

Going with 'Green IT'? – The Opportunity

Should your IT System be on the 'Scrappage List?'

Going green is synonymous with becoming slicker and faster, using less energy, and reducing waste. Yet the most overlooked candidate for an overhaul, and the greatest obstacle to growth, could be your existing IT system.

Old systems should now be re-visited and their cost profile measured against the new technologies that are now readily available and extremely cost effective, such that a fully featured system can be deployed for a small monthly fee that (per user) is less than the cost of the fuel to run a company car.

Technologies that a few years ago were sufficient to pass muster now look jaded, inefficient and decidedly passed their sell by date. In this paper we discuss the reasons why systems that were conceived in pre-credit crunch days may now demand serious review.

Science Has Marched On - But Old I.T. Systems Still Pervade the Industry



While science has marched-on apace producing 'space-age' super technologies that improve the efficiency of heating and lighting, old IT systems still pervade the logistics industry.

Economic conditions in the last three years have forced logistics suppliers to raise the bar in order to win the best contracts, commit to gilt-edged customer service, super-sweat assets, and speed workflow - all on a financial shoestring.

IT Providers Had to Change – Supporting Streamlined Digital Businesses

The logistics service organisations now demand a similar response from IT providers, away from those who insist of sticking to old ways of long lead times, high cost and 'one size fits all' offerings.

However from the recession have emerged a new league of 'Green IT Suppliers' who have raised their game in order to deliver a far better deal; a broader range of functionality, lower (non CAPEX) pricing, slicker implementation, lighter and more compact devices and super-high standards of aftercare.

How to Recognise a ‘Green IT Supplier?’.

A fundamental tell-tale sign lies in the IT Supplier’s ability to understand the market requirements and develop new ideas quickly, as this indicates that the organisation is savvy, as well as smart, and responsive to market conditions.

Good IT Organisations Attract Over-Performers

Systems that ‘Green IT Suppliers’ produce take-on the difficult decisions, and relieve personnel of the fear of making mistakes, or failing to reach performance targets.

As valuable personnel are drawn to work for well-run organisations that place them under less stress – the quality of systems determine the quality of staff that can be attracted. This in turn underpins the capability of the organisation to over-perform, grow profits, and invest.

Other Tell-Tale signs that signal ‘Green IT’:

- **Software is generally far more robust** and usable with few bugs. Green IT Suppliers employ knowledgeable help desk staff that is responsive and proactive to optimise business continuity, and encourage customer satisfaction.
- **Software is well enabled**, instinctive and feature rich, enabling every (under the cover) feature possible to improve efficiency.

E.g. calculating the most efficient picking routes from A to B in the warehouse greatly speeds warehouse operation and throughput as well as having great cost benefits. Forklift Truck drivers pay is £16-£31k and as the average truck covers 10k kilometres (single shift) to 30k kilometres (24x7 shifts) saving 10% of forklift overheads with a fleet of five trucks will save approximately £30k per year in forklift costs.

Modern Warehouse Managements Systems typically increase overall efficiencies by 12%-20% (higher if paper systems are automated). Efficient warehouse systems can book in and ship out faster, speeding turnaround and increasing warehouse capacity.

- **Advanced bolt-on features are available to speed throughput** e.g. VOICE activation, multi-lingual capability, web based sales order processing, advanced scheduling and planning, remote performance monitoring, customer purchasing modules etc.

Voice activation can increase throughput by up to 25% above RF systems. Although figures can vary depending on the nature of the workflow.



Mobile devices can activate remote monitoring tools, for on-the-move managers, while customer applications can display prices and availability, speed order processes and create allegiance.

- **Devices (e.g. Scanners etc.) that are lighter and smaller now have a multitude of features and multi-use capability** - and software upgrades provide for longer life at a lower cost.

Not only has the cost of scanners come down (circa £900 now while £2000 3 years ago), they have also become more robust. Old scanners with poor performance and high down time should now be scheduled for replacement in favour of faster, more reliable and more powerful tools.

