

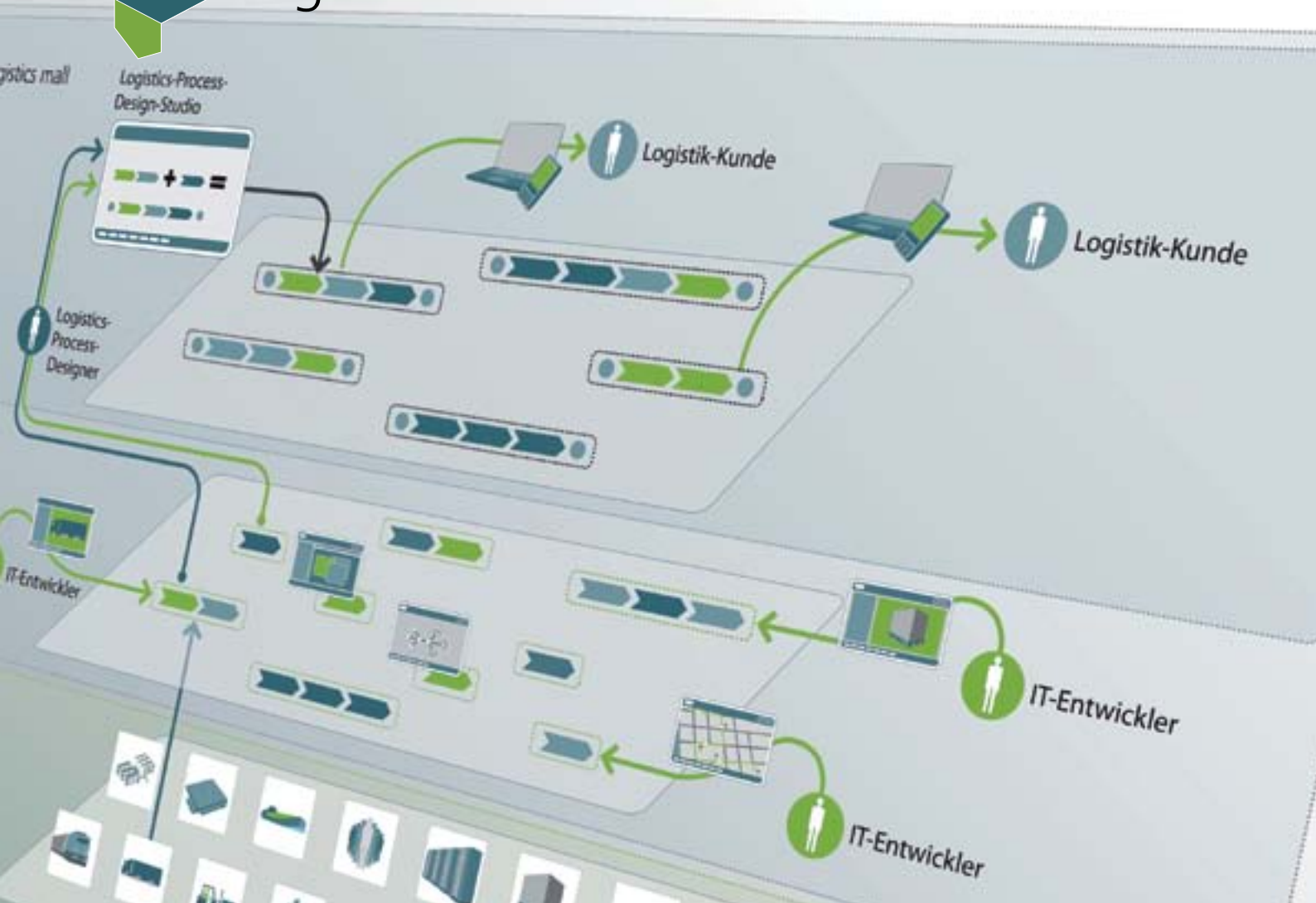
MARKETSTUDY: »CLOUD COMPUTING FOR LOGISTICS« – ACCEPTANCE OF THE LOGISTICS MALL BY THE VENDORS



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Ministerium für Innovation,
Wissenschaft und Forschung
des Landes Nordrhein-Westfalen





