



State of the Industry

# Logistics Vision 2030: Pivoting to a Client-Centric Future

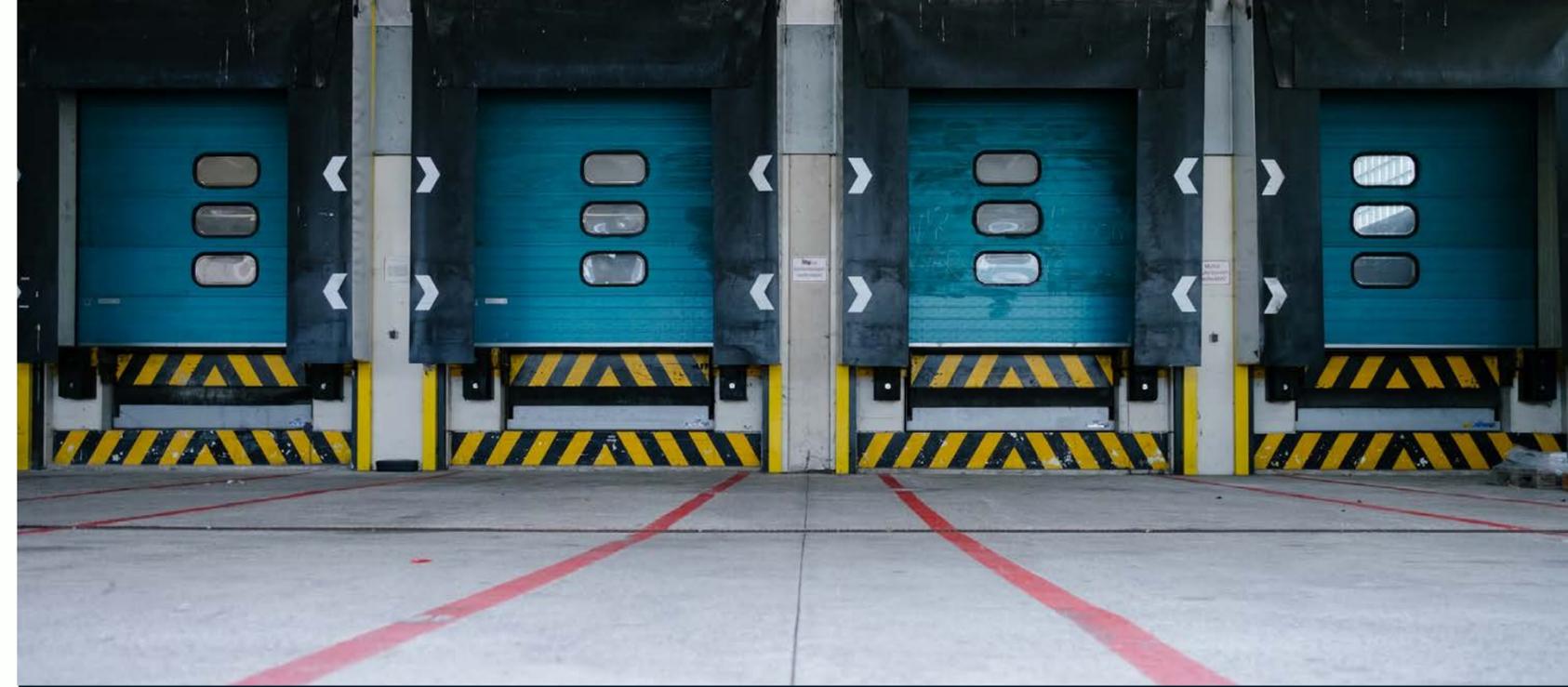
IN PARTNERSHIP WITH



# Is This Report for Me?

Dive into "Logistics Vision 2030: Pivoting to a Client-Centric Future" for a clear view on the transformation imperative in logistics. This report is tailored for logistics service providers (LSPs) focused on:

- Aligning with the evolving expectations of retailers and manufacturers, ensuring a resilient and strategic partnership.
- Leveraging advanced technological solutions to streamline and optimize logistics operations, setting the foundation for a future-ready business.
- Fostering deeper collaborative relationships with clients, going beyond mere transactional engagements and becoming strategic growth partners.



