a control tower platform delivered as a PaaS simplifies budget and resource planning, plus it enables delivery of results much faster.

2. Integration of supply chain participants or disparate systems

The integration element starts with connecting trading partners to allow data sharing. The main challenge to integration comes from each supplier's connectivity sophistication. The control tower platform must be able to communicate with a range of suppliers—highly automated suppliers using EDI and ERP systems as well as those who rely on passing spreadsheets and emails, and everything in between such as file transports and APIs. Leveraging a many-to-many business network allows existing connections to be utilized as well.

3. Single repository or single system of record

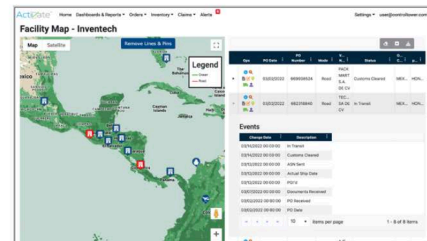
Having all the relevant data in one place creates a single version of "one truth." Once information is available, the solution can connect to other systems to gather tangential information. For example, having a tracking number allows the control tower to reach out to the carrier to get the shipment's status. A single system of record is essential. Once there is trust in the solution, you can then automate an alert to become an action notification (e.g., an inventory transfer) supporting the latest activities and updates required.

4. Data processing platform (cleanse, translate, normalize, extend)

Ensuring data quality is of utmost importance as it's the communication basis for all connected parties. Not all platforms offer machine learning to assist in cleansing data, but good ones do. Once cleansed and normalized, the data is usable across a variety of stakeholders that include customers, suppliers, and internal users.

5. Portal

A portal provides the online access points and views as defined by a user's role. Enabling a variety of views into the single version of activities in the supply chain allows more participants to offer the latest status and enable better decision making. Whether a transportation provider, logistics service provider, supplier, or customer, a portal should enable self-service functions and eliminate the need for follow-up phone calls, emails, passing documents, and files.



Activ Technologies' control tower screen from ActiVate PaaS. Filter by status and drill down to check status details and associated alerts.

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6. Visibility (order, inventory, shipments)

The best control towers offer visibility not only of tracking multimodal shipments but also of orders and inventory along with information prior to the shipment such as order changes. Key requirements provide visibility of all orders regardless of the order source, aggregating SKU level demand, and/or matching supply to demand to help manage volatility in the supply chain. Essential is understanding how orders are changing and offering a platform to address order changes, rules to confirm or accept changes, notifications of orders inside of “freeze periods” or offering a platform to confirm or accept orders if certain criteria or parameters can be adjusted. The ability to see inventory in transit and across a network improves working capital and prevents production changes and shutdowns. Improving performance and efficiencies such as minimizing expedited freight, preventing stock outs, or improving on-time and in-full metrics are a few of the benefits that can be realized.

7. Smart hub for supply chain synchronization

Integrated suppliers/trading partners, a single system of record, and normalized and augmented data allows visibility and promotes rapid identification of events and exceptions. Synchronizing supply chain processes from beginning to end with full visibility becomes possible. Companies and their trading partners synchronize forecasts, production, order and inventory management, and distribution capabilities creating a smart hub that provides a single point of view of orders, inventory, and shipments consolidated from a variety of ERPs, order management, warehouse, and transportation systems, and/or other disparate systems and enables collaboration of workflow processes across the supply chain.

8. Exception management

Another key control tower characteristic is applying business rules to the data to allow stakeholders to know that something is missing, or an action is needed. For instance, an alert goes to the supplier if there's no purchase order acknowledgment within X number of days from issuance. Notifying a freight forwarder that a shipment cleared customs and it is time to book drayage is another example of exception management. Alerts allow customer notification at key status or critical decision points. Rather than reviewing reports for issues that have already occurred, alerts provide notifications before an issue becomes a problem with as much time as possible to address the issue.

Adding it up

Control towers support agility and flexibility. Allowing partners to engage with a single platform enables a cohesive, integrated business process to synchronize your global supply chain management.

ActiVate® end-to-end visibility in real-time, sensing changes to demand and associated analytics, the right control tower delivers actionable insights to ensure proactive responses to changing market conditions and sudden disruptions. Automation streamlines workflow and increases response speed. Control towers reduce risk, optimize service, and control costs while supporting business growth, agility, and better customer service.



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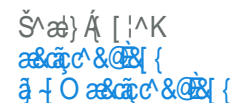
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