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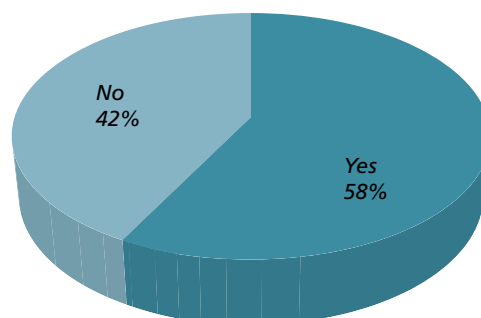
Innovation Cluster »Logistics Mall – Cloud Computing for Logistics«

The requirements described here are adapted from the research of the Fraunhofer innovation cluster »Logistics Mall – Cloud Computing for Logistics«, which was developed together by the Fraunhofer Institute for Material Flow and Logistics (IML) and the Fraunhofer Institute for Software and Systems Engineering (ISST). The Logistics Mall is both an electronic market place for logistics IT applications, services, and processes and a customizable platform for using products in the cloud. In three steps, the project team developed technology components for automating the provision of logistics applications and services in the cloud as much as possible. The result is that a customer can rent an application in the Logistics Mall, which is immediately available and useful for them.

Research and development responsive to the needs of the market

Under which circumstances are the managers of the vendor companies prepared to use the logistics IT services of the Logistics Mall? This was the central question of Fraunhofer IML during the analysis of the requirements from 103 decision makers from companies from all logistics-like software sectors: Warehouse Management Systems (WMS), Transport Management Systems (TMS), Enterprise Resource Planning (ERP), Supply Chain Management (SCM), Document Management Systems (DMS), Electronic Data Interchange (EDI), Customs Clearance, Hazardous Materials Management, Customer Relationship Management (CRM), and individual solutions. To answer this question, Fraunhofer IML determined the attitudes of the participants towards the two fundamental ideas behind the Logistics Mall from the perspective of the vendor. One idea is that in the future services will be offered through the platform of an external operator: 58% could imagine doing that today.

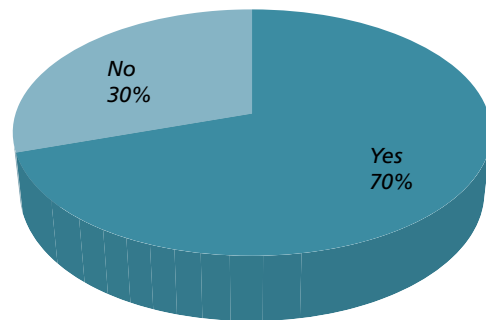
Could you imagine offering your products through an external online store?





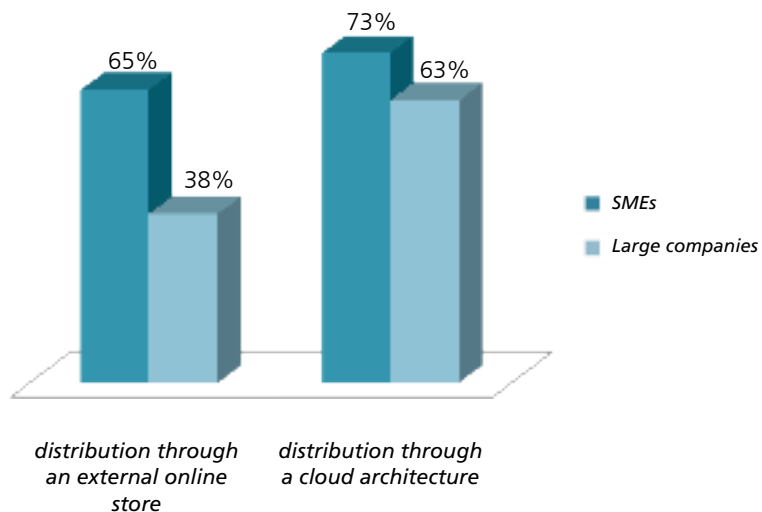
The other idea is that vendors will be able to use the hardware infrastructure offered by the platform operator to run applications in a cloud architecture: 70% of the vendors are ready to take this step now.