Dive deep into the insights and vision laid out in this report to shape or recalibrate your approach to client-centricity. This e-book will be indispensable if you are:

- Charting the path for your transformation journey, ensuring it is in line with the changing landscape of global trade and e-commerce.
- Keen on understanding how changes in the world of retailers and manufacturers will reshape the logistics industry in the near future.
- Navigating challenges related to industry consolidation, evolving client requirements, and the emerging competitive landscape.

Let's dive in.

**Logistics Vision 2030: Pivoting to a Client-Centric Future**  
Incisiv, in partnership with Blue Yonder



# The Evolving Landscape for Retailers and Manufacturers

As the digital age redefines commerce, retailers and manufacturers find themselves in a transformative phase. E-commerce isn't just a secondary sales avenue—it's reshaping how business is conducted. Amid this shift, the role of logistics takes center stage, shaping profitability, competitive positioning, and global expansion strategies.

## E-Commerce Drives Profits and Complexity

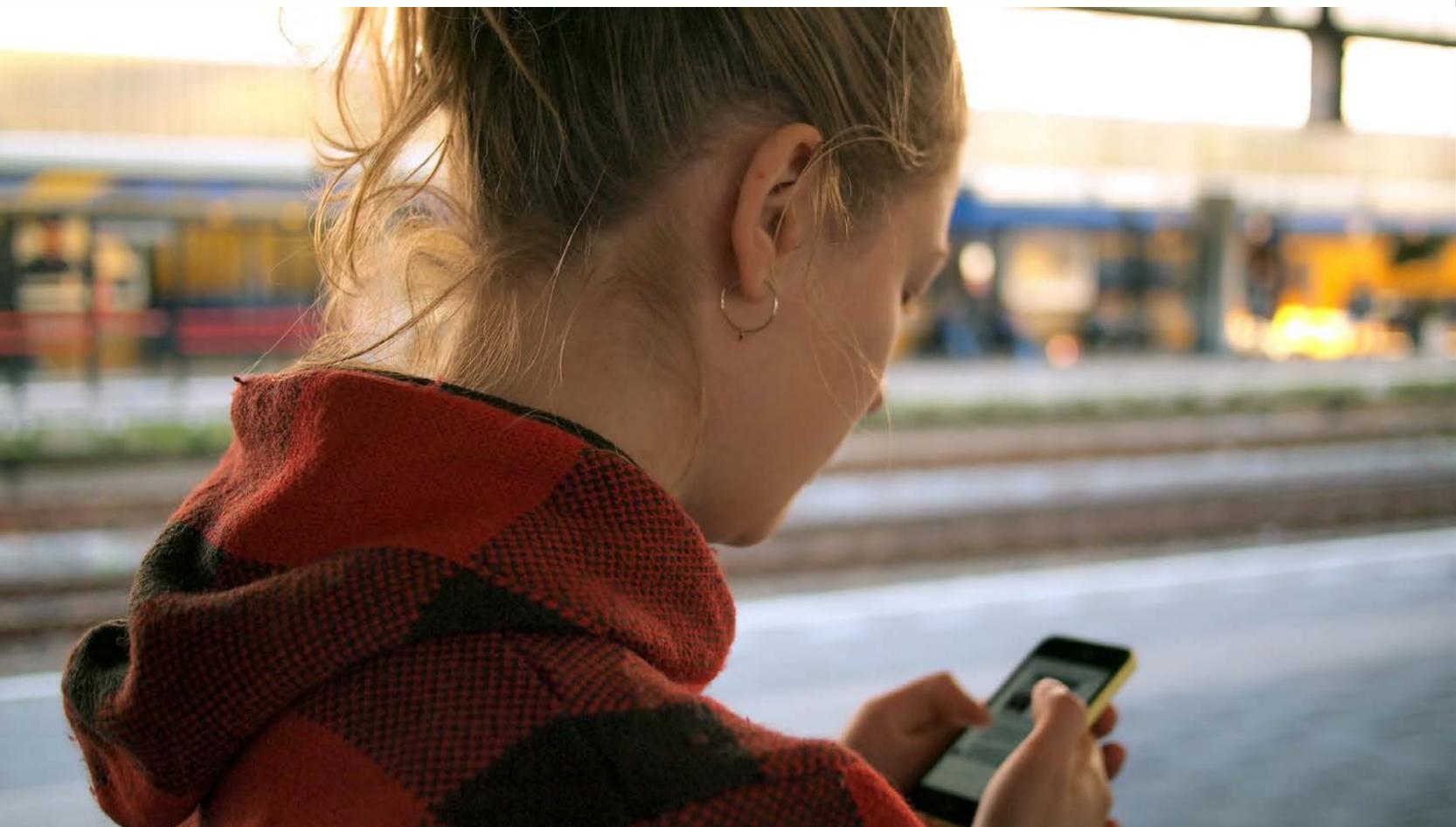
E-commerce is not just an additional channel for retailers and manufacturers—it's fast becoming their primary revenue driver. As they strive for increased profitability in a digitized marketplace, the logistics behind returns, localized delivery, and inventory adjustments become crucial. Their margins depend on LSPs who can help streamline these complexities.

