WIPRO
Applying Thought

Improving Employee Efficiencies by Standardizing Documentation Processes

Global trade is ever increasing and the double-digit growth of of e-Commerce is leading to disruptive business models and technology changes in the end-to-end processes within logistics. The parcel volume is increasing year on year at an average rate of 5-7%. For every parcel movement from one country to another, information / data pertaining to the shipment also has to be moved. Back office transactional work attribute approximately 20-25% of overall costs for a medium to large logistics company. Fluctuating fuel costs and increased competition impact the overall margins of shipping and logistics companies. Increase in custom rigor and security requirements add to the challenges faced by the industry today. Thus, reduction in costs, standardization of processes and improving overall efficiencies are much needed to address these challenges. While quite some players are investing in in-house or outsourced shared service centers, there are many, who are struggling and should invest in identifying new set of business models and technologies for Courier, Express and Parcel (CEP) and ocean cargo documentation.
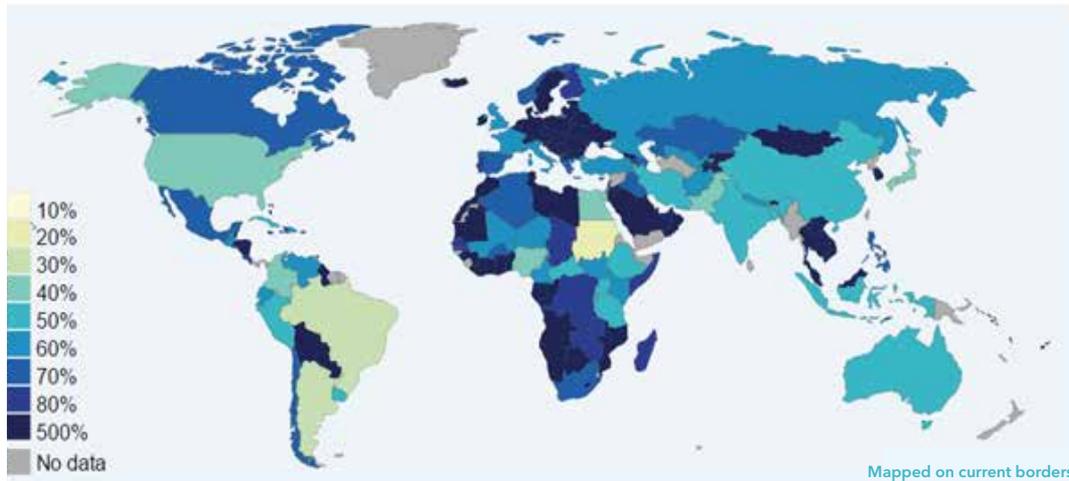
Figure 1: Trade as share of GDP (in %)
Data Source – World Bank WDI (Trade as share of GDP)

Challenges in documentation processes

E-commerce and increased number of players in the Courier, Express and Parcel (CEP) industry has led to a demanding customer base. Customers expect last minute bookings to be accepted and delivered at the earliest possible time without any delays at Customs. The documentation in logistics and shipping industry is still heavily paper based. Despite the rapid adoption of Electronic Data Interchange (EDI) and the internet, crucial documentation that enable the movement of goods from one place to another such as Air WayBill, Commercial Invoices, Packing List, Bills of Lading, Shipping Instructions driver log records are still in physical paper format. These complexities have taken a toll on the age old ways of handling documentation of using a decentralized approach for data entry and customs clearance of large shipment volumes. To fill these gaps, there are lot of new entrants in the logistics space with enhanced Transportation Management Systems (TMS) and system modules. Logistics players will need to reengineer their business processes to optimize costs and improve profitability.

Over the last few years, the industry has seen a lot of mergers and acquisitions across geographies to improve their global footprint and have a stronghold in areas where till now they had a skeletal presence. Traditional freight forwarders and Non Vessel Operating Common Carrier (NVOCCs) are also taking over upcoming technology startups in various areas such as contract management, rate comparison etc. This equips their existing strong customer base with current technology leading to improved work processes and increased efficiency. The various challenges necessitates the industry to transform its processes via either in house shared service centers or through an outsourced delivery center.

How to standardize documentation processes?