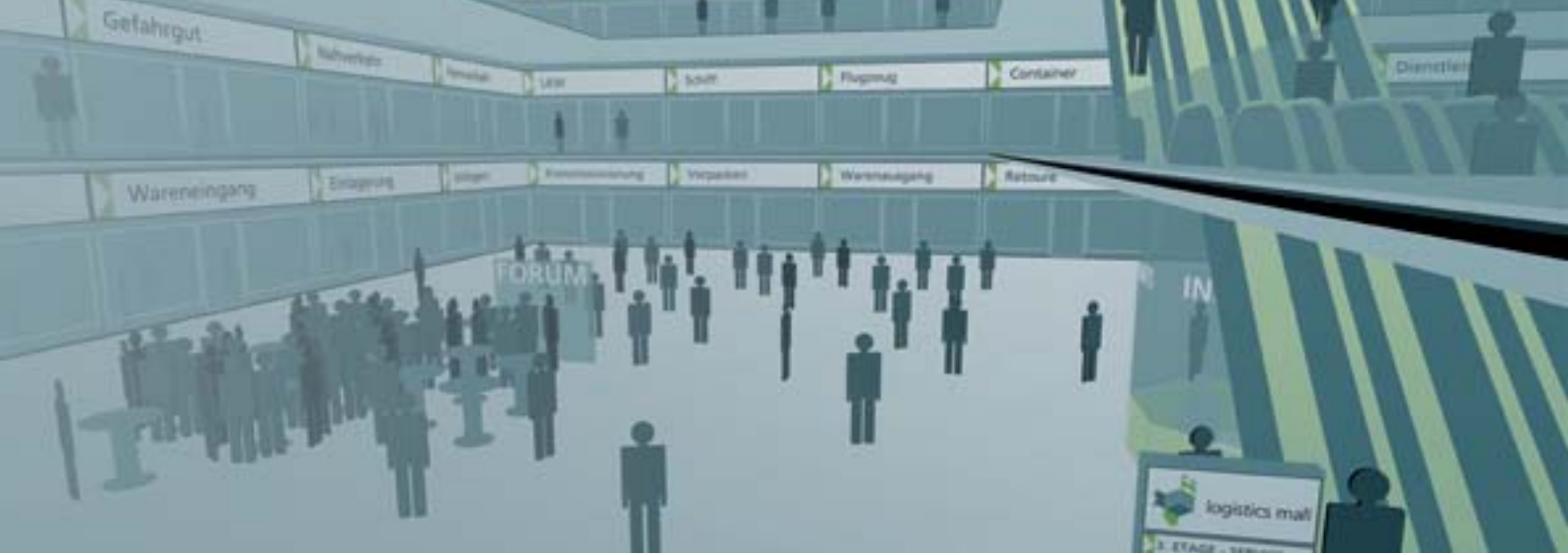
Could you imagine operating your applications in a cloud architecture?



The evaluation of these two fundamental Logistics Mall ideas diverges significantly with the size of the company. Small and medium-sized companies were more willing to change their views than larger companies.

Agreement with the fundamental Logistics Mall ideas according to size

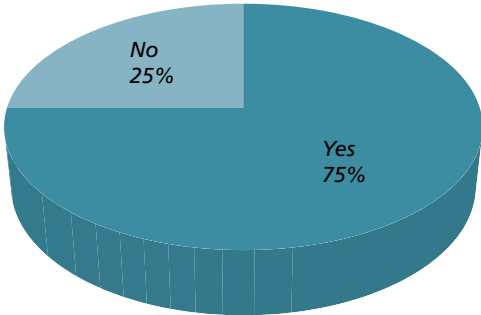




The Logistics Mall concept is convincing

By providing a concrete explanation of the concept it was possible to increase the level of acceptance of the Logistics Mall. After the explanation, 75% of the companies surveyed were prepared to operate and sell their solutions through the platform.

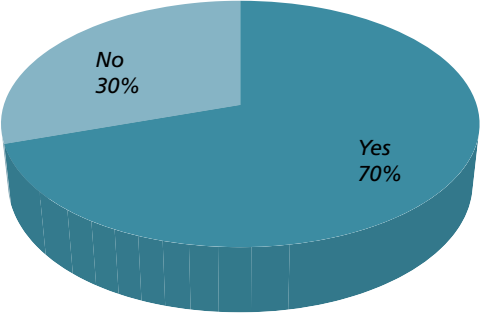
Can you see yourself using the Logistics Mall?



