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How to Respond to Logistics Challenges in 2021 and Beyond

In the previous part of this article series about the impact of COVID-19 on consumers and businesses, I discussed how businesses across multiple industries have adapted to the changing global logistics landscape to set a new standard for efficiency and customer satisfaction. Today I will go over strategies that businesses can use to respond to logistics challenges in the future.

WHY BUSINESSES NEED TO EXPECT THE UNEXPECTED

The global supply chain is a complex web that unites retail, wholesale, e-commerce, manufacturing, distribution and all four modes of transportation (rail, land, sea and air) across the world. And for the last 20 years, the supply chain industry has focused its efforts on efficiency to make products and services available on demand.

Even just the concept of two-day delivery, popularized by major e-commerce companies like Amazon, is a major feat when you take all the factors of the supply chain into account. From sourcing products from manufacturers and storing them in warehouses and distribution centers to contracting delivery companies to get those products to consumers, this isn't an easy task.

Despite these challenges, two-day shipping is no longer an achievement but rather an expectation. If a business isn't able to provide that level of service, then it will lose customers to competitors who can. The logistical challenges of 2020 — like a reduced workforce, border closures, delayed shipping times, increased e-commerce sales and greater dependence on last-mile delivery — had the biggest end-to-end impact on the global supply chain that we have ever seen.

Unfortunately, not every business has survived the economic impact of near-global lockdown orders and restrictions on business operations. But the businesses that have survived have often found new ways to thrive in these unprecedented times. In my experience working with partners in logistics, supply chain management and risk management throughout the COVID-19 pandemic, I have found three steps that any business can take to prepare for the possibility of disruptions to the supply chain in the future.

COMMUNICATE WITH CUSTOMERS AND EMPLOYEES

The first strategy is so crucial that it bears repeating: Communicate, communicate, communicate! When the coronavirus was declared a global pandemic, things changed very quickly. Businesses were forced to close or drastically limit their operations with little to no time to prepare. Many businesses found themselves unable to communicate these changes to their customers, costing them tens of thousands of dollars of lost revenue in a matter of weeks.

As businesses continue to adapt to the new normal of social distancing and minimized contact with customers, communication has become even more important than ever. Today, businesses have multiple ways to stay connected to

their customers, like emails, text messages and social media. You can use these platforms to inform customers about changes to your hours of operations, upcoming sales and other options to shop, like at-home delivery or curbside pickup.

These communications shouldn't be limited to just your customers. It's just as important to keep your employees and partners updated too. These communications include notifying employees about new sick time policies, which many companies increased to support employees who had to stay at home to isolate themselves because of possible exposure to the COVID-19 virus.

COLLABORATE WITH INDUSTRY PARTNERS

One of the best ways you can prepare for the future is to work with other players in the global supply chain, like suppliers, vendors, distributors and manufacturers, to gather information. Instead of relying on just what you know, you can partner with other organizations to share supply chain intelligence and strategies.

Many businesses are investing in open-source intelligence, or OSINT for short, which involves collecting data from platforms like social media, online marketplaces and even the dark web to stay updated with trends and possible threats. This has become increasingly popular as the global supply chain has started to manage the production, transportation and distribution of COVID-19 vaccines to millions of people in a matter of months.

GAIN FULL VISIBILITY OF INVENTORY FOR OMNICHANNEL SALES

In the United States, consumers [spent over \\$860 billion](#) on online shopping in 2020, leading to an increase in e-commerce sales of 44 percent compared to 2019 — the highest e-commerce growth in at least two decades. As more consumers turn toward the internet to purchase anything from apparel and electronics to everyday essentials, businesses have to adapt to meet these expectations.

Brick-and-mortar retail is still important to customers, but it's not the only option anymore. Retailers in many industries have adopted newer offerings like curbside pickup and BOPIS ("buy online pick up in-store") to both increase sales and develop brand loyalty in their customers. A study found that shoppers who buy from a business both in-store and online have a [30 percent higher lifetime value](#) than those who shop using only one channel.

I have found that the successful implementation of omnichannel shopping requires that businesses have complete visibility of their inventory, such as items on the store floor, merchandise in the stock room and products waiting at their fulfillment centers. Accurate and reliable inventory visibility can make the difference between an exceptional customer experience and a customer who is disappointed to learn an item is out of stock.

In recent years, RFID has become the leading technology to help organizations in nearly every industry gain a complete overview of their inventory so they can sell to the last unit without going out of stock unexpectedly. RFID's ability to automate asset tracking and integrate with existing systems makes it an ideal solution for companies that want to transition more of their business to digital without disrupting operations.

2020 introduced new challenges that have had a clear domino effect on the global supply chain and logistics industries, from shortages in workers and components to shipments being delayed for weeks or even months. As we forge ahead, we can expect to see long-term effects beyond an inconvenience to consumers. These changes include increases in the price of oil, gas and food as businesses diversify their vendors and suppliers to major disruptions if a part of the supply chain is disrupted.

But even with these challenges in our future, by communicating, collaborating and collecting data, we can work together to prepare the supply chain for what's ahead. As we continue to learn new strategies from the experiences of the past year, I am confident that we will discover even more ways to make logistics and supply chain management more efficient and cooperative than ever before.

ABOUT CONTROLTEK

Since 1976 CONTROLTEK has been a global leader in tamper-evident security packaging, helping banks, armored couriers and retailers transport cash safely and securely. The company's expanding line of inventory protection and RFID visibility solutions also helps retailers protect their merchandise better and run their operations more efficiently. As a second-generation family-owned business, with a history of stable growth and a reputation for strong customer focus, CONTROLTEK continues to deliver on its mission every single day: to provide solutions that protect and to always deliver on their promises.