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By Luisa Cheshire

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Waste tolerance blocks tech advances in logistics

Shippers' spoilage-tolerance is one of the biggest barriers to substantial tech-based improvements in cold-chain logistics, says expert

Technological innovation is not tackling core inefficiencies in cool-chain logistics because of shippers' tolerance of product spoilage.

That is the view of logistics expert Kris Kosmala, partner at Singapore-based consultancy Click & Collect, speaking at Cool Logistics Asia today about artificial intelligence and cold chain logistics.

Until this mindset changes, there is no real incentive for dramatic technological advancement within cold chain logistics, he said.

"Until today, unfortunately, shippers accept that a proportion of their produce will get spoiled in transport. One of the biggest issues we face is this acceptance of loss of product, rather than saying we should eliminate it completely," Kosmala told delegates attending online.

"Shippers are resigned to accept a given percentage of spoilage in the system and they are fine with that. Why? Because it is very easy to apply this cost in such a way that it's the ultimate buyer who pays for the loss, so essentially the loss is baked into the cost paid at the end. This is unfortunate.

"As a result, tech-based disruptors aren't tackling what is important in cold-chain logistics – ie spoilage, they are tackling the fringe problems," Kosmala said.

"Unless our mindset changes to completely eliminating wastage from supply chains we are probably not going to make a dramatic leap in thinking how the technology could work for us, how it could be applied differently and what is needed to change or to address the core problem and not the fringes."

"We could employ AI to handle things

"Maybe there is a need to disrupt the

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Parting words ...

- Technology innovation (IT or automation) is not substantially affecting what makes the cold supply inefficient: spoilage
"Innovative" "disruptors" pick up low hanging fruit on the fringes, because their investors expect faster returns
- Our digital improvements to cold chain performance are not yet transformative
Why is this happening? Why our imagination of solutions can't make a mental jump?
- Technology innovation does not substantially alter the Standard Operating Procedures
All the talk of how AI makes for a more efficient way of operating cold chains is not demonstrated in reality. Need to disrupt the disruptors?
- Shippers are resigned to accept a given percentage of spoilage in the supply chain and they are fine with that
We all pay for that "acceptance" !!!!



Maybe it's time to disrupt the disruptors, Kris Kosmala said in his presentation

differently. But the way AI is being used currently isn't doing this. We are embedding old learnings into the new AI, and we're not asking the AI to find new ways to do things," Kosmala continued.

disruptors. Maybe there is a next stage we are still to experience."

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