



**PUT YOURSELF IN THE DRIVER'S SEAT:**  
4 Key Trends for Optimized Supply Chain Management

## Give Your Customers What They Want. Today's Supply Chain is Transparent, Connected, and Agile

When customer expectations continue to rise amid growing supply chain complexity and operating costs, companies in every industry face the challenge of keeping expenditures down while delivering stellar customer experiences in a time of disruption. Risk mitigation is essential, agility is vital, and greater efficiency is the drumbeat of the modern supply chain.

Supply-chain executives know they have to create disruptions of their own to optimize operations and increase customer satisfaction. The resilient supply chain, one that can triumph over current and emerging challenges, requires a multi-phased approach that embraces the critical trends of warehouse automation, nearshoring, technology platforms, and talent management.

## Warehouse Automation: Blending the Best of Humans and Technology

Automation goes hand-in-hand with talent management. The team's decision-making and ability to respond quickly to changes are vital. The efficient warehouse of the future depends on the right mix of technology and people that implement automation to end bottlenecks—and leaves resources available for value-added tasks.

## Warehouse automation takes many forms

Warehouses involve varying systems working together, and automation solutions are just as diverse. The challenge lies in sifting through the options to find what works best for your particular situation rather than automation for its own sake. Automation in the wrong places or with the wrong product can create more problems than it solves. Among the available technologies are:

### Goods-to-person technology (GPT)

This solution involves robots or machines that deliver goods to workers to assemble or pack, and the best technology includes autonomous forklifts, tuggers, transporter, and assembly line

vehicles. According to ReadWrite, employees use **30% of their shifts** traveling the warehouse. This makes your warehouse ripe for technologies such as:



Automated storage and retrieval solutions (ASRS). This technology uses various vehicles, cranes, and carousels to move and store items within the warehouse

