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SMS technology adds value to supply chain management and logistics

SMS technology enables companies to increase efficiencies within their supply chain management and logistics operations. In using SMS for mission critical communications within extended business processes, companies are able to translate the implementation of SMS technology directly into cost benefits and increased service levels.

While many larger companies may have already looked to integrating SMS into their systems or have deployed third party software as a service (SaaS) solutions with an automated SMS module, many small to medium sized companies with a smaller IT budget can implement SMS into their daily operations without incurring high overheads.

Many wireless application service providers (WASPs) offer SMS solutions that allow staff to manage communications using messaging software downloaded to a computer or to use their cellphone to send messages to specific parties. In addition, WASPs support an SMS EAPI (electronic programming interface) that enables software developers to integrate SMS in a company's supply chain or logistics management systems.

According to Dr Pieter Streicher, managing director at BulkSMS.com: "SMS makes sense where companies are looking to provide value added interactions for internal staff, suppliers or end clients where it is feasible and more efficient to replace telephone, fax or email communications. This is especially applicable where parties are contactable by cellphone, require real time notifications, and the company needs to track and keep a digital record of all communications."

There are a number of areas when SMS can benefit supply chain management and logistics by increasing service levels. Suppliers can easily manage deliveries by notifying distributors or stores via SMS when they can expect a shipment by truck to arrive. Drivers too can receive their delivery schedule as an SMS message.

On the other end of the value chain, a client could initiate a new or repeat order by sending an SMS to a shortcode which enables the incoming number and details to be added to a centralised order system. Clients could also be informed of the status of their order by sending out an SMS message.

Other applications of SMS technology are in promoting collaboration between firms. Transport companies, for example, could use SMS to broadcast when there is space for additional goods to be shipped to a specific location. Communications of this nature would ensure that the overall cost of shipping goods is reduced through better resource utilisation.