The vendors view the opportunity to uncover new groups of customers as the main advantage. They also hope that a synergy effect would be achieved through the integration of their applications with complementary applications from other vendors. As a result, they would be able to offer customized solutions to their customers.

From a customer’s point of view, the percentage of those willing to use the Logistics Mall is high (70%). Customers will benefit from the savings through the reduction in personnel and hardware costs. The only hesitations are in regard to data security and data protection. However, a third of those surveyed remarked that these concerns are probably more psychological barriers for the customers than anything else. From a technological point of view, the current encryption methods are enough to guarantee that data is secure even in the cloud.

Could you imagine your customers buying products or services from you through the Logistics Mall and using them in a cloud architecture?

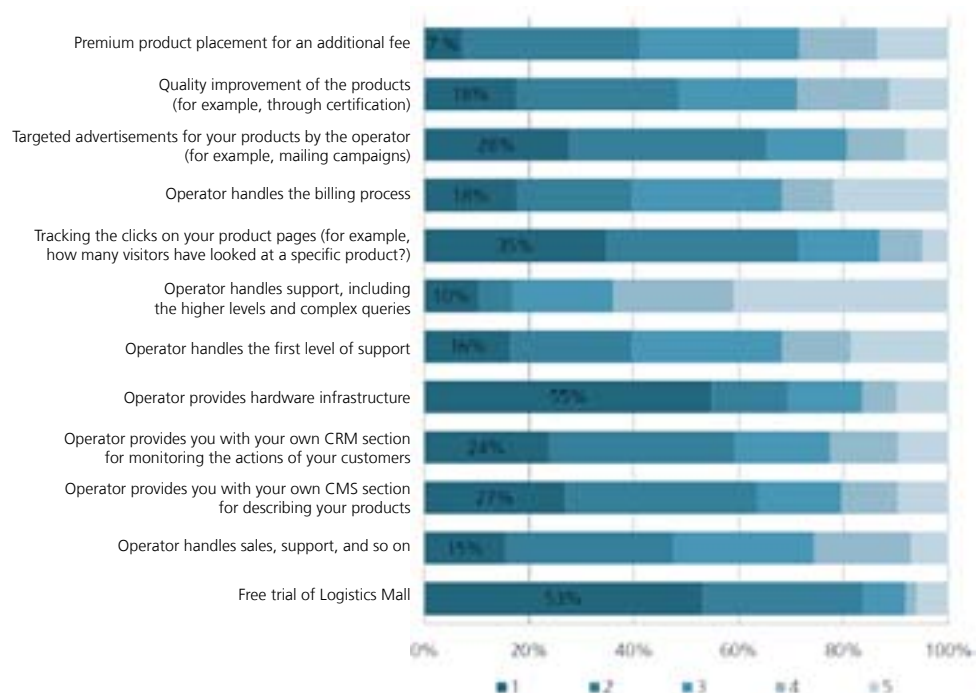




Hardware infrastructure, sales and marketing tools – clear requirements for the operator of the Logistics Mall

A large part of the analysis was dedicated to the requirements of the vendor for the operator of the Logistics Mall. The vendors considered the “infrastructure as a service” feature to be a very important part of the Logistics Mall (55% gave the answer “very important”). Almost as many of the surveyed companies indicated that a free trial of the Logistics Mall was very important (53%). The next important features were the tracking of the clicks on their product pages (35%), targeted advertisements for the vendor’s products by the operator (28%), and the availability of a Content Management System for describing their own products and services (27%).

*How important are the following requirements for the operator for your personally?
Please give them a rating between 1 (very important) and 5 (not important).*