- **Devices that are far more rugged and repair service levels that are greatly improved** - so that the frequency and cost of failure is reduced.



Ruggedised scanners and fast repair turnaround will all reduce the numbers that need to be purchased as they are unnecessary for stand-by.

- **Providers that take note of and develop special features** – customers should request special features, as manufacturers will be keen to improve their technologies.

E.g. greater scanning range allows operatives to scan vehicle loads without unloading. While auto-measuring of pallet size etc. greatly improve turnaround times linking this feature to back office accounting can speed cash recovery and avoid disputes by creating accurate invoices evidenced by photos.

- **Advanced analytics** - allows schedules, routes, pick-up and drop-off points to be optimised and changed in mid-journey. Late orders can be taken and fulfilled en-route. 'Best depot' locations can be calculated and systems can predict the precise times for despatch and probable delivery.

Delivery arrival failures are minimised, no longer causing bottlenecks in production and delays in order fulfilment. Therefore extra trips to fulfil customer requirements and meet service levels can be avoided. Customers can be kept informed via cell phone etc. and late deliveries can be re-allocated to another vehicle.



- **Advanced load and vehicle monitoring** has allowed transporters to better manage pick-up and delivery schedules for any load-type from highly inflammable petroleum to parcels, while also monitoring the vehicle (route, fuel, consumption, driver behavior etc.) load status (quantity left, status, etc.) and the drivers safety (location, camera's, systems check, road conditions, speed etc.).

Calculations of fuel savings vary between 3%-8%, although careful monitoring can help improve vehicle replacement cycle (e.g. from 3 to 4 years). Monitoring of load help prevent wastage and loss. Vehicle and driver safety checks can be automated ensuring protection of all stakeholders.

- **Easier Integration of new systems** allowing new components to be attached to old (e.g. web based order systems, back office accounts systems communications with mobile devices etc.)

Preserves the lifetime (and therefore investment in) existing systems, and allows the customer to add-on features based on new technologies as and when they are developed.



Reviewing New Service Technologies Brings Real Cost Benefits, as well and Increasing Efficiency

The best and possibly most little recognised green technology is embedded in the new generation SaaS (Software as a Service) systems that have been developed.

Firstly they are tremendous value – remember that many of these applications have been years in the making. However new pricing mechanisms have made them accessible to all. These systems are ‘no maintenance’ as all upgrades and back-ups etc. are the responsibility of the provider.

They are simply more cost effective as they are rentable and avoid CAPEX, as well as reliable (relatively bug, and therefore stress free), and guaranteed to be highly available 24x7.

Secondly they are highly functional – they carry features such as multi-lingual voice, superior hardware (e.g. scanners have longer range - they can scan a three tier lorry from the ground).

Thirdly they can be rolled out quickly - they require minimal hardware, as the central server is located elsewhere and require no on-site support staff. Training is quicker which means that temporary staff can be brought on-board more easily.

Should You Rip and Replace Your Old System?

Traditional thinking would suggest that a rip and replace strategy is simply too costly and disruptive. However traditional thinking must be challenged, as the cost and hassle of replacement has been greatly reduced and streamlined.

Are Your Eyes on Cash Preservation and Rapid Growth?

Cash-careful companies can limit their CAPEX exposure, and still have access to new technologies by simply renting new systems. This is a perfect scenario for both young and established companies with their eyes on rapid growth, and who do not want to be hamstrung by the cost and inflexibility of legacy systems that perhaps have been neglected by their manufacturers, or that have a high cost of use.

Conclusion - fully featured systems can now be deployed at less than the cost of the fuel to run a company mobile.

While the economy has slept businesses have been streamlining and finding ways to do more with less. So too, has 'Green IT' developed exponentially in the last three years to become a much leaner, easier to use and cost effective animal.

Old systems should now be re-visited and their cost profile measured against the new technologies that are now easily available and extremely cost effective. A fully featured system can be deployed for a small monthly fee for less than the cost of running a company mobile.

For further information on Proteus Software and TouchStar Technologies Green Initiatives attend our Green Supply Chain Seminar on 13th November 2013

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