The Crucial Role of Data in Logistics Optimization

We can confidently say that nearly 100% of companies with logistics operations are striving for operational excellence—because they understand the benefits it brings and are well aware of the consequences of failing to achieve it.



To access valuable information, companies are investing in Al. A report by *Business Wire* shows that the global Al market in transportation and shipping rose to \$3.1 billion in 2023, compared to \$2.6 billion in 2022, reflecting a compound annual growth rate of 19.4%.

Don't Miss: What Can Generative Al Achieve in the Supply Chain?

Let's take a closer look at the role data plays in logistics optimization.



Define Strong Objectives Based on Accurate Data

Market competitiveness and customer demands push companies to improve not only their production processes, but also their logistics operations in order to reduce costs and delivery times. To achieve these improvements, it is essential to have valuable, real-time data, which allows for the definition of solid KPIs and ensures accurate performance measurement.

These KPIs will help us achieve scalability, as they address bottlenecks in both production and transportation route optimization. They also contribute to reducing production costs related to waste and inefficiencies in manufacturing processes.

To better understand the importance of data, according to a study by *Coyote Logistics*, obtaining consistent data (41%) and adapting strategies based on results (41%) are the top KPI challenges for carriers, followed closely by merging data from multiple providers (40%). This underscores that having the right data leads to better decision-making.

However, collecting data is not enough; it is also essential to analyze and interpret it, enabling industries to evolve and to draw accurate strategic conclusions.

The correct interpretation of data helps us better visualize where we are and where we want to go

Big Data: The Driving Force Behind Logistics Optimization

Let's remember that Big Data allows companies to collect, analyze, and leverage massive volumes of information to make informed decisions and drive innovation. Here are some of its main advantages in the logistics sector:

• **Historical and Predictive Analytics:** Big Data enables the analysis of vast historical datasets in a short time. This helps identify patterns, trends, and predictions that would be difficult to detect without such volume of data. Without this, companies risk relying on subjectivity and assumptions—factors that do not support business growth.



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- Improved Warehouse Management: Through Big Data analysis, it's possible to improve warehouse layout, inventory placement, and task allocation among workers. The insights derived from data can be surprising—sometimes revealing that a presumed bottleneck is actually a high-performing area, while highlighting the true sources of inefficiency or rework.
- **Enhanced Route Optimization:** By analyzing routes, traffic, and all related data, Big Data facilitates the optimization of transportation routes—by land, sea, or air. This includes climate data, natural disasters, national crises, customs closures, and more, creating a historical record that supports better projections and more grounded decisions.

It's very common to have doubts about what Big Data looks like in tangible terms, so we've prepared the following insights:

Big Data Solutions in the logistics sector	
Heat maps	
Interactive dashboards	
Predictive Models and Machine Learning	£933
Real-time visuailization	âÕõÕ
Augmented Reality and Virtual Reality	
Custom visualization	8
Time Series Charts	(M)

All these tools and applications will become increasingly relevant in the near term, empowering companies to make better decisions—not only operational, but also strategic. Companies that prioritize having constant, real-time access to quality data will gain a competitive edge over both competitors and consumer expectations.

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