



2019 Logistics Tech Trends Report

The current state of logistics workplace technology
and predictions for the near-future of IT

INTRODUCTION

Software is eating the logistics industry

Technology is transforming businesses of all shapes and sizes — and the logistics and transportation industry is no exception. Replacing labor-heavy processes and time-intensive workplace operations, technology is propelling logistics businesses to grow more efficiently than ever before.

To get an inside look at how companies are using technology to support a global, always-on workforce, we surveyed leaders across IT, Operations, and Customer Service.

Overwhelmingly, respondents agreed that strategic technology investments were pivotal to keep up in a fast-paced, ever-changing industry. In this report, you'll learn:

- 1 Why companies say technology is critical for scaling**
- 2 How the landscape of logistics workplace technology is changing, including:**
 - Software usage and trends
 - Buying behaviors
 - Popular communication tools
- 3 Predictions for the tech investments with the highest potential for ROI**



MARKET CHALLENGES

Why logistics companies say technology is critical for scaling

In an on-demand market, efficiency is the only way to keep up

We are living in an era of instant gratification. Companies like Uber, Amazon, Postmates, and Netflix have conditioned consumers to expect everything faster, with more flexibility, and at a lower cost. Logistics businesses have been at the forefront of this shift, having to innovate, optimize processes, and accelerate the supply chain to fuel this new on-demand economy.

Emerging challenges facing the logistics industry



Instant gratification: In an on-demand driven economy, customers expect to be served faster than ever before



New players: Entrants to the market like Uber Freight, Flexport, Convoy and others are increasing competition



24/7 Customer support: Serving and selling to customers now requires a time-shifted workforce, working across multiple touch points



Globalized workforce: Companies need to expand their presence in order to stay competitive



BENEFITS OF TECHNOLOGY ADOPTION

Why logistics companies are using technology to scale

Technology is the key to doing more with less

To keep up with rising demand and fierce competition, logistics companies are turning to technology to scale. We found that most companies were becoming “digitized” — with more than 50% of their operations involving technology.

77% of companies say that they have digitized their operations

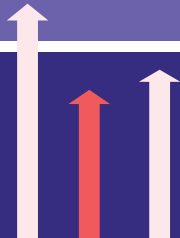


81% said that spend on software will increase over the next 2 years

71% of those surveyed spend more than 5 hours using workplace technology everyday (email, software, collaboration tools, etc.)



84% of companies said that they're interested in introducing some sort of automation into their supply chain



Early technology adopters are reaping the rewards

Those who have moved quickly in adopting new technology are already seeing the benefits:

- **Better customer service:** Only 32% of the non-digitized companies say that their team is currently meeting their goals for response times. Compare that to 55% in digitized companies.
- **Converting more business:** 67% of digitized companies say that they are able to fulfill or convert at least half of incoming customer requests, while their non-digitized counterparts said they only converted 30% on average.