## Competing in a Rapidly Changing Arena

Digital-first competitors and direct-to-consumer brands are challenging traditional retailers and manufacturers. To stay competitive, they're exploring new markets and enhancing customer experiences. As they pivot, their logistics needs evolve, demanding speed, flexibility, and seamless integrations from their LSPs.

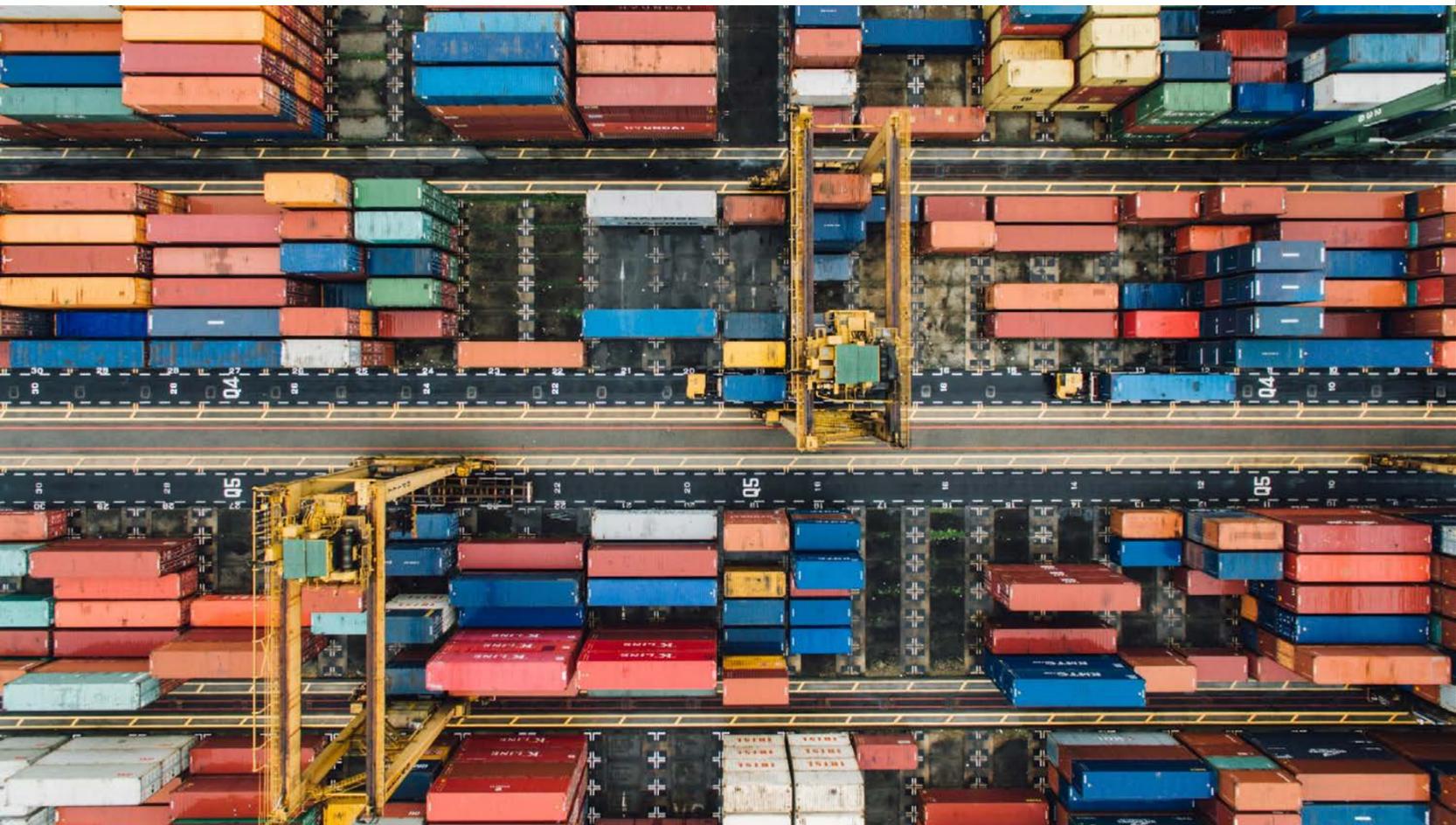
## The Double-Edged Sword of Globalization

