



## Data is the new oil: How big data is transforming logistics

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The phrase ‘data is the new oil’ has entered the world of freight logistics to suggest a commodity without which the industry grinds to a halt. That’s certainly one interpretation – many sectors of industry would become redundant if data stopped flowing. But there has always been data, and to understand the impact of the phrase, it needs to be put into context.

The quote was attributed to UK data scientist Clive Humby, in 2006. Michael Palmer, of the Association of National Advertisers, later expanded on it:

“Data is just like crude. It’s valuable, but if unrefined it cannot really be used. It has to be changed into gas, plastic, chemicals, etc. to create a valuable entity that drives profitable activity; so must

data be broken down, analysed for it to have value.”

### Big data vs lots of data

The importance of big data to freight has grown over the last decade. However, some people – while acknowledging there’s more data around – have failed to realise there’s a difference between ‘lots of data’ and ‘big data’.

The former is a relic of a time, when data was a commodity companies sourced from accounting records. Having ‘lots of data’ meant a company could answer questions like:

“How much fuel did our fleet consume last quarter?” or “How much does it cost us to send freight from A to B?”

This type of data is called ‘look back information’. It was used to solve problems like:

“We’re using more fuel for the fleet than we did last quarter? Let’s get rid of a few vehicles to reduce our costs to what they used to be.”

The effect of making a decision like that, based on that level of data, will be obvious to anyone who has worked in a company with a complex infrastructure. The results will be arguments over which vehicles should be culled, from which divisions and why. The process of settling on a solution that satisfies everyone, often results in a compromise solution because there’s not enough information about where the fuel increase

is coming from, at what times of the day and under what circumstances.

In freight logistics, there are similar problems. For example, a shipping company may be experiencing delays when freight is sent via a particular forwarder. No-one can identify the problem, until it's discovered that the office in question doesn't have a rate sheet for that freight type.

Time is being wasted because the office is recalculating forwarding charges based on outdated rates which are not matching the invoice figures issued by the shipping company.

In both these cases, referring to 'look back information' will not help cut fuel costs or make a freight route more efficient. To do that, a company must have access to big data.

### Big data and the Internet of Things

We've established that there's a difference between lots of data and big

data. But what's driving big data that makes it more valuable? What makes data 'the new oil'?

The answer is the Internet of Things (IoT). This refers to the transformation of the internet from a network of information fed into it from external sources, to a network that gathers information from its own sensors. An array of sensors can be attached to animate and inanimate objects, then wirelessly connected to the internet and the end user. Cows can be tracked through GPS-enabled ear tags; the speed of a power turbine can be monitored; the location of a shipping container known with pin-point accuracy.

The advantage of the IoT is that the data is being updated in real time. No more guessing where a container is, if it left Shanghai two days ago – a quick check of its unique chip-powered tag will show exactly where it is, what its temperature is, and even how fast the ship is moving. It's as if the container is phoning home.

### The 1-Stop platform solution

The place where the big data 'oil' receives its refining is just as crucial as any oil refinery. It is the hub of any IoT solution because it enables the data gathered and networked by the IoT to be processed into meaningful information. After that, decisions can be made automatically by the system, or by management.

1-Stop Connections view to be the platform of platforms fits in well with the 'data is the new oil' because it connects your existing freight software, and links it to 1-Stop's IoT framework.

The advantages of being connected to a platform that's in turn connected to so much data are savings in time and money. What that adds up to are better results for your bottom line.

It's time to start refining your company's data oil into an ongoing source of enrichment by taking the next step with 1-Stop. To find out more about our vision read more on our website: [1-Stop.com](http://1-Stop.com) ▲



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