We are already seeing the advent of parcel delivery via drones and driverless cars. Along with automation in the physical flow of goods, we are also seeing automation in the flow of data and information by means of Optical Character Recognition (OCR), Artificial Intelligence (AI) and

Shared Services

The key function of shared services, since its inception has been to bring about standardization of processes by leveraging the fact that global decentralized processes get centralized within the shared services model. This centralization leads to effective sharing of best practices and knowledge sharing. It also leads to cross utilization of resources which can lead to resource knowledge growth and improve process efficiency.

Basis the preference, companies either have in-house shared service centers or outsource the same to a third party vendor. In-house shared services can be located locally or have regional centers to cater to language and customs regulation requirements. Outsourced delivery centers also follow a global location model where the locations are mainly in India and Philippines to gain labor arbitrage and leverage the skilled

improved work flows. With many of these automation available as an additional layer to the existing systems, it does not require an outright system upheaval or change. These cloud computing and BPaaS (Business Process as a Service) solutions can cater to the ever increasing demands of the customers.

resources that are available in large quantities.

While traditionally, the primary focus of shared services was restricted to functions such as Finance, HR, Payroll and Procurement; off lately core business high value activities such as import and export customs clearance of goods and initial data entry are being transferred to Shared Services with the expectation of efficiency and accuracy improvements. This centralization of documentation processes helps in standardizing and unifying the global processes. Sharing best practices and developing expertise region wise leads to increase in efficiency as well as accuracy. This also takes away the effort from transactional processes and lets the team in the organization focus on core activities of route planning, segregation and improved flow of physical goods at the service centers.

Analytics

Analytics and high end reporting using big data services are other value-added offerings of Shared Services. These help in volume forecasting, trend analysis basis seasonality and support the core business decision making.

Automation

Using levers like enhanced work flows which are built with pre-set rules help improve the number of shipments that can 'bypass' the system thus reducing the manual intervention and improving overall efficiency. This can be achieved by a thorough process study, removal of non-value added steps and standardizing processes. Optical Character Recognition (OCR) can be applied in reading the printed invoices and thus help in digitizing the invoices, thereby reducing the effort required to data enter these invoices into the system and improving the accuracy. Artificial Intelligence (AI) can be applied at various stages of documentation process. At early stage to detect if all necessary paperwork is available for given shipment basis country of origin and type of goods; at workflow stage to prioritize a shipment basis the cut off; at data entry stage to update data tables irrespective of the invoice format/ template are a few examples of where AI can be applied.

Racing ahead

Re-engineering and standardizing the core back office processes that facilitate the milestones within the hub and spoke model and enable the physical movement of goods from one place to another is of vital importance. This will lead to reduction in cost and improvement in overall process accuracy and efficiencies. Clubbed with automation and analytics, process re-engineering can give the logistics players an edge over competitors as this will improve their 'First Time Right' shipments and bring about a reduction in correctors/ amendments and custom penalties. By effectively enabling these solutions, we can improve overall employee efficiencies and process accuracy, which can translate into good dollar savings and increased customer satisfaction.

About the author

Mira Parekh is a Senior Manager and Practice Lead for Logistics at Wipro BPS. She is responsible for shaping solution strategy, process consulting and providing thought leadership for logistics players in 3rd Party Logistics, Courier, Express and Parcel and Freight Forwarders. Mira has 12+ years of experience and has managed operations, transformation programs and standardization of various localized agencies for leading logistics and ocean carrier across geographies.

About Wipro

Wipro Limited (NYSE: WIT, BSE: 507685, NSE: WIPRO) is a leading information technology, consulting and business process services company that delivers solutions to enable its clients do business better. Wipro delivers winning business outcomes through its deep industry experience and a 360 degree view of "Business through Technology." By combining digital strategy, customer centric design, advanced analytics and product engineering approach, Wipro helps its clients create successful and adaptive businesses. A company recognized globally for its comprehensive portfolio of services, strong commitment to sustainability and good corporate citizenship, Wipro has a dedicated workforce of over 170,000, serving clients across 6 continents. For more information, please visit **wipro.com** or write to us at **info@wipro.com**

DO BUSINESS BETTER

WIPRO LIMITED, DODDAKANNELLI, SARJAPUR ROAD, BANGALORE - 560 035, INDIA. TEL : +91 (80) 2844 0011, FAX : +91 (80) 2844 0256