While global markets offer retailers and manufacturers untapped growth opportunities, they also introduce regulatory challenges and diverse consumer expectations. Navigating this terrain requires LSPs who are adept in global trade and can offer insights beyond mere transportation.



# Pressures Reshaping Logistics Relationships

The relationship between LSPs and their clients is underpinned by more than mere service delivery. As retailers and manufacturers adapt to an evolving marketplace, their logistics needs change, making their partnership with LSPs a strategic cornerstone. From profitability drivers to changing operational models, the dynamics of this relationship are being redefined.



## Profitability, Growth, and the Logistics Lever

For clients of LSPs, logistics is no longer just a cost center—it's a strategic tool for profitability and growth. As they hunt for growth in new markets and offerings, optimizing logistics costs becomes paramount. Their future profitability relies heavily on LSPs that provide cost-efficient and scalable solutions.

## Emerging Operating Models and the LSP Role

To mitigate risk and simplify their logistics operations, many clients of LSPs are gravitating towards 4PLs or even insourcing logistics entirely. These shifts spotlight the need for LSPs to evolve, offering more integrated, end-to-end services and ensuring they remain indispensable.

## Consolidation and Technological Readiness

As the logistics industry witnesses consolidation, clients will favor LSPs that can smoothly integrate with new entities, be it through mergers or partnerships. LSPs equipped with interoperable tech systems will be best positioned to offer seamless services, safeguarding their relevance in a consolidated market.

# New Challenges, New Expectations

The challenges of today's market go beyond competition and innovation. Global disruptions, labor dynamics, and sustainability have become central themes, with retailers and manufacturers looking for LSPs that not only understand these issues but can pivot to address them. In this climate, logistics becomes not just about movement, but also about strategic foresight.

## Vulnerability in the Global Supply Chain

Global events, from pandemics to geopolitical tensions, have exposed the fragility of supply chains. Retailers and manufacturers seek LSPs that can provide real-time adaptability, contingency planning, and diversification strategies.

## Balancing Workforce Dynamics and Sustainability

Labor availability and costs are pressing issues for clients of LSPs, driving them towards automation and alternative markets. Concurrently, there's a mounting pressure to adopt sustainable operations. LSPs that address these dual concerns—providing efficient labor solutions while championing eco-friendly practices—will be in high demand.

## Customer Loyalty in a Volatile Market

In a market where customer loyalty is easily swayed, retailers and manufacturers cannot afford missteps in delivery, transparency, or flexibility. They need LSPs that preempt these challenges, ensuring every logistical touchpoint reinforces customer trust.



# Redefining the Role of LSPs

The role of logistics service providers is undergoing a profound change. Gone are the days when LSPs were simply seen as transport facilitators. In this dynamic landscape, they are expected to don multiple hats.

Retailers and manufacturers, grappling with the challenges and opportunities of the modern age, look to LSPs as collaborators who can amplify their growth potential, lead the charge in innovation, and provide a steady hand amid market uncertainties.

Imagine an LSP that doesn't just react to the needs of retailers and manufacturers but actively anticipates them, ensuring their market strategies are always one step ahead. An LSP that not only integrates into their growth journeys but also drives innovation and serves as a pillar of stability in unpredictable markets.

This isn't a vision for a distant era. It's the blueprint for the LSP of 2030. A transformation that's already in motion.



# Growth Partners

Growth Partners play an indispensable role by catalyzing their clients' growth. They understand the challenges businesses face while scaling, offering tools and strategies to conquer new horizons. Embracing this role means committing to your clients' success as if it were your own.

