

Key trends to shape global logistics

By [Charles Brewer](#)

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In the midst of all this economic, demographic and technological change, the logistics industry will continue to thrive...



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A few global trends affecting the supply chain:

- World trade decimated in 2008 and improved over last few years
- That said, the global economy is still very fragile
- Incomes in developing economies are rising faster than any other time in history
- New technologies continue to disrupt the older business models

The key trends as I see them:

1. Collaborative relationships

For years, supply chain experts have been predicting greater collaboration between logistics providers. However, recent advancements in information and mobile technologies have set the stage for truly integrated supply chain partnerships and the continued development of

the shared value model.

2. The Internet of Things

Gartner estimates that the number of web-connected devices will reach 25 billion by 2020. Two-thirds of those devices will be embedded RFID sensors, the majority of which will be flowing up and down global supply chains.

3. Real-time demand management

Despite the rapid development of real-time visibility, it is increasing and supply chains need to be more dynamic and constantly optimized.



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4. Information hoarders will become information sharers

Massive streams of data are taking business intelligence and analytics to a new level of sophistication. By analyzing "big data" and teasing out key messages, companies stand to profit handsomely from all of this data collection.

5. Decentralised, omnichannel fulfillment

The growth of e-commerce has forced established retailers to adopt omnichannel fulfillment practices. This creates an incentive to have smaller and more numerous distribution centers located near city centers, international platforms and a dynamic, low cost, service high, last mile solution. Large retail locations will turn into small showrooms with attached fulfillment centers.

For Africa, this is huge - there is already a lack of shopping malls, e.g. Lagos really only has three, and you will see an ever increasing e-commerce footprint and a creative approach to last mile delivery.

6. Nearshoring

As the global economy shifts, some manufacturers are restructuring their supply chains by "re-shoring" operations closer to home. As labor costs in Asia and transportation costs rise, manufacturers are looking to bring operations closer to the end user. Nearshoring offers several advantages: less distant time zones, greater security over intellectual property, increased customer responsiveness and decreased turnaround times.

7. Sustainability

The global population will reach 8.3 billion by 2030, with demand for food and energy increasing by 50% and water demand increasing by 30%. As demand for natural resources begins to outstrip easily available supplies, production costs will go up.

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