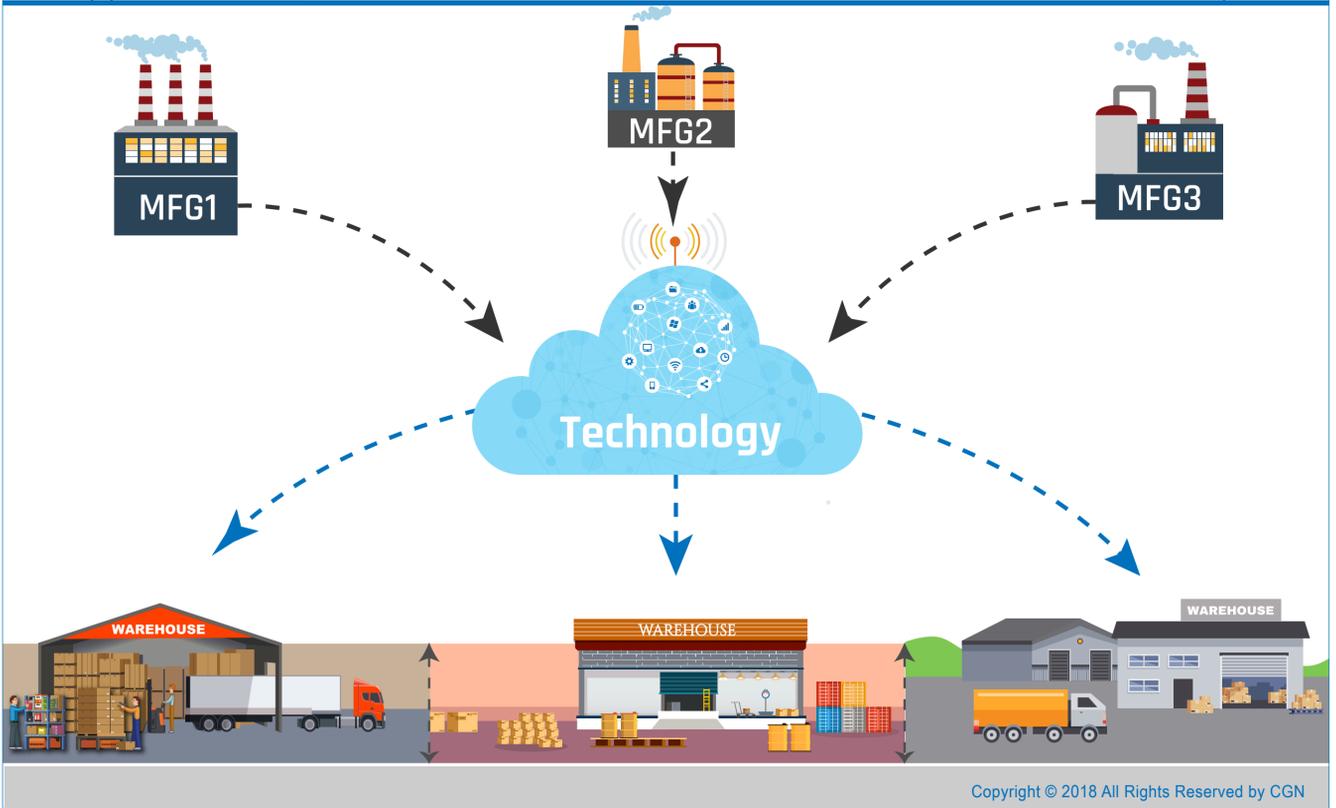


## Sharing Economy Enabled by Technology is Transforming Warehousing



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### Shared economy enabled by technology is transforming warehousing

Sharing economy was worth \$15Bn in 2014. It is expected to grow to \$320 Bn within a decade (PwC Report). One of the core sectors that will drive this growth is shared spaces that involves office space, warehouses, manufacturing facilities etc. As per Supply Chain World, value chain survey, businesses consider sharing warehousing spaces as least risky and most rewarding area that can be leveraged to improve business metrics under shared economy. It would be interesting to see what shared economy has changed for warehousing to make it interesting for the business.

#### Sharing Economy Impact on Warehousing

Traditionally, warehouse renting and sharing was influenced by long term contracts. Warehousing service provider and businesses used to work together to improve industry know-how and to acquire assets that best service business requirements. The nature of relationship made transaction and switching cost higher for businesses. Currently, sharing economy enabled by technology provides lot of options for businesses to rent idle warehouse spaces. Technology has also reduced the transaction cost. Business now can instantly rent a warehouse that suits their need and do away with it, when it is not required with minimal cost-risk.

Warehousing carried little importance in overall strategic game plan before advent of sharing economy concept. They were considered as four walled closed space with little or no visibility on operations. Technology under sharing economy provides complete visibility of warehousing operations at lower cost to businesses. The businesses can now plug and start extracting relevant information from warehouse service provider's database. The technology upgrades have now made warehouses an epicentre for businesses for improving serviceability to customers.

The technology under sharing economy also provides complete visibility of individual warehouse service providers' customer engagement scores. The visibility provides incentive to warehouse service provider to streamline their operations to reduce cost. They can also provide add on value added services to differentiate from other service providers. The visibility ensures that the service providers with better customer engagement scores and with differentiated services by default becomes preferred service provider for businesses.

In a nutshell, technology under sharing economy provide lot of opportunity for warehouse service providers to collaborate, reduce cost and generate new business opportunities. The businesses now must work on managing risk to stay ahead of the competition.

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What We Found Interesting

“ Here is an interesting video on how sharing economy is changing the individual life ”

<https://www.youtube.com/watch?v=yy7MH9TyZck>

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