

Artificial Intelligence to thrive in logistics according to DHL and IBM

- **Increasing AI adoption in consumer and enterprise domains paired with physical and digital logistics networks will drive new levels of value creation**
- **Augments human expertise through self-learning systems that help generate novel insights from big data and eliminate difficult tasks**
- **AI in logistics to include back office automation, predictive operations, intelligent logistics assets and new customer experience models**

Bonn, April 16, 2018: In a joint report, DHL, the world's leading logistics service provider, and IBM have evaluated the potential of Artificial Intelligence (AI) in logistics and exposed how it can be best applied to transform the industry, giving rise to a new class of intelligent logistics assets and operational paradigms. DHL and IBM outline how supply chain leaders can take advantage of AI's key benefits and opportunities now that performance, accessibility as well as costs are more favourable than ever before.

The collaborative report identifies implications and use cases of AI for the logistics industry, finding that AI has the potential to significantly augment human capabilities. While AI is already ubiquitous in the consumer realm, as demonstrated by the rapid growth of voice assistant applications, DHL and IBM find that AI technologies are maturing at great pace, allowing for additional applications for the logistics industry. These can, for instance, help logistics providers enrich customer experiences through conversational engagement and even deliver articles before the customer has even ordered them.

"Today's current technology, business, and societal conditions favour a paradigm shift to proactive and predictive logistics operations more than any previous time in history" explains Matthias Heutger, Senior Vice President and Global Head of Innovation DHL. "As the technological progress in the field of AI is proceeding at great pace, we see it as our duty to explore, together with our customers and employees, how AI will shape the logistics industry's future."

Many industries have already successfully adopted AI into their everyday business, such as the engineering and manufacturing industry: AI is being used in production lines to help streamline

production and maintenance through image recognition and conversational interfaces. In the automotive industry, AI is being extensively called upon to enhance the self-learning capabilities of autonomous vehicles. Many more examples evidence AI's benefits with the ability to transform the world of industry after its transformational impact on the consumer world.

With the help of AI, the logistics industry will shift its operating model from reactive actions to a proactive and predictive paradigm, which will generate better insights at favourable costs in back office, operational and customer-facing activities. For instance, AI technologies can use advanced image recognition to track condition of shipments and assets, bring end-to-end autonomy to transportation, or predict fluctuations in global shipment volumes before they occur. Clearly, AI augments human capabilities but also eliminates routine work, which will shift the focus of logistics workforces to more meaningful and value-added work.

"Technology is changing the logistics industry's traditional value chains, and ecosystems are reshaping enterprises, industries and economies," says Keith Dierkx, IBM Global Industry Leader for Freight, Logistics, and Rail. "By leveraging AI into core processes, companies can invest more in strategic growth imperatives to modernize or eliminate legacy application systems. This can make existing assets and infrastructure more efficient, while providing the workforce with time to enhance their skills and capabilities."

In the report, DHL and IBM conclude that AI will develop to become as omnipresent in the industrial sector as it currently is in the consumer world. AI stands to transform the logistics industry into a proactive, predictive, automated and personalized branch. Considering this, the report provides perspectives and best practices on how logistics players can seize and adopt AI in their global supply chains.

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You can find the Trend Report "Artificial Intelligence in Logistics" for free download at <http://www.dhl.com/ai>

Press release



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