Supply Chain Visibility Capabilities Report 2024

Beacon

Executive Summary

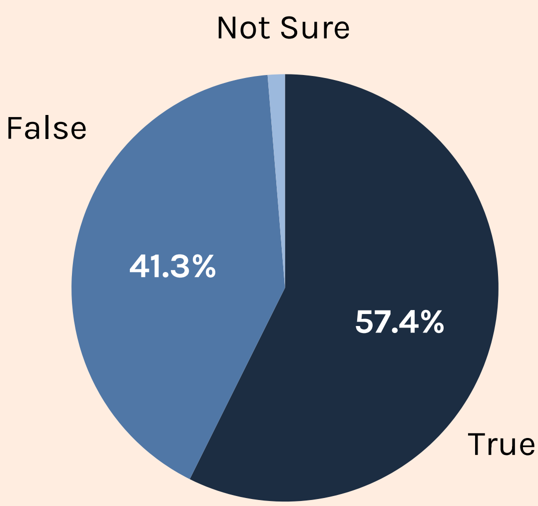
Supply chain visibility is widely recognized as a critical priority for numerous organizations, a fact supported by various studies underscoring its importance in the modern logistics landscape. Differing from other research endeavors, Beacon's "2024 Supply Chain Visibility Capabilities Report" embarks on a comprehensive examination of the progress organizations are making on their visibility journeys. Our report aims to create a clear picture of the current state of visibility, highlighting areas of improvement and identifying persistent gaps that challenge the industry. This approach offers a unique perspective by not only acknowledging the universal value of visibility but also scrutinizing the effectiveness and extent of its implementation across different sectors.

To do this, 75 supply chain and logistics professionals were presented a series of true or false statements to understand their capabilities as it relates to three general themes of visibility: tracking, analytics and collaboration. Their responses unveil key insights into the current state of visibility and how capabilities differ across company size and industry.

Despite generally mature freight tracking capabilities, the results of the survey illuminate three core areas of opportunity: advancing collaboration and connectivity between supply chain actors, improving carbon emissions reporting and managing the financial risks stemming from disruption and delays.

The 2024 Supply Chain Visibility Capabilities Survey serves as a crucial indicator of the current state of freight tracking and supply chain visibility. It highlights how the industry is embracing new technologies and strategies to meet the evolving challenges of logistics and supply chain management.

Advancing Collaboration & Connectivity in Supply Chains



Survey Question: *Our warehouses, road carriers and other logistics partners have on-demand access to the same tracking data we have.*

The survey highlights that **43.5% of respondents encounter obstacles in ensuring seamless information access among all logistics partners**, such as warehouses and road carriers. This issue points to the necessity of enhancing visibility and accessibility of information across the supply chain, allowing stakeholders to view essential data as needed without resorting to inefficient methods that rely on emails, spreadsheets or navigating through various carrier portals.

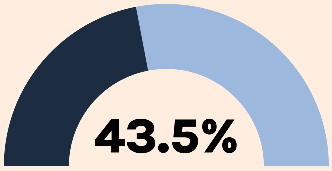
Moreover, the data reveals that **37.7% of organizations have yet to adopt a centralized platform for managing communication with partners**, instead relying heavily on email, which remains the predominant form of communication within supply chains. This reliance on email, while manageable for one-on-one interactions, becomes cumbersome and inefficient in scenarios involving multiple stakeholders, highlighting a significant opportunity for platforms designed to centralize and streamline these crucial communications.

The connectivity problem extends to the realm of document management with **31.9% of respondents reporting difficulties with the centralized storage and accessibility of logistics and compliance documents**. This signals an urgent need for solutions that can simplify document management and sharing to support improved efficiency and compliance.

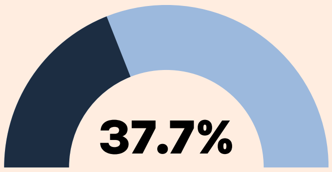
High performing, digitally enabled supply chains require a strategic approach to collaboration that harnesses the power of technology to break down the information silos that exist across disparate networks of supply chain actors. By doing so, companies can significantly improve operational efficiency, reduce costs, and enhance compliance, all while fostering a more agile and responsive supply chain network.

Cloud-based digital collaboration platforms are well positioned to help solve the challenges of connectivity and collaboration in supply chains.

