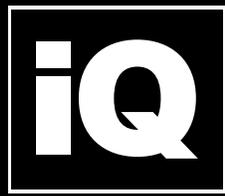**DAT iQ Analytics**

Driving Digitalization with DAT iQ

Pain points in supply chain digitalization

Shippers' most common pain points and how to move past them

Though every digital transformation journey is unique, certain obstacles are nearly universal. From finding funding to gaining employees' trust to integrating disparate tools, most shippers encounter challenges on the road to accurate, informed, and efficient operations. It's how they approach and overcome those challenges that determines success.

Nearly 85% of executives say their digital supply chains haven't delivered the expected results.

PwC

Companies that center digital transformation journeys on outcomes are 1.7 times more likely to achieve results that exceed expectations than those that do not.

McKinsey

The rocky road to digital shipping

Logistics is a volatile industry with many unknowns, and figuring out how to plan for and adapt to them is often what separates successful operations from unsuccessful ones. The same is true when pursuing large-scale changes in operational processes, like those that accompany digitalization.

Shippers' most common pain points on the path to digital transportation tend to fall into four groups:

Employees

Many shippers find employees resistant to the idea of digitalizing operations, and [33% of executives](#) say cultural and behavioral barriers are their most significant challenges to digital effectiveness. Employees' reservations usually boil down to three sentiments:

1. "But we've always done it like this!"

2. "If they have the software, my team won't need me."

3. "I can't learn something new."

While these reactions may be frustrating to those leading the charge, they are also natural reactions to widespread change. Nearly every company pursuing new models faces them at some point, but having employees who feel this way isn't the real challenge. The challenge is discussing supply chain digitalization in ways that address these concerns and ensuring employees have the resources they need to get up to speed with new technologies.

Executives

Companies considering large-scale change often find it challenging to maintain executive support. While procurement, sales, and other individual departments may make ad-hoc investments in tools that support their needs, widespread adoption is the key to maximizing a digital supply chain's value.

When specifics about the process, the timeline, and the costs aren't clearly defined at the onset, executives may not be committed to seeing it through. The stagnation this causes can start a ripple effect (missed opportunities, pulled funding, plateaued results, and so on) that stops digitalization journeys in their tracks.

External partners

Shippers often view their digitalization journeys as an isolated endeavor, but a supply chain is just that: a chain. Shippers' success relies as much on the capabilities of carriers, consignees, and technology partners as it does on the company's own tools and processes.

After all, what good are a shipper's real-time tracking capabilities if a carrier doesn't support the effort? How much insight can a data partner provide if they aren't able to accurately capture the metrics the shipper needs to improve their network performance? When partners' capabilities don't match that of the shipper, it can impede progress and limit ROI.

Equipment

While companies may upgrade traditional office gear (like computers or phone systems) every few years, warehouse, manufacturing, and shipping equipment are a different story. Shippers often operate legacy assets that, while ill-equipped for connected systems, are far from the end of their lifespans.

That's the first equipment-related challenge: finding ways to connect existing tools that were not designed to be online. Often, they turn to Internet of Things (IoT) devices to do it, which introduces another set of concerns related to [cybersecurity and risk management](#).

The value of change management

The key to overcoming these obstacles is not in which technologies you choose or areas of the business you prioritize. It's about viewing the endeavor as an ongoing pursuit of specific outcomes. Centering change management throughout the journey can help shippers do just that.

Step 1: Research

Whether you're starting from scratch or looking to overcome a plateau in progress, the first step is assessing where the business currently stands. Speak with tenured employees, new hires, and everyone in between to uncover everyday challenges and learn about larger issues that impede efficiency.

The team should also look at historical performance metrics that might indicate waste within the network (like dead-head miles and lost inventory) as well as market conditions in key geographies to see if any issues in the network correlate with employees' feedback.

Step 2: Evaluate

Once you know what the company wants and needs, you can get to the root cause of what's impeding your goals. For example, you may find that the process has stalled because employees don't see the value in the changes. That's very different than stalling because equipment isn't up to par.

It's possible that the challenges you thought you had differ from what comes up in the assessment. It's also possible that the root cause of a known pain point is something you've not considered. Either way, these two steps will help teams develop a comprehensive understanding to guide change management.

Step 3: Solve

In some cases, the solutions will be cultural. For example, if employee resistance is stunting your progress, it may be time to adjust your communication style or invest in training. Similarly, if funding has dried up, it might be time to renew initiatives that help prove ROI to the C-suite.

If your challenges are more tech-focused (like inefficiencies in data reconciliation, the inability to visualize certain metrics, or issues with securing expanding networks), it's time to research software solutions and partnerships that can help.

Step 4: Plan

The final step is developing a detailed plan for implementation. It should include:

- Areas that may benefit most from investments.

- Where you plan to begin and why.

- How much it will cost.

- How long it will take.

- Any downtime you anticipate occurring.

- The desired results and expected benefits.

This helps ensure the process stays on track and that the company has internal alignment about the scope and timeline of the project. It also helps managers communicate the changes with employees and encourages transparency, which can quell workers' concerns about changing processes.

How DAT can help

The primary benefit of supply chain digitalization is visibility. As one of the industry's most trusted third-party data providers, DAT helps shippers get the in-depth insight needed to address their most pressing digitalization challenges. Its industry-wide datasets help teams identify issues, provide proof points, forecast ROI accurately, and more.

With more than $150 billion in annual spend representing hundreds of leading North American shippers that you can benchmark performance against, DAT iQ's products provide a 360-degree view of the freight marketplace to pave the way for smooth, outcomes-focused digital transformations.

[Contact us](#) or [visit our website](#) today to learn more about getting your digital transformation journey back on track.

To learn more about change-led digital transformations, connect with one of our experts today.

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