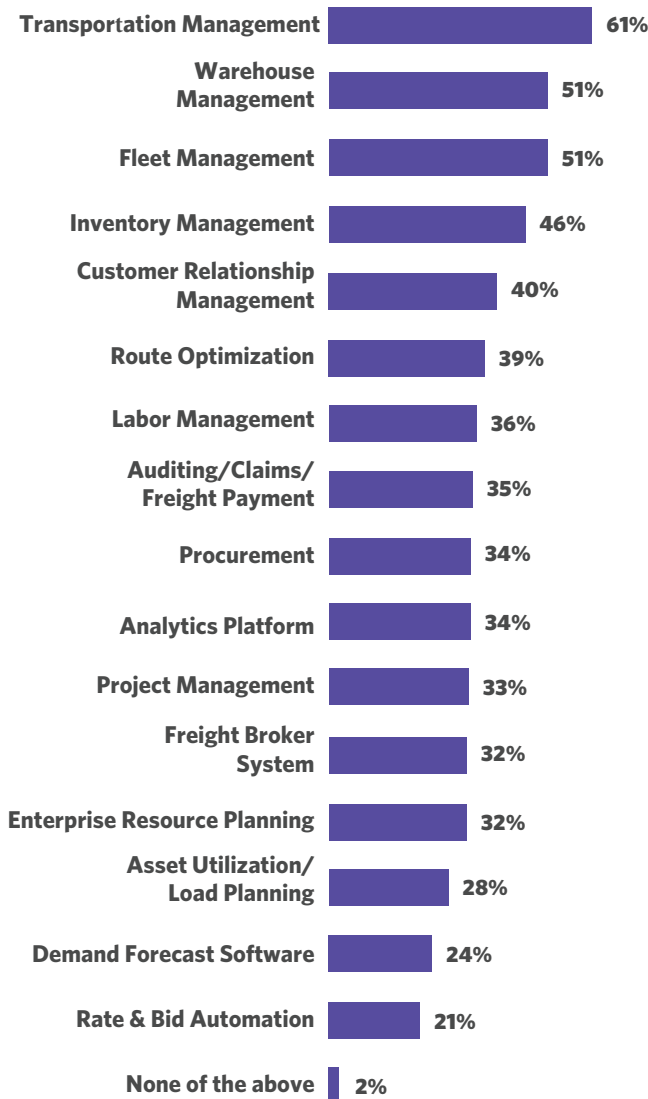
SOFTWARE USAGE

Logistics Workplace Technology

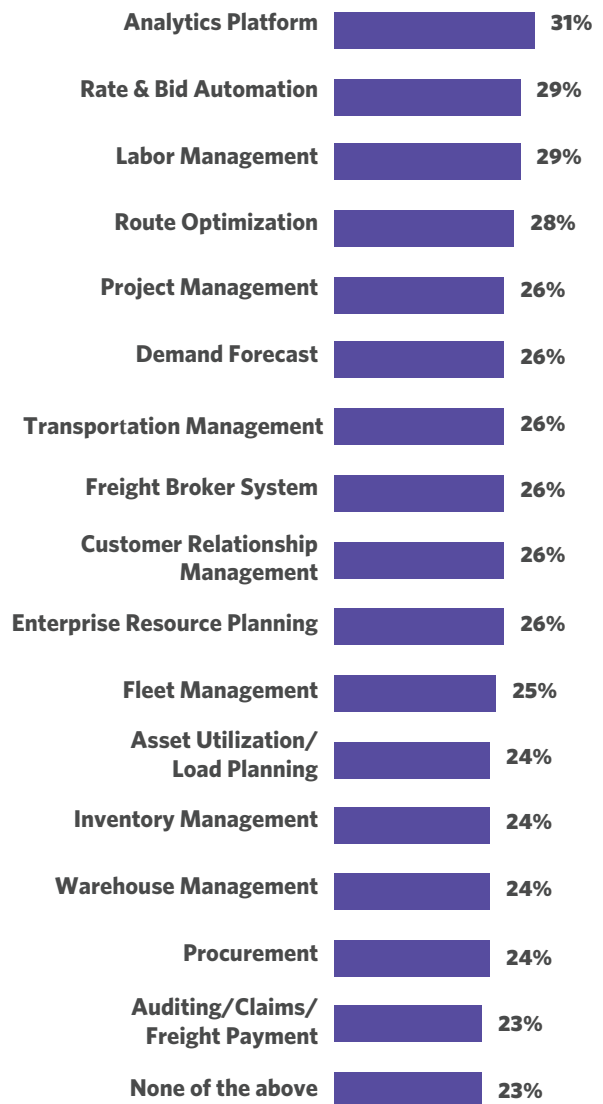
Strategy is critical in a fragmented market

Technology is transforming every part of how logistics companies operate, from bidding, to fleet management, to load planning, and more. But with so many technology solutions flooding the marketplace, it's critical to define a clear strategy for evaluating and implementing new technology.