## In this section:



Expansion  
Allies



Revenue  
Catalysts



End-to-End  
Champions

# Boost the Odds of Expansion Success for Your Clients

Equip your clients with the tools and strategies they need to venture into new capabilities and territories, set up operations rapidly, and adapt to ever-shifting market dynamics. Position them to seize every growth opportunity while confidently navigating the challenges of expansion.

**88%** of e-commerce leaders say having an international presence will be essential for their company's success in the next five years.

VISA

**58%** of B2B sellers are prioritizing launching ecommerce in new markets and regions for 2023, but **41%** of them consider it challenging.

Adobe

## Enter New Markets With Precision

Allow your clients to expand into new capabilities, markets and business models. Understand local nuances and offer strategies to overcome cultural and logistical barriers, making market entry smooth and efficient.

## Accelerate Infrastructure Deployment

Speed up the processes of setting up local warehouses, distribution centers, and fulfillment networks. Ensure your clients are operationally ready in record time, so they can seize opportunities without delays and operational hiccups.

## Adapt Swiftly to Market Dynamics

Equip your clients with agile logistics solutions that cater to unpredictable shifts in demand. Implement proactive measures, from managing unexpected demand surges to navigating seasonal changes.



# Elevate Your Role To Drive Revenue Strategies

Move beyond being just a service provider. By championing new experiences, tapping into emerging trends, and optimizing demand fulfillment, ensure your clients not only meet but exceed their revenue objectives. Partner with them in shaping their growth story.

**85%** of organizations who are more mature at using data-driven insights to detect market trends outperform less mature peers in terms of annual sales growth.

Incisiv

B2B companies that adopted advanced forecasting and dynamic pricing techniques saw an average revenue uplift of **2% to 4%** and an increase in margins by **5% to 10%**.

Incisiv

## Champion Innovative Customer Experiences

Support emerging buying models and experiences, from marketplace strategies to unique delivery methods. Work collaboratively to ensure these new ventures are logistically feasible and can be operationalized successfully.

## Harness and Communicate Market Trends

Be more than a service provider; become a proactive partner by identifying and sharing emerging market opportunities. By doing so, ensure clients have the insights they need to pivot and capitalize on trends before competitors do.

## Optimize Demand Fulfillment and Growth

Combine state-of-the-art forecasting with dynamic pricing models to maximize sales during peak demand periods. Continually seek out and recommend innovative avenues for revenue expansion, fostering a growth-oriented partnership.



END-TO-END CHAMPIONS

# Manage Every Logistics Aspect for Your Clients

Embrace the entire logistics continuum for your clients, from predictive analytics, smart warehousing, and real-time inventory management to autonomous delivery, cross-border customs expertise, and post-delivery services. By handling all logistics facets, free your clients to focus on their core business and innovation.

**91% of companies** acknowledge that customers are now seeking end-to-end logistics services from a single provider, encompassing not just traditional freight forwarding and customs brokerage, but also additional services like reverse logistics, e-commerce management, and analytics capabilities.

DHL

## Offer Holistic Logistics Management

Provide a full spectrum of logistics services, from smart warehousing and real-time inventory management to cross-border customs expertise and autonomous delivery solutions. This holistic approach simplifies the logistics journey, ensuring a streamlined, compliant, and efficient operation.

## Assure Compliance and Cost-Effectiveness

Assist in navigating regional regulations and tariffs, while maintaining competitive pricing structures. Employ compliance management systems and foster partnerships with local authorities to minimize risk.

## Ensure Scalability With Operational Excellence

Maintain quality consistency as operations expand by utilizing tech integrations for error-free warehouse and transportation operations, and implementing robust quality control measures such as real-time monitoring and automated reporting.

# Innovation Leaders

Innovation Leaders are the pioneers of change, harnessing the latest technologies, insights, and practices. More than just offering tools, they instill a mindset of relentless pursuit of excellence and innovation. Stepping into this role means shaping the future of logistics, both for your clients and for the industry overall.

## In this section:



# Build Responsive Logistics for Changing Demands

Empower your clients with an adaptable logistics network. In a dynamic market landscape, the ability to quickly pivot, adjust to trends, and cater to real-time customer demands can distinguish leaders from the rest. Ensure they remain responsive, agile, and ahead.

**67%** of organizations consider meeting customer expectations for speed of delivery as a critical force impacting the structure and flow of their supply chains over the next 12-18 months.

