

Forecasts for freight and logistics in 2022

The final days of 2021 - the traditional "ending off of the year" - is accompanied by some extra experiential baggage to rummage through, in terms of planning a business strategy for 2022 or the immediate short term.

 By Gavin Kelly^{5 Jan 2022}



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Whether we like it or not – the Covid-19 pandemic brought with it two stark truths. One – change is constant, and two – adapt or die (literally). We have seen personal behaviour models, societal behaviours – and more importantly, age-old business models being questioned, adapted and even turfed out the window.

Once upon a time, there was a saying – “as safe as houses” (in this case the reference to commercial property would be adept for reflection). Drove of employees were sent home to perform tasks (away from the office) and whilst some did ve well, others didn’t. More importantly, though, many employers began to find out exactly what resources and processes the needed, what they actually delivered, who the laggards and loafers were, and what overheads could be cut. That bloodbath yet to materialise for many employees and business processes – and the knock-on effect is going to be like a tsunami.

In terms of freight and logistics, this has been the perfect time to introduce / test/pilot and even implement some technolog and processes that were seen to be “on the horizon” – a reasonably distant horizon. That horizon has rushed up to the he The now. The very reality we find ourselves in.

Simple things will change: the mountains of PoDs (Proofs of Delivery – well, anything that required a signature, a spec, contract, a note...). All the mountains of paperwork administered, filed and signed in various levels of companies has liter stopped dead. Electronic is the way to go – using Geotagging to prove delivery, routes, times, payment, orders and stock levels.

That is the future – where 4IR becomes the reliable, consistent and deliverable resource that will replace what is the bread and butter of many career paths.

Vehicles, storage, picking, loading, stock recons, reverse logistics, warehouse control and even the management of third party (customer/client) retail operations will be managed by algorithms.

Society has become far more educated through apps/interfaces/portals and electronic retail offerings. Think back to how encyclopedias were replaced by search engines, how looking for an article involves going into a service which tracks dow the cheapest offering of the article. Ordering items from anywhere across the globe is not as daunting as it sounds. You c order right to your doorstep in a matter of days – all processes efficiently handed by third parties.

The future will definitely belong to those who can adapt – who are not afraid of forgetting the old ways and finding new collaborative partnerships. Developing Smart Vehicles that don't necessarily carry more payload, but can morph into different platforms to carry different cargoes to ensure there are no dead legs anymore.

More and more companies will need to focus on their core business – and to contract (in or out) the business processes that they are not good at, or which may cost them more to do themselves than to outsource.

The Achilles heel lies (for us in South Africa) with two major concerns:

1. The bloated and inefficient government structures which need to ensure level playing fields, safety and security for all so that businesses can run at their optimum, thereby creating employment and income, and
2. The understanding that we play in a global market and that our neighbours are hungry for trade (so they can generate revenue, cut unemployment and improve the lives of their citizens).

We cannot continue to sink SouthAfrica.Biz by allowing inefficient/unreliable/ dangerous ports and infrastructure corridors by not dealing with the common criminality as recently seen, and by not ensuring that basic legislation relating to employment and immigration is implemented, monitored and managed.

The Gateway to Africa position that we once held has been crumbling and is under attack from other countries in Africa who wish to participate in that economic windfall. The coming African Continental Free Trade Area will have tremendous wins for those countries who adapt, embrace, lift their game and make doing business with and through their territories a pleasure, efficient and profitable for those who move and sell their goods.

We need to be aware that Covid-19 has changed everything – not just our perception of health. It has shown us how to run our businesses far more leanly, efficiently and optimally. The advent of electric and automated vehicles has been brought our lifetime, thanks to Covid-19.

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