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## An "Outside In" View of Your Supply Chain



Datamyne Allows Companies to Analyze Import and Export Data

Enterprise applications have data and generate content, but it is largely internally generated content. It is content that is generated from transactions occurring inside the four walls of the enterprise. But in the supply chain world we need an end to end view of the supply chain that includes content external to the enterprise. This is where an “outside in” perspective. New Content as a Service offerings can help provide this perspective.

Providers of Global Trade Management (GTM) solutions like [Amber Road](#) and [Descartes](#) have long provided CaaS. GTM solutions help to ensure that trade regulations are being followed. But a GTM cannot function without external content: the way products are classified, which companies are on denied party lists, and the differing trade documentation required by nations around the world. In theory, companies could gather this information themselves. But in practice, few companies can stay on top of the ever-changing regulations.

Supply chain design solutions also require external content to work effectively. A supply chain design solution looks at where factories and warehouses and cross docks should be located, and the trading lanes goods should flow through in a global supply chain. These solutions seek to provide a designated level of service, create a resilient supply chain, and achieve both resiliency and service with the lowest possible cost structure. [LLamasoft](#), the largest provider of supply chain design solutions, does have data services offerings. They offer four levels of data access ranging from a free offering to various types of data content that customers pay for.

Jeff Metersky, the Vice President of Solution Strategy at LLamasoft, explained “We are a consolidator of available external information for supply chain design inputs. This includes facility costs, transportation costs, labor rates and duties and taxes. We also supply risk event data such as geopolitical risks and the risks of extreme weather or earthquakes in a particular location or region.” Recently, LLamasoft improved its warehouse cost data by incorporating the FLEXE marketplace data into its cloud-based data services solution.

Descartes has expanded their CaaS offerings. Right before Christmas, Descartes acquired Datamyne, a leading provider of cloud-based trade data content solutions that allows companies to analyze import and export trade activity. Brendon McCahill, The Senior Vice President of Trade Data Content at Descartes explained the granularity of their content. “We collect, cleanse, and commercialize trade data – primarily on goods moving in the maritime mode. The data includes shipments by vessels into and out of the U.S., on a global basis.

Similarly, Datamyne collects and cleanses data of 53 other nations, with the shipments into and out of any of those countries.

The primary source of this data is customs information. “The depth of that information varies according to local laws. In the U.S., we get visibility down to the Bill of Lading level for imports and exports.” This yields the who, what, when and where of each shipment. In other regions, the data is even more granular. “In Latin America, you can view not only the parties to the transaction – the buyer, the seller, and the intermediary. You can also view the customs

declaration including the value of the goods in the transaction.” So how would supply chain executives use this data? Some years ago, I talked to a company that was using import data from China in their demand forecasting process. Whenever they saw large volumes of the same kinds of products they manufactured being imported into the country, they knew selling their goods would be more difficult and that their forecast needed to be revisited.

More commonly, companies use this content to find alternative suppliers of their key raw materials or use the content to map a competitor’s supply chain. And there are less obvious applications. Mr. McCahill explained to me how some companies are using the data to help determine whether their products are being counterfeited.

For freight forwarders and port authorities, this data can be strategic. They can use the content to gauge demand for their services, plan investments, and more intelligently allocate resources. They can also monitor markets for who they should be offering their services to.

LLamasoft is also expanding its Content as a Service offerings. Later this year LLamasoft will release a demand modeling product called Demand Guru. While this is a software product, many customers will need to purchase additional content to do the analysis. Macroeconomic data, customer shipment data, trade and industry data, and other data sources will be available to be imported into the Demand Guru data cube. Much of this will be time series data, and part of the value offered by LLamasoft will be to clean this data and make it much easier to consume.

Demand Guru will be a Big Data tool for power users. Existing demand management solutions attempt to automate demand forecasting as much as possible. As such, Demand Guru will be complementary to existing demand management solutions. The solution can be used to determine new variables that can be used to understand demand characteristics and drivers and improve existing tactical and long-range demand projections.

Demand Guru will be particularly useful for strategic forecasts – forecasts that go out a year or longer. For example, an oak barrel

manufacturer might want to look at data on how much whiskey millennials drink, and then compare it to historical data on how a demographic's drinking preferences have changed over time, then look at data on the resell market for used oak barrels, and then finally project how many oak barrels will need to be manufactured to age whiskey in the coming years. Current solutions are ill equipped to do this type of analysis. Mr. Metersky describes this solution as "regression on steroids."

The best marketing executives have long worked to have an "outside in" view of their products. They want to understand how customers and potential customers think about their offerings. The supply chain profession needs to go much further to get to a similar level of maturity. Supply chain CaaS offerings are a step in the right direction.

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