KPMG

To meet growing customer expectations, **60%** of 3PLs fulfill orders less than **90 minutes** after receipt, and nearly **1/3rd** fulfill orders in less than **30 minutes**.

Inbound Logistics

## Adapt to Market Trends Swiftly

Enable solutions that swiftly pivot towards trending products by leveraging real-time market data and analytics. For instance, utilizing AI to analyze consumer buying trends to inform logistics and inventory decisions, or adjusting supply chain strategies based on seasonal demand forecasts.

## Enable Immediate Response to Customer Needs

Offer tools for real-time adjustments to sudden order influxes or disruptions, such as predictive alert systems or dynamic rerouting capabilities to manage unexpected changes in order volumes or delivery schedules.

## Ensure Consistent Service Delivery

Guarantee minimal disruptions during peak seasons or challenges like transport strikes by employing contingency plans, such as having a network of alternative transport providers or decentralized warehousing systems to mitigate risks and ensure on-time deliveries.

# Guide Your Clients To Greener Logistics Practices

Steer your clients towards eco-conscious logistics operations. As global emphasis on sustainability grows, offer solutions that not only reduce carbon footprints but also resonate with the values of eco-aware consumers, enhancing brand perception and loyalty.

**~70%** of the surveyed retail executives agree that sustainability is a priority for their boards and executive committees and they are sufficiently empowered to create the change required.

BCG

**87%** of executive leaders expect their investment in sustainability initiatives to increase over the next two years.

Gartner

## Prioritize Sustainable Operations

Offer eco-conscious solutions such as electric fleet integrations or waste reduction programs in warehousing operations, addressing the growing consumer and regulatory emphasis on sustainable business practices.

## Guide the Transition to Green Practices

Recommend best practices such as recyclable packaging adoption or implementing a circular supply chain model, assisting in the transition towards more environmentally responsible logistics operations.

## Promote Resource Efficiency and Reuse

Adopt route optimization to cut empty miles and choose transport methods with an eye on sustainability, as well as cost and speed. Employ reusable packaging materials to minimize waste and promote resource efficiency, thereby underlining the commitment to sustainable logistics operations.



# Chart the Digital Landscape With Your Clients

Modern commerce demands flexibility, insight, and integration. Assist your clients in navigating the digital marketplace's challenges, catering proficiently to B2B, B2C, and omnichannel demands. This ensures a consistent brand experience and optimized operational efficiency.

**61%** of B2B buyers reported higher expectations for personalized services and tailored delivery options, mirroring the demands of individual consumers.

Incisiv

Within the next 12-18 months, **40%** of retailers are planning to increase their investment in platforms that offer real-time inventory tracking.

TCS | IDC

## Deliver Solutions for B2B and B2C Demands

Differentiate strategies for bulk orders versus individual purchases. For instance, develop specialized warehousing solutions for B2B orders and implement direct-to-consumer delivery networks for B2C orders, ensuring tailored logistics support for each segment.

## Integrate Cutting-Edge Digital Tools

Incorporate tools such as AI-driven disruption management, labor and robotics tasking, or inventory prediction for transparent and secure supply chain transactions, facilitating smarter operational decisions and enhanced process efficiency.

## Offer Cohesive Digital Commerce Strategies

Provide a unified experience from online storefronts to physical delivery by integrating digital ordering systems with real-time logistics tracking and exception resolutions, ensuring seamless communication and autonomous execution throughout.

# Stability Anchors

Stability Anchors ensure consistency, reliability, and resilience. In the face of challenges like geopolitical shifts and market fluctuations, they hold steady, ensuring continuity and trust. Embracing this role means becoming a beacon of reliability amidst market challenges.

## In this section:



Supply Chain  
Guardians



Complexity  
Simplifiers



Profit  
Maximizers

# Ensure Steady Operations Even in Uncertain Times

In an era where disruptions can cascade, ensure your clients have a resilient supply chain. Offer them solutions and strategies that anticipate, mitigate, and manage disruptions, from geopolitical shifts to natural calamities, ensuring continuity and trust.

In a food shipper study respondents were asked to identify their most pressing supply chain challenges. The top 3 challenges are labor/talent management (**49.4%**), transportation capacity issues (**39.2%**), supply/demand planning and disruptions (**35.4%**).

Food Shippers of America

## Counter Supply Chain Disruptions

Anticipate disruptions such as labor strikes or supplier delays. For example, use data analysis to forecast potential supply shortages and develop alternative sourcing and logistics strategies to maintain operational continuity.