Types of software currently used



Types of software planning to implement in the next 5 years

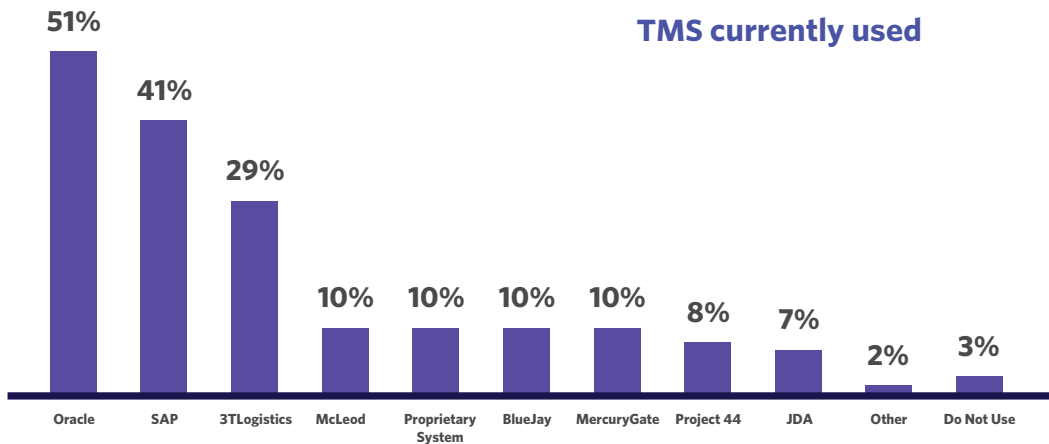


SOFTWARE USAGE

Logistics Workplace Technology

Transportation Management System (TMS) adoption steadily grows

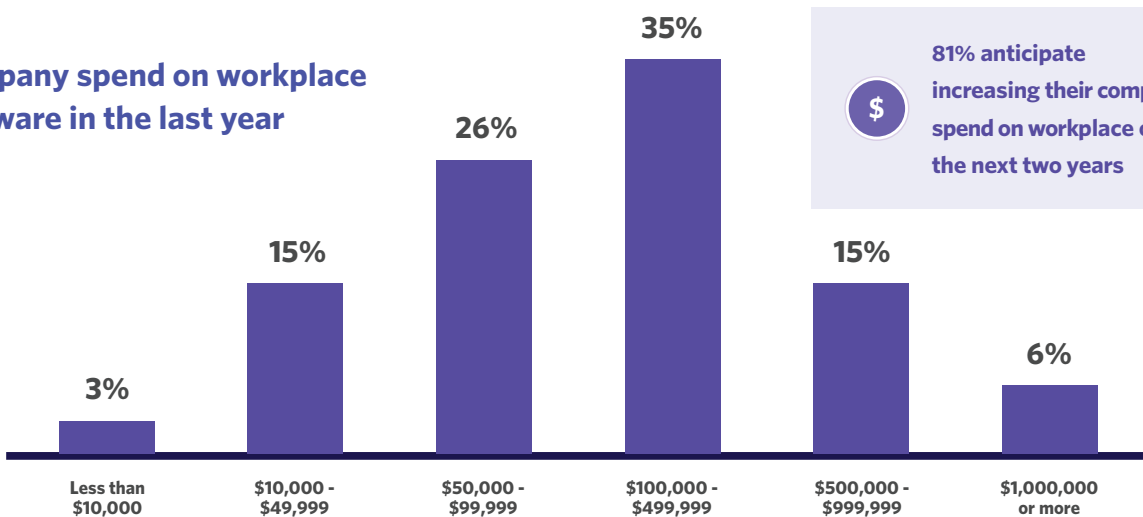
Transportation Management Systems remain one of the most critical tools in the tech stack. 61% of companies said that they currently employ a TMS in their day to day operations. While the TMS market is flooded with options — thousands at the last count — there are a few clear winners.



Company spend on workplace software is on the rise

Companies are prioritizing workplace software investments, and spend on software is following demand. The average company spend on software exceeds six figures, and 81% of companies plan to increase spend on software over the next 2 years.

Company spend on workplace software in the last year



81% anticipate increasing their company spend on workplace over the next two years

BUYING BEHAVIORS

Logistics Workplace Technology

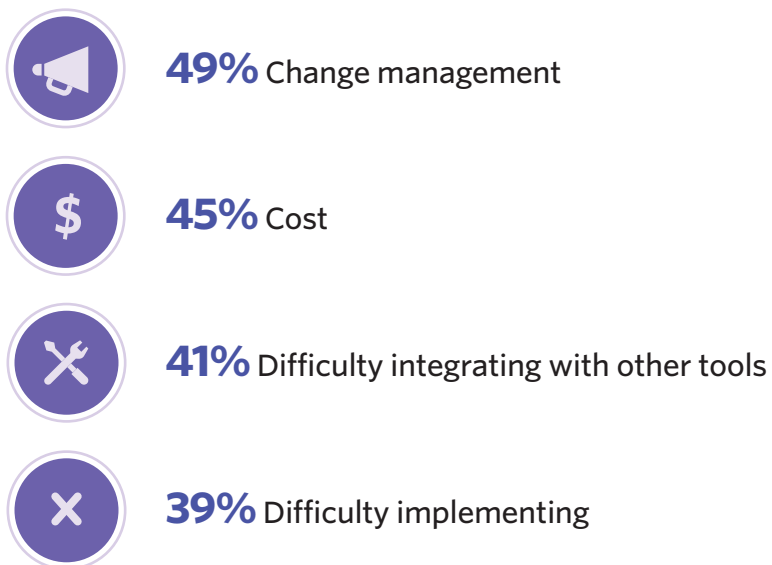
What's holding companies back from software adoption? Change management.