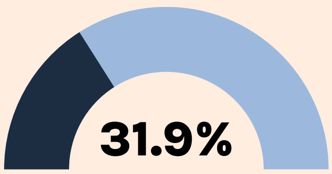
Contrary to traditional approaches that lean heavily on complex and costly API integrations, an increasing number of solutions aim to deliver Google Docs inspired



Respondents encountering obstacles in seamless information sharing with logistics partners



Respondents reporting they have yet to adopt a centralized communication platform with their supply chain partners

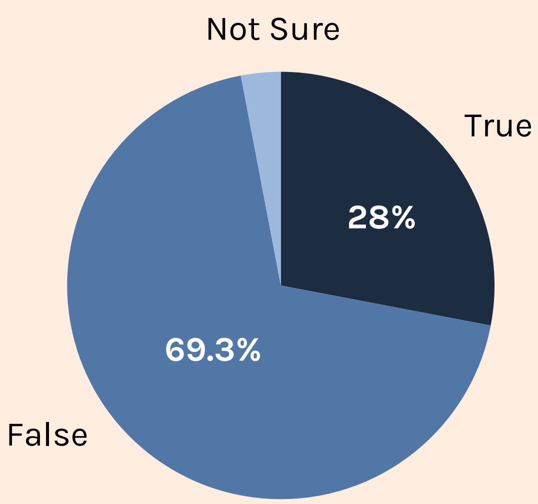


Respondents reporting difficulties with the centralized storage and accessibility of documents

solutions to supply chain and logistics teams, making improved connectivity and collaboration more accessible and cost-effective in the process.

Enhanced visibility within a supply chain should not be an isolated benefit; true efficiency is achieved when visibility extends to all stakeholders. If partners, 3PLs, and warehouses lack access to the same critical information, the potential for synchronized and harmonious management of goods flow is significantly undermined.

Improving Carbon Emissions Reporting in Supply Chains



***Survey Question**: We can accurately track and report on our total carbon emissions from freight transport.*

The survey shed light on a critical blind spot within the logistics and supply chain industry: carbon emissions reporting. An overwhelming **69.6% of respondents admitted to lacking the capability to accurately track and report on Scope 3 carbon emissions from freight transport**, highlighting a significant gap in environmental reporting capabilities. This insight underscores not just an operational challenge but a strategic opportunity for businesses to align with evolving regulatory and consumer expectations.

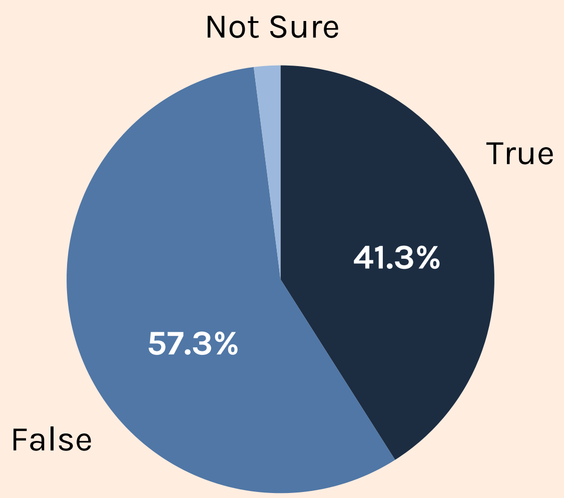
The urgency to enhance carbon reporting capabilities is driven by several factors. Forthcoming regulations, such as the EU Supply Chain Law, are set to impose stringent requirements on companies to disclose their environmental impact, including detailed carbon emissions data.

These legislative developments underscore the need for robust reporting mechanisms that can withstand regulatory scrutiny.

Additionally, consumer expectations are shifting markedly towards corporate sustainability, with a growing demand for transparency and accountability in environmental practices, according to research from Harvard Business Review. Companies that can meet these expectations not only position themselves as industry leaders but also build stronger, more trustful relationships with their customers.

The landscape of Scope 3 carbon reporting presents its own set of challenges and opportunities. Companies currently face a choice: rely on the fragmented and often inconsistent reporting of their partners, or feed their data into specialized tools that ensure consistency, accuracy, and auditability. The former approach often results in aggregated data that lacks verifiability, while the latter enables you to adopt best practices in compliance with recognized standards for carbon emissions tracking such as the GLEC Framework and ISO 14083. Integrating these capabilities into existing workflow tools further streamlines the process, making it more efficient and less intrusive to daily operations.

Leveraging Tracking Insights to Mitigate Financial Risks



***Survey Question**: We can quickly identify shipments that are at risk of incurring demurrage, detention, chargebacks and other penalty fees.*

The tracking capabilities within the industry are notably advanced, with a majority (84%) of respondents utilizing software that autonomously gathers freight-tracking updates. Additionally, 73% of these respondents report having consolidated this process for all their freight in a single platform. However, there remains a significant opportunity to leverage tracking data to identify and quantify risks in terms of delayed order delivery, OTIF penalties and other punitive costs like demurrage and detention.

