



Subcontracting of Freight Orders to Forwarders

Freight Collaboration with the SAP Logistics Business Network

Initial Situation and Challenge

Due to the increasing demand for logistics services, shippers and manufacturers of goods often reach their capacity limits. They usually do not maintain their own fleets or only small ones. In addition, ad hoc transport orders are not uncommon, which cannot be executed due to their low capacities and are often awarded to external forwarders. Communication is the most crucial aspect of awarding a transportation contract to a forwarder. The shipper and the forwarder must be able to effectively exchange transport requirements, shipment status, as well as documents and invoice details - and it is here that misunderstandings quickly arise.

In this interface, the cloud-based SAP LBN can be found, which digitally connects shippers and forwarders with the Freight Collaboration Option in conjunction with SAP Transportation Management (SAP TM). The Freight Collaboration option provides both business partners with an environment for efficient collaboration. It enables a structured exchange of digital logistics data as well as real-time transport planning and delivery monitoring.

With the help of SAP LBN, it is no longer necessary for a shipper to connect with individual carriers. All that is needed is a one-time connection to the cloud-based Logistics Business Network to gain access to an entire network of carriers. Also, since the SAP TM has native integration to the SAP LBN, middleware is no longer needed to convert message formats.

What Is the SAP LBN?

The SAP Logistics Business Network (LBN) is part of the Business Network Initiative, a cloud-based offering for the cooperation of business partners with a focus on logistics. The goal of the SAP Logistics Business Network is the efficient and straightforward networking of different business partners along the supply chain.

Benefits



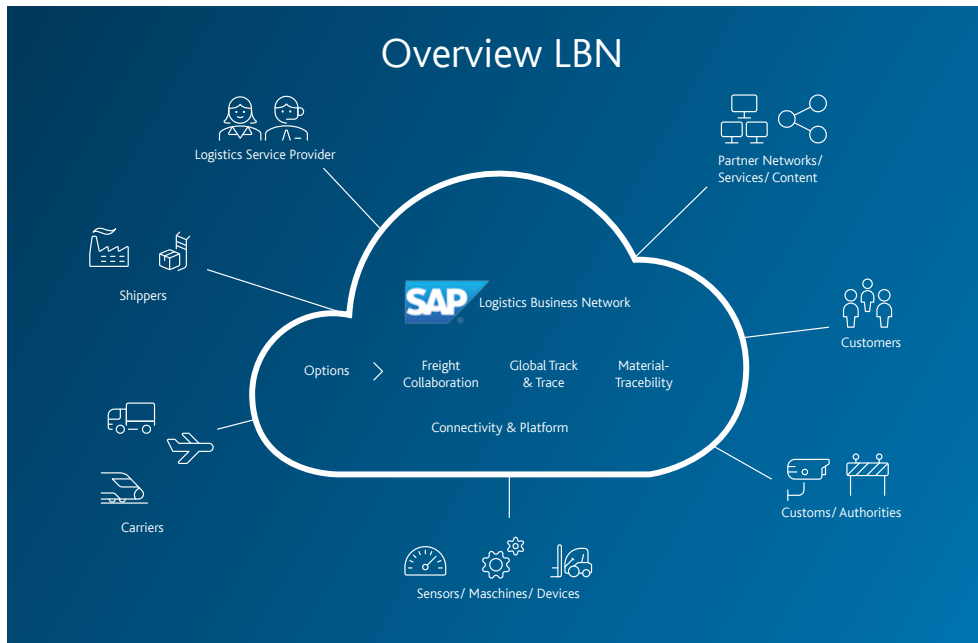
- Contractless and fast communication
- Structured exchange of digital logistics data
- Extensive network of forwarders
- Simple and efficient networking
- Cost optimization
- Real-time information





In addition, SAP LBN supports various processes, such as the tendering and subcontracting of orders and invoice verification and working to jointly defined milestones. Logistics data is thus exchanged in real-time along the entire supply chain.

Therefore, the SAP LBN is a future-oriented and cloud-based solution that is also part of the new „RISE with SAP“ transformation approach. Companies can use a basic version and thus benefit from the advantages of a global business network for logistics. With the SAP Logistics Business Network, SAP is taking a further step towards an optimal and transparent solution for extending the supply chain. Collaboration is promoted, and communication problems between shippers and forwarders within an E2E process are solved.



Why Arvato Systems?

Transport logistics has always been a core element of our supply chain solutions. In particular, TMS solutions in the SAP environment are our unique discipline. In addition to our extensive know-how in SAP's Transportation Management System, of which SAP LBN is a cloud-based extension, we can look back on many years of experience in logistics. For example, back in the days of SAP R/3, we extended the core functionalities with our own add-on for transportation logistics. In addition, we have developed numerous extensions to the SAP standard. However, we do not focus exclusively on SAP but close individual digitization gaps with our cloud logistics platform platbricks®.

You have questions, need information or a contact?
Get in touch with us.

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Global IT specialist Arvato Systems supports major companies in Digital Transformation. About 3,100 staff in over 25 locations stand for in-depth technology expertise, industry knowledge, and focus on customer requirements. Working as a team, we develop innovative IT solutions, transition our clients into the Cloud, integrate digital processes, and take on IT systems operation and support. As a part of the Bertelsmann-owned Arvato network, we have the unique capability to work across the entire value chain. Our business relationships are personal; we work with our clients as partners so that together we can achieve long-term success.