The number one deterrent in purchasing new software isn't about technology at all — it's about resistance and reluctance to change.

As spend increases, questions will arise around maintenance and ownership of new systems, like:

- Who's in charge of purchasing and implementing software?
- How will teams manage data that's spread across multiple systems?
- How can you encourage employees to alter patterns of work they're accustomed to?

Biggest deterrents in purchasing new software



EMAIL COMMUNICATION: RIPE FOR DISRUPTION

Logistics Workplace Technology

Email: A huge drain on productivity, but essential to getting work done

As much as emerging technologies like blockchain and drone delivery are featured in the headlines, there are still two main tools that are the core of everyone's working world:



Inefficiency is hiding in your inbox

High email volume is killing workplace productivity

- 54% named "high email volume" as their biggest challenge with regards to their communication

The average worker is receiving 100's of emails per day.

- 69% of workers say they are receiving 50+ emails a day
- 57% of workers say they're sending 50+ emails per day

Distribution lists are clogging up the inboxes of every worker

- 65% of people say that they are actively monitoring 4 or more email distribution lists, while 31% of people are monitoring 6 or more distribution lists
- 40% of companies say they have 6 or more external email addresses, 19% have 11 or more external email addresses



THE NEAR-FUTURE OF IT

Predictions for software investments that will yield the highest ROI

With a crowded market of software to choose from, how can your company yield the highest ROI? What software is worth investing in for the future? The survey data points to software investments in four strategic areas.

1 Communication technology

When asked their biggest challenge, 50% of logistics leaders say it's scaling to meet demand, and 54% say it's managing high email volume. Investments around email and phone will provide lasting benefits, as they continue to be the epicenter of customer and team communication.

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In the unpredictable and time sensitive world of supply chain, rapid internal communication is key to delivering results for customers. It's critical that cross functional team members can collaborate in real time to solve issues before they even reach the customer”

—JESSE GENET, CEO AND CO-FOUNDER OF LUMI



2 Integrated platforms

Tools that play nice with your existing tech stack will provide the most visibility for teams and yield higher adoption.



3 Workflow automation

You don't have to overhaul your entire supply chain or install robots before you can see efficiency gains from automation. Instead, workflow improvements to your existing systems can reap enormous rewards. Start small and try using automation to improve your existing workflows.

“

When logistics teams implement automation, it's not just about the hours saved. It's about opening doors to higher levels of planning, strategy, and optimization across the supply chain.”

—JASON TRAFF, PRESIDENT AND COFOUNDER OF SHIPWELL



“

Data-entry automation is becoming increasingly popular as it provides instant ROI — cutting data entry costs by 85% and freeing up resources for high-value tasks. However, what's truly exciting about turning documents into data is that companies are able to leapfrog to building the next generation of customer experience applications.”

—JENNA BROWN, CEO AND COFOUNDER OF SHIPAMAX



4 Customer service tools

Among companies surveyed, 98% said that customer service is a critical piece of their company's overall business strategy. People will increasingly expect to be served, anytime, from anywhere around the globe, which means you need a platform that can scale to meet rising demand.



Methodology

- An online survey was conducted to a panel of potential respondents. The recruitment period was July 29, 2019 to August 5, 2019.
 - A total of 413 panel respondents completed the survey (excluding terminations and abandonments).
- For each respondent, there were screeners for the survey to determine eligibility.
 - All respondents were 18 years of age or older.
 - They were either in IT, Operations, Sales, or Customer Service.
 - They were a manager or above.
 - They work at a company with 50 or more employees
 - They work in the Transportation & Logistics industry
- Sample was provided by Market Cube, a research panel company. All were invited to take the survey via an email invitation. Panel respondents were incentivized to participate via the panel's established points program.



About Front

Front is the email platform built for modern logistics teams. Founded in 2013, Front has raised \$79 million from Sequoia, Threshold, and others to unlock new ways to work that make people more efficient, fulfilled, and ultimately happier at work. Now, over 5,000 businesses rely on Front to manage all of their high-stakes, high-volume communication channels and to accomplish more as a team. Front is headquartered in San Francisco with an office in Paris.

