

# Strategies Decision Makers of Supply Chain Organisations Should Adopt

By David Rogers and Jane Leonhardt

When it comes to digital supply chain management, it's not enough to simply set up a supply chain and expect it to do all of the work for you. While it's true that digital supply chains help to streamline services and improve efficiency by employing technology that can "learn" as it goes, nothing can replace the human mind when it comes to strategising. In order to build a digital supply chain that is as resilient as it is efficient, decision makers must have a few strategies for success in their back pockets.

As it stands right now – what with the novel coronavirus (COVID-19) still [disrupting day-to-day operations](#) – it's becoming apparent that stability in supply chains is not exactly the most likely prediction for the future. The coronavirus has been very effective in pointing out [weaknesses in global supply chains](#). For this reason, decision makers of supply chains must plan for instability and have proper strategies that they can employ when the unexpected happens.

Long story short, the strategies that your company has been using thus far to run their supply chain is simply not enough anymore. Unfortunately, there is no one-size-fits-all plan for bouncing back and creating a supply chain that is more resilient than ever, but there are a few strategies that decision makers can adopt.

## **1. Use scenario modeling to create resilient and agile supply chains**

As the world turns, each day brings new surprises in life and in business. You can mitigate some of those surprises by [modeling worst-case scenarios in the cloud](#) and making pre-determined decisions based on the outcomes.

With the adoption of the strategy, decision makers will be able to take a peek into the future. Although the numbers and scenarios might not be exact, they will give a business a better idea of how to react to sudden changes because they will no longer be unexpected.

## **2. Have a staff that integrates well with the supply chain**

Whatever kind of supply chain structure you have working for you, the staff that runs it is most crucial to its success. Excellent teams are built by excellent leaders. Therefore, it will be up to the decision makers in a company to have their focus on building strong teams as well as a strong supply chain.

It may seem like employing a top-notch staff is an unspoken strategy that all companies strive for, but it can sometimes be lost when the focus is on the supply chain. It is crucial to hire supply chain managers who have communication skills that will both strengthen and maintain internal and external relationships.

## **3. Always be planning for the future.**

Because the future is always uncertain, plans must be drawn up, executed, and rethought continuously. Plans must not only be aligned with customer demands, but they must be flexible

and able to adapt to changes that may come very quickly. As these plans must be made and executed continuously, it's important that there is a high level of collaboration among all parties involved.

Having cloud-based scenario modeling technology and a staff that can handle the technology as well as the operations will be key to making this strategy work. All of the predications that come from AI and machine learning will help to direct the staff, as well as the company leaders and decision makers, as to which plans should be carried out – and what should be done next.

Supply chains are living and breathing entities – always changing and adapting to the world around it. It's crucial that the company understands this and is proactive in their planning and execution.

#### **4. Increase transparency**

By increasing transparency down your supply chain, companies will effectively be able to build stronger bonds between their partners and customers and employ more efficient problem-solving techniques.

With the ability to quickly and easily access information, decision makers, managers, and leaders will be able to do their jobs more effectively. Without transparency, the lack of insight will stall decision makers from being able to make the right decisions when difficult scenarios arise.

In order to establish better transparency, a unified data model should be used across the board. With this, all key players will be able to gain the information that they need when it comes to sourcing materials, production, and delivery. When there is only a single, unified data model to look to for answers, companies can be confident in their team's ability to carry out worst case scenario planning.

#### **5. Integrate sustainable practices**

As industry and [globalization](#) becomes an ever-important part of civilisation, we must understand that there are consequences to the practices. Transportation will almost always bring result in carbon emissions, factories produce waste, there are ethical practices that must be considered, and then there is also the possibility of product loss. From beginning to end, sustainable practices must be integrated through a supply chain in order to increase longevity both in business and environmentally.

The Sustainability Consortium, a nonprofit organisation that aims to increase sustainability in consumer goods, conducted a survey recently that showed less than 20% of the 1,700 surveyed understood their own supply chains' sustainability performance.

The first step in creating better sustainability within a supply chain is creating one that is transparent enough to give the answers that leaders are looking for. Following the establishment of transparency within a supply chain, leaders and decision makers must know

what to look for in terms of sustainability and what actions should be taken once they have the information they need. Finally, it will be up to decision makers and leaders to establish and integrate sustainability practices into their supply chains from top to bottom.

Overlooking the importance of these supply chain strategies will surely cause your organisation to fall behind the times and put it at risk for collapsing under extreme pressure. In order to build a supply chain that is resilient to global changes, economic stress, and worldwide instability, decision makers must act now.