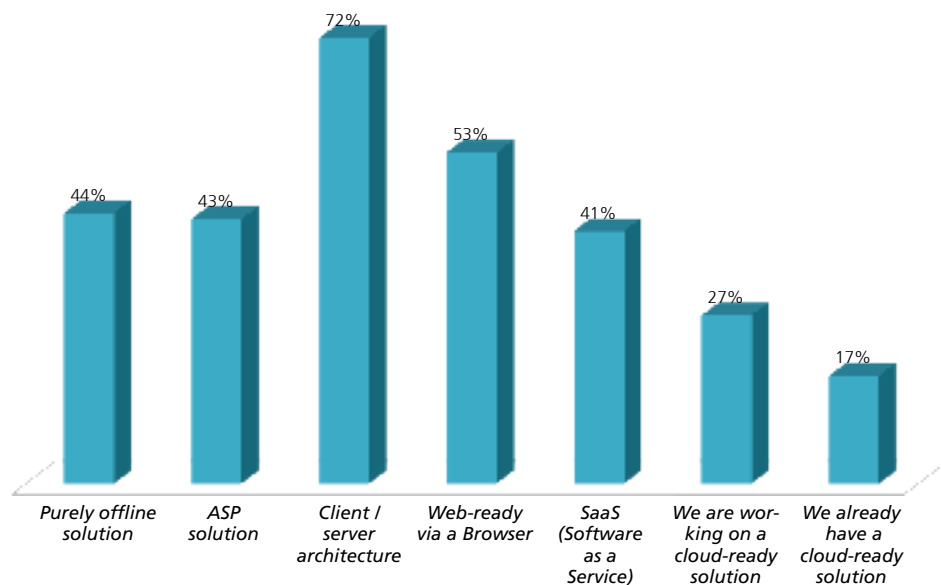




Developers already on their way to a “cloud-ready” solution

Vendors have already been making some efforts to make their solutions “cloud-ready”. 53% of the companies surveyed offer a web-enabled solution. Web readiness is not always accompanied by the Software as a Service delivery model: only 43% indicated that they also offer the option to rent their software or have them host it. 27% of the vendors are currently working on the cloud readiness of their solutions and 17% state that they already offer a cloud-ready solution.

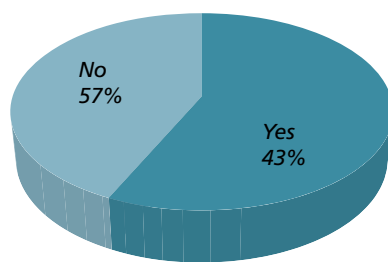
In what form are your IT solutions currently available?



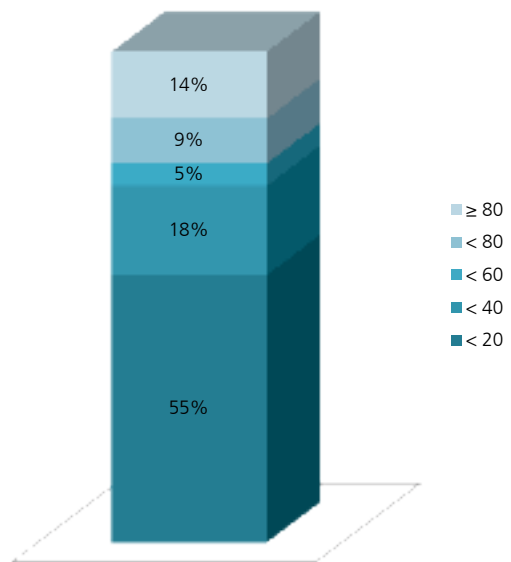
Sales 2.0 - Indirect and online

Although indirect sales have hardly played a role for logistics IT vendors until now, alternative sales channels will become more important in the future. A large percentage of the companies (43%) are currently looking for help selling their products and services.

The same is true for online sales. Online sales amount to 20% of the total sales for 45% of the companies: an amount not to be ignored. On top of that, some companies – usually small – indicated that online sales play an important if not central role in their sales model.



Do you need help selling your products and services?



Approximately what percentage of your revenue is made through online sales?

The Logistics Mall meets the requirements of the vendor in the market for logistics solutions

In general, the reaction of the vendors to the introduction of the Logistics Mall was positive. Small and medium-sized companies in particular have a great need for help with sales and service and the ability to have their applications hosted in a cloud. They want to dedicate themselves to strengthening their core competencies: the development of customer-oriented logistics IT solutions. They also want to reach as wide of an audience as possible without costs rising excessively. These requirements are almost an ideal type for the Logistics Mall to fulfil. The majority of vendors wonder what steps they need to take to get to a "cloud-ready" solution. The developers of the innovation cluster "Logistics Mall – Cloud Computing for Logistics" intend to determine these steps within the scope of a research project.

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