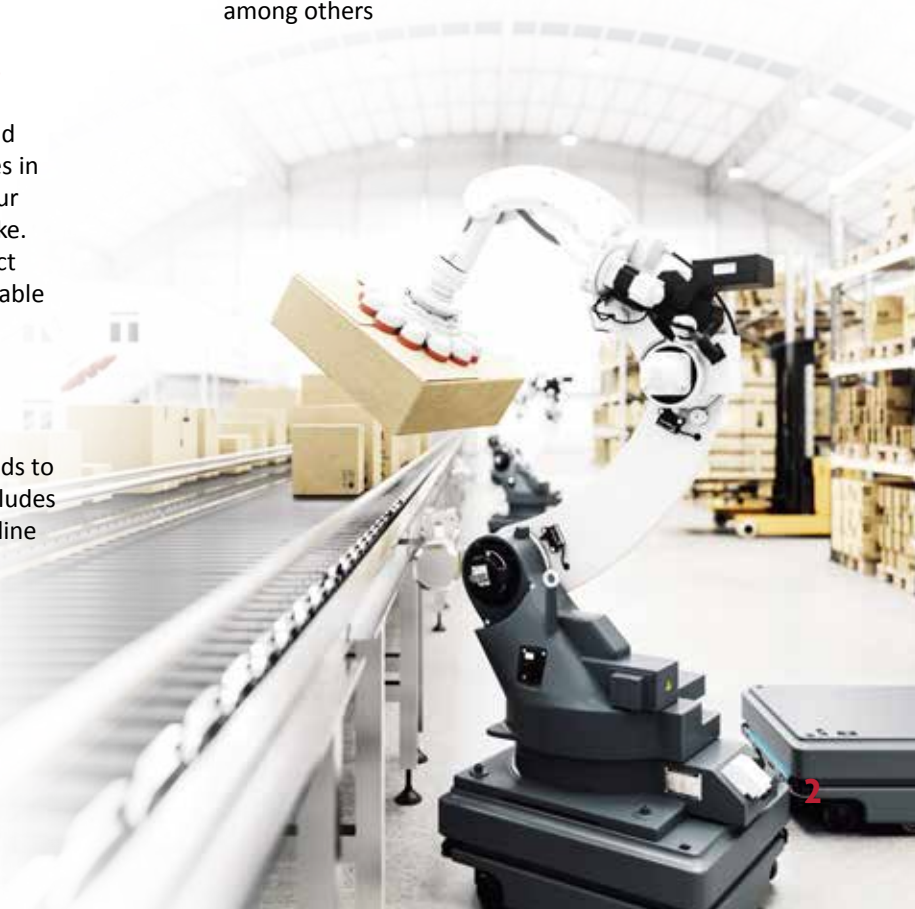


Order-picking robots. These robots enable workers to do more and do it faster, easier, and with fewer errors. Instead of traveling throughout the warehouse pushing heavy carts or walking behind slow-moving robotic carts, robots bring items to the worker. You can reallocate your workforce, creating new opportunities for them as they contribute more value to your business

These robots boost productivity along with improving worker health and safety and are infinitely scalable, offering the flexibility that brings resiliency when needs change. And according to Gartner, 75% of large organizations will **have robots in their warehouses by 2026**



Conveyor systems. According to SEMCOR, this is where **warehouse automation began** in 1892. Today's designs are considerably improved; modern conveyor belts move materials along assembly lines to packing and shipping areas, among others








## Wearables

Designed for use by warehouse workers, wearables connect to warehouse management systems (WMS) to provide information to speed up operations, enhance inventory management, and support core processes. Through glasses and head-mounted systems, employees get on-the-spot access to technology and information about shipping, receiving, routing, picking, inventory management, and replenishment. This results in fewer distractions and greater efficiency. Because workers can do more in less time, their time can be reallocated to more critical tasks.

## The benefits of warehouse automation technology

Warehouse automation allows you to leverage technology to complete repetitive tasks with minimal human intervention.

But today's warehouse automation technology does much more than that. Yesterday's conveyer belt has evolved into solutions that can perform a wide range of simple and complex tasks that can be tailored to your needs. In sum, the myriad benefits of warehouse automation mean:

-  A boost in productivity
-  Healthier workers
-  Higher worker satisfaction and retention
-  Reduced operating costs
-  Improved accuracy

Employees are universally more efficient, processing time decreases, space utilization increases, and inventory management improves. An automated warehouse reduces order preparation time, enabling you to meet customer demand for speedy delivery. Scaling becomes almost effortless, and your warehouse gains resilience to disruption.

Investing in warehouse automation—where it makes sense—also can reduce labor shortages; employees are more productive, and reducing the time spent on tedious tasks improves retention.

## Solving the Talent Shortage

Supply chains are suffering from a lack of both truck drivers and warehouse workers. According to *Supply and Demand Chain Executive*, while robots are a rising force in warehouses, **most work is still done by humans**, and a recent Deloitte survey says **attracting supply chain talent is 36% more difficult** today than it was five years ago. An older workforce (**median age 44.2**) doesn't help retention figures; those employees could soon retire or change industries.



Warehouse workers are demanding more benefits and higher pay, which is creating a competitive environment. They also want a career path, more job security, better safety, a more pleasant work environment, and respect for their rights.

The shortage of truck drivers eased a bit in 2022 after **pay increased by an average of 10.9%** in 2021, along with sign-on bonuses and additional incentives. However, that still left a **huge number of vacancies**—almost 78,000.

This is a temporary improvement. It's predicted that, as with warehouse workers, truck drivers are aging out of the workforce, but freight demand will keep growing. This means almost 1.2 million new drivers will be needed in the next decade just to replace retiring or departing drivers.

There are several causes for the talent and retention shortage. Higher pay and better working conditions help, but supply-chain leaders must still manage their talent pipeline. According to Warehouse.ninja, the best **recruitment and retention strategies** include:







Post your jobs where your competitors post



Post your jobs on suitable sites with a targeted audience, such as warehousegig.com, where you'll likely find higher quality, experienced candidates



Use social media to post your jobs



Create referral incentives



Make the job application process simple

Per recruitics.com, you'll gain an edge over your competition by **using multiple channels**, highlighting benefits, and being authentic. And according to ShipBob, **showing appreciation for how tough the job is** can help attract well-qualified warehouse workers.

