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Adding more value - making more profit - how Logistics Providers are innovating to re-shape their business

Part 4

Over the last two weeks we looked at how Third Party Logistics Providers are striving to innovate in order to add more value to the work they do with their clients - this being their big opportunity to break out of the cut throat business of traditional storage and haulage.

This week we'll look at how one 3PL is helping a maintenance management company to grow their business.

The 3PL and the maintenance management company

Maintenance management is big business, these are the people who work night and day to keep our world going, maintaining and repairing lifts and escalators, street lights, traffic lights, photocopiers, production lines - the list is endless. It's a complex job. The strength of a maintenance management company is its technical knowledge and its ability to cater for customer needs in a profitable but cost effective manner.

Good logistics in this space is a necessary evil and it's a mixed bag. Material required by the field service staff ranges from specialised spare parts through to every day consumable items, not forgetting personal protective equipment and work-wear.

To service its operation the maintenance company in question has set up a number of remote stores across its territory. Some stores are within the self-store facilities that are springing up across the land, some stores are at the premises of a larger client and in some cases the store can be a lock box outside the home of the field service technician.

For the maintenance company in question their 3PL stores everything on their behalf within a centralised multi client warehousing facility. Some stock, particularly fast moving consumable stock, is held at each remote store in line with an agreed stocking policy. The 3PL replenishes stock and delivers parts and items to each store on a daily or weekly basis. Use is made of the latest hand held mobile computers by both the 3PL and its client. The latest hand-helds have an inbuilt bar code scanner, an option for an RF-ID tag reader, and GPS for location recording and satellite navigation. Touch screens are used for signature capture and information entry. The units normally support both WiFi and 3G communications, the latter normally working in conjunction with a standard mobile phone SIM card also allowing voice communications. The use of hand-helds gives great potential for control of field based logistics operations.

Using his or her hand held device, the 3PL operative can confirm his or her presence at the remote store by scanning a location bar code inside the store; this information can be combined for extra security with the location as recorded from the inbuilt GPS sensor. The operative can then place items and stock in the required location, topping up parts bins as required and recording all these activities with the inbuilt bar code scanner. Inventory counts can also be carried out.

Whilst at the store room the operative can also collect parts and equipment for return to the central warehouse. An in-built camera in the hand held unit can be used to record any damaged or broken items before their removal. All information collected is communicated back in real time to the central warehouse management system. The 3PL and their client are looking at further security measures such as CCTV and remote electronic unlocking of the store using innovative RFID techniques.

The client's field service staff in turn use their hand held computers to record stock they take from the store and return to the store. They can use their own personal hand held unit or in certain cases use a hand held unit that is left permanently in the store for shared usage. The hand-helds are also used to order work-wear and personal protective equipment - a bar coded menu with photos of the items in question is used for this purpose.

The 3PL is looking to extend its operations in similar sectors now that it has the expertise and technology in place. It is looking at all markets that need vendor managed inventory, consignment and indent stock and control of remote stores. The technology they use can work anywhere in the world with mobile phone coverage meaning that they don't need to invest in any infrastructure.