The urgency of managing shipment delays and controlling associated penalty fees is a paramount concern within the logistics and supply chain sectors. Notably, 58% of respondents disclosed challenges in their ability to quickly identify shipments that pose financial risk in the form of demurrage and detention charges, chargebacks and other penalty fees.

This insight reveals a key challenge: although organizations are aware of delays through real-time tracking, they struggle to leverage this information for strategic planning and optimization in supply chain operations.

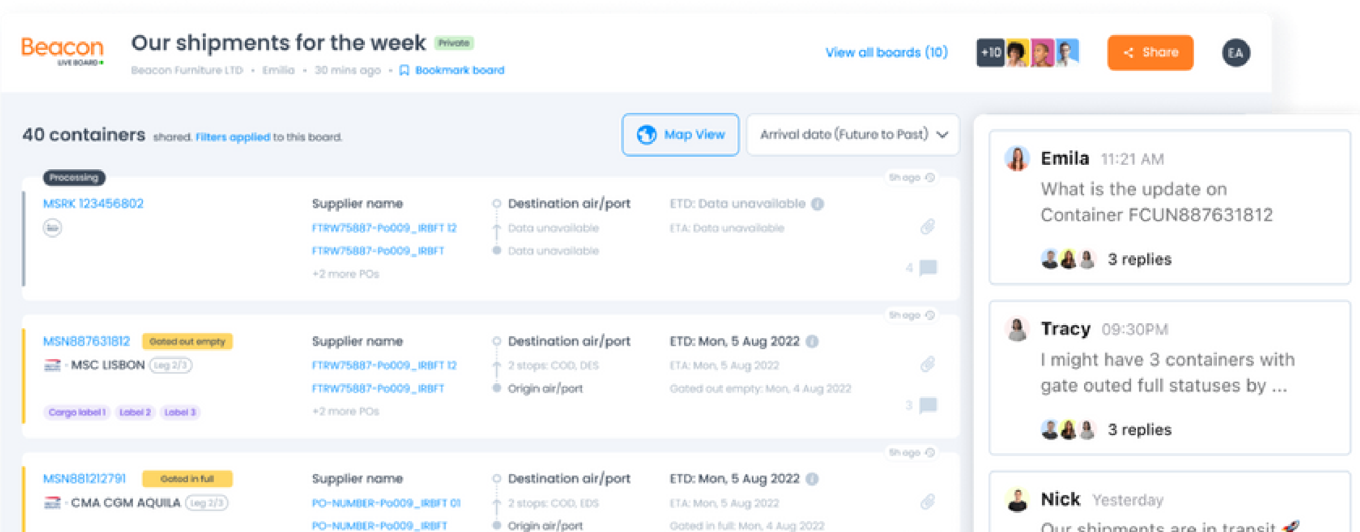
The financial implications of delayed freight can be substantial and underscore the necessity for improved management strategies. Notable retailers such as Target and Walmart impose strict penalties on suppliers for non-compliance with On-Time In-Full (OTIF) delivery requirements — 5% and 3% of the cost of goods, respectively, for late, early, or incomplete shipments. These fines are not trivial; at current levels of compliance, penalties are estimated at $5-6 billion annually in the United States alone. For large Consumer Packaged Goods (CPG) companies, this could translate into up to $11 million annually in OTIF penalties and other transportation-related costs.

While OTIF fines are most often associated with the late arrival of trucks to retailers' warehouses, delayed deliveries are often a consequence of disruptions upstream in the supply chain. These statistics highlight the critical need for a more sophisticated approach to managing the ripple effects of supply chain disruptions. The traditional reliance on manual tracking and forecasting methods is increasingly untenable in the face of such financial stakes. Instead, leveraging advanced digital solutions that offer real-time visibility and predictive insights into shipment statuses can significantly mitigate the risk of delays and the resultant financial penalties.

How Beacon Can Help

Beacon stands at the forefront of bridging the capabilities gaps in supply chain visibility and collaboration. By centralizing freight tracking for all modes of transport within a single platform, Beacon eliminates the complexity and fragmentation that hinder operational efficiency. Our platform simplifies the calculation of Scope 3 freight transport emissions using a consistent methodology, ensuring that sustainability goals are within reach. Furthermore, Beacon extends comprehensive visibility to all supply chain stakeholders, eliminating the need for complex integrations and fostering seamless collaboration.

With the transformation of tracking data into actionable business intelligence, Beacon empowers organizations to make informed, strategic decisions, thereby streamlining operations and enhancing competitiveness. In essence, Beacon transforms supply chain visibility and collaboration, making it effortlessly manageable through a unified solution.



Beacon delivers unified freight tracking, collaboration, document management, emissions reporting and more

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