You'll also want to build a talent pool that serves as a pipeline for future talent. Recruiters Lineup notes **effective ways to build a talent pool** include:



**Looking at candidates you previously passed up:** They may not have had the skills you needed then or decided to go with another company. Give them another glance.



**Ask employees for referrals:** Why pay for ads if you don't have to? Ask your current employees if they have a qualified friend or family member you might be able to recruit now or in the future.



**Network:** Attend high-school job fairs and industry events.

Retention in any industry comes from fair compensation, work/life balance (a main complaint from truck drivers), and respect.

## Consider Nearshoring

Container shortages, clogged ports, and delayed shipments highlighted the disadvantages of manufacturing products in Asia and other distant destinations. Increasingly, supply-chain executives are expanding their vendor base to include nearshoring. According to Forbes, Mexico is poised to become **the next big global market**.

Nearshoring—investing in manufacturing capacity closer to the customer—offers several advantages (including some over the competition), says Supply Chain Brain, **especially during a supply chain crisis** by creating a more responsive and resilient supply chain:



Close customer proximity means faster, cheaper shipping



Time to market decreases



Intellectual property rights are stronger than in China



Stable free-trade agreements



Less currency fluctuation

Imports from Mexico **increased 18% between 2020 and 2021**, according to CreditRiskMonitor. Communication is also more efficient; fewer language barriers exist, and onsite visits are more practical. **Honduras is also a suitable alternative** to China for companies interested in nearshoring, according to the Center for Strategic and International Studies.

Canada is also a focus for nearshoring – imports from Canada increased by 35% between 2020 and 2021. One factor is restraints placed on Russian imports; Canada produces many of the same goods.

Nearshoring is a valuable tool for supply-chain leaders; after all, there's no predicting when global supply-chain issues will ease. This makes creating redundancies, and completely replacing suppliers when needed, important to strengthen and optimize supply chains.

## Evolve Your Technology

You can't fix what you can't see, and that includes your supply chain. The right supply-chain management platform gives you-and all stakeholders-visibility into your entire supply chain-every process, every bottleneck, every piece of inventory, every shipment.

As early as 2017, according to Supply & Demand Chain Executive, thinking was shifting from a linear point of view to one **informed by networked, systemic logic**. It's a fundamental shift that points toward an adaptable and resilient supply chain powered by connected information and advanced analytics.

System integration from formerly disparate sources connects the dots to enable real-time analysis, informed decision-making, and more decisive, data-driven actions across the entire supply chain. Full transparency means you maintain complete control.

## Inbound logistics

Logistics goals include reducing costs, improving service and compliance, optimizing loads and routes, and providing full visibility for all stakeholders. This solves several pain points, including capacity and demand volatility, customs delays, security risks, and minimizing increasing freight rates..

## Storage and inventory control

Successful inventory control requires improving inventory efficiency, order accuracy, and cycle times, and solve the material-flow challenge and the many related issues, such as SKU proliferation, tight delivery windows, change management, and inventory loss/detention.

## Outbound and reverse logistics

Streamlined operations during this stage help you better meet customer needs by integrating warehouse management systems and providing real-time visibility for your shipments as they move through the supply chain. You'll better meet customer expectations, avoid incomplete orders, and get a handle on increasing freight rates. You'll find return management easier and identify lanes to bring inventory back to your distribution centers.



Supply-chain complexity will not decrease; they're more vulnerable than ever to risk and disruption, which poses significant threats to our business. Moving products from the raw-material stage to the end user requires end-to-end efficiency that provides a seamlessly integrated transportation and logistics solution.

E-commerce growth and today's supply chain landscape has made completely visible, dynamic, omnichannel supply chains essential for companies' survival. A fully integrated supply chain also offers a competitive advantage by reducing costs, mitigating risks, overcoming disruption, and improving customer service.

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PT517775 060623

