

Digital Transformations in Supply Chain

An efficient supply chain isn't enough in this age of technology. Organisations must be ready to adopt and implement digitised supply chains in order to remain competitive.

Digital transformation is not a new concept. The digitising of processes has been occurring for decades. The concept is now revolutionising itself. With the impact of AI and autonomous technologies, companies are advancing at lightning speed through drastically improved operations in all areas of their business. An organisation's supply chain is most significantly impacted by these advancements.

What is digital transformation?

It's important to establish what digital transformation means when it comes to an organisation's operations and supply chain. The level at which a company implements digitising a process will vary. Some companies might still be living in the stone age, with paper and pencil operations as a small part of their structures, and others are a little more advanced having added some digital products to enhance efficiency throughout the supply chain. Then there are the innovators—organisations who see the insurmountable possibilities in a new piece of technology and implement it into their process months or even years ahead of their competition.

[True digital transformation](#) is much more than upgrading from a pencil and paper to digitising one piece of a process. The pace at which companies are evolving their operations is a testament to the speed at which innovation is taking place. The [advanced technology](#) that we know as artificial intelligence (AI) and autonomous machines are being implemented by organisation's every day, creating end-to-end solutions to optimise their supply chain.

Customers are demanding, raw materials costs are rising, overhead is increasing, and processes are complicated. A supply chain that was built upon the technologies of five, or even ten years ago, is no longer sufficient, let alone enough to maintain competitive advantage. Full digitisation is ideal in today's world, but not always achievable.

Some specific examples of digital transformations include:

- Artificial intelligence
- Autonomous solutions
- Advanced machine learning, robotics
- Predictive tools/analysis
- Enhanced digital data

How Digital Transformations Enhance Supply Chain

A digital transformation strategy implemented at an organisation provides myriad of opportunities for streamlined processes and identifying opportunities. These technological advances are implemented to aid in the complexities that a supply chain encompasses.

Digitising benefits your organisation and your bottom line in the following ways:

- Close the gaps between once siloed stakeholders/processes

With a standardised, intelligent process in place, stakeholders that would have otherwise worked separately to deliver on their promise, now work together. With information readily available in real-time, suppliers can improve productivity and deliver faster while manufacturers can operate more efficiently through autonomous operations and consistent processes.

- Leverage data to improve areas within the existing supply chain

With a digital process, data is continuously being collected and shared within the database and analysed with predictive technology. This data is then formulated into meaningful insights that management is able to utilise to make informed decisions to steer the company.

- Create a competitive advantage

A digital transformation strategy can take your company to new heights. The adoption of such a strategy will set you apart from competition that has yet to integrate their networks and embrace the performance capabilities of this business model.

- Increase efficiencies, saving you time and money

Supply chains that are continually reviewed and optimised are done so to find deficits that could be costing the company in more ways than one. A digitised supply chain not only identifies these inefficiencies, but finds new opportunities for revenue, managing risks, and aiding in enriching customer satisfaction immediately, but more importantly, long-term.

A [full-scale strategy](#) does not need to be implemented to begin to see the benefits that one can provide. However, when first implementing, it is important to monitor the process and results. As new operations enter the arena, other areas may be negatively affected due to unforeseen circumstances, overlooked intertwined processes, or lack of subsequent support for the new technology. All operations must cohesively work together for the new technologies to provide benefit to the organisation.

Risk Management Solutions

Part of digitising the supply chain process includes risk management solutions. When a process is siloed, it is easy for efficiency to suffer due to gaps between each internal / external segment of the supply chain. With a solution in place through enhanced technology, incident situations are caught in advance and avoided or mitigated, therefore saving time and money that otherwise would have been lost, potentially resulting in backlogs to the customer.

As the processes improve through AI, machine learning, continuous improvement risks can be mitigated, and more viable or available options are implemented. This helps to ensure that your supply chain is not interrupted, and customers' orders are fulfilled on-time. These risk management solutions are a vital piece of an improved digital supply chain strategy.

Customer Satisfaction at the Forefront

Customers have everything they need at their fingertips and satisfaction is not earned easily. It takes more than on-time deliveries, quality products, and efficient ordering processes to

create loyal customers. Customers are empowered through technology with their ability to compare companies, products and prices immediately. They expect exceptional service and exceeded expectations.

A digitised strategy provides the opportunity to learn and understand your customers. Predictive technologies allow the organisation to forecast future demands based on historical data in a more succinct way than ever before. Maintaining a status of two steps ahead of customer needs puts an organisation in a position to create immense value for their customers.

Adopting a Digital Transformation Strategy

Digitising a supply chain is not a minor nor inexpensive undertaking. However, it will pay off ten-fold in the long run. Though it may take a couple of years for the costs to be recouped, the return on investment will be seen immediately.

If your organisation hasn't already, it's time to start building the future of your company through a digital transformation strategy. To remain competitive and agile in a landscape where competition is fierce and customers are demanding, an innovative supply chain system is imperative.