## Maintain Operations Amidst Challenges

Develop robust contingency plans, such as having backup transport modes readily available for critical deliveries during disruptions. Ensuring operational continuity in the face of challenges fosters customer trust and reinforces brand loyalty.

## Leverage Tech for Supply Chain Oversight

Incorporate IoT devices for real-time tracking and monitoring across the supply chain. For instance, use AI-enabled IoT cameras to monitor trucks and assets in yard operations and adjust dock schedules automatically, proactively enhancing supply chain resilience and operational efficiency.

# Streamline and Clarify Logistics for Your Clients

The world of logistics is intricate. Aid your clients in navigating this maze by offering solutions and strategies that simplify the complex. Whether it's international regulations or interconnected operations, streamline challenges into opportunities for efficiency and growth.

**67%** of shippers stated that using a 3PL contributed to reducing their overall logistics cost, while **83%** said using a 3PL has improved their service.

Infosys

## Distill Logistics for Better Management

Simplify complex tasks like international shipping documentation by breaking them down into clear and straightforward processes. For instance, digitize document management and use automated compliance checks to reduce potential operational hiccups.

## Offer Clear, Data-Driven Insights

Present actionable insights derived from data analysis, such as identifying peak purchase times or demand fluctuations. These insights serve as valuable inputs for making informed strategic decisions.

## Champion Cohesive Logistics Strategies

Integrate various functions, like combining warehousing and distribution plans, to enhance operational efficiency. Holistic strategies focus on reducing redundancies and trimming operational costs.

# Increase Profitability in Your Clients' Supply Chains

At the end of the day, it's about the bottom line. Provide your clients with innovative strategies and solutions that not only optimize costs but also uncover hidden avenues for revenue. Turn data insights into actionable strategies, and operational efficiency into enhanced profitability.

Companies that digitize their supply chains can expect to boost annual growth of earnings before interest and taxes by **3.2%** —the largest increase from digitizing any business area —and annual revenue growth by **2.3%**.

McKinsey & Company

## Optimize Cost-to-Serve

Optimize cost-to-serve through leveraging AI, advanced optimization and exception handling across resources, routes and loads. The improvements also apply to sustainability aspects like greenhouse gas and labor and to utilization aspects like space and assets.

## Identify Value-Adding Opportunities

Explore opportunities for value addition, such as offering premium services or targeting high-value market segments. For instance, consider providing specialized packaging solutions for premium clients or developing customized logistics plans for niche markets.

## Turn Data Into Profitable Decisions

Utilize analysis tools to transform data into actionable insights. For instance, analyze granular carrier data to make the best carrier choice in different situations and route and weather data to predict trip success and estimated time of arrival (ETA).

# Charting the Future

The world of logistics is changing fast, driven by the evolving needs of retailers and manufacturers and the march of technology. To succeed, LSPs need to be more than just service providers—they need to evolve into entities that drive their clients' growth and offer unwavering reliability in an unpredictable world

This isn't about some distant future. The steps we take today will determine our success in 2030 and beyond. LSPs must act now, with clarity and purpose.

Our vision for 2030 is both a guide and a challenge. The path is laid out; the time to act is now.



Incisiv is a peer-to-peer executive network and industry insights firm for consumer industry executives navigating digital disruption. Incisiv offers curated executive learning, digital maturity benchmarks, and prescriptive transformation insights to clients across the consumer and technology industry spectrum.

[incisiv.com](https://www.incisiv.com)



Blue Yonder is the world leader in digital supply chain and omni-channel commerce and fulfillment. Blue Yonder's Luminate® platform is an end-to-end platform that provides synchronized business planning, execution, delivery, and labor solutions that optimize clients' businesses and people from end-to-end. Luminate Platform leverages industry leading artificial intelligence (AI) and machine learning (ML) capabilities and workflow-driven user experiences to help clients better predict, prevent, and resolve disruptions across their entire business.

At the time of writing, Blue Yonder highlighted its standing as the only company recognized as a Leader in three Gartner Magic Quadrant reports covering Supply Chain Planning, Transportation Management Systems and Warehouse Management Systems – consistently for the past three years. Please read our TMS, WMS and SCP blog posts for details.

If you would like to learn more, visit [blueyonder.com](https://www.blueyonder.com).