

Fingertip's white papers

Digital Supply chain insights

5 TIPS TO TURN YOUR SUPPLY CHAIN INTO THE DIGITAL ERA.

INTRODUCTION.

There is absolutely no doubt that it is time for supply chain to embrace digital technologies. It is simply inevitable. Indeed, production has been fairly traditional in the way it is conducted and very few innovations improved the way we work for the past decades. We are still working with pen and paper across all stakeholders. And we exchange with each other hundreds of daily emails in which we attach huge spreadsheets with TnA calendars to try and figure out the status and progress of production.

It is actually quite surprising how late to the party supply chain industry is. Most industries use for quite few years already various apps and software to conduct business, improve processes and leverage the huge amount of data produced every day.


There are evidently a lot of reasons to transition towards digital supply chain. One obvious one is cost reduction. Any serious business will always keep their bottom line healthy. In a competitive industry, cost control remains an important topic. But looking at digital transformation through cost benefits only would be a big mistake and quite the narrow minded way to look at what's truly the conversation here.

The early years of the 21st century are marked by a series of complete disruptions and challenges very few of us were prepared for. If Covid-19 taught us something, it's that our supply chain needs to be resilient. And any effort, moving forward, should be directed at creating a stronger and more stable supply chain able to predict disruptions, but most importantly resist and recover from them in a heartbeat.

Sustainability, transparency, compliance and traceability are also some of the challenges we are absolutely expected to tackle. We must give an answer to the growing consumer demand for better produced goods.

Embracing those topics and finding solutions, especially digital solutions, is a guarantee to be able to minimize our exposure to disruptions, while keeping a competitive edge.

There is a long journey ahead of us to improve our supply chain and enter the digital way of working to reduce waste, champion people and produce better. That is why we decided to give you 5 tips on how to start your digital journey without getting lost.



Identify your supply chain pain points.



Our first tip is to take a good look at your supply chain. **Analyze your pain points, locate silos and get feedback from the ground.** Look at what you need to solve honestly and try to tackle those challenges first.



New technologies, like any other new process you might want to implement in an organization, rely on full adoption from your people. For that reason, you need to make sure you are actually solving relevant problems.



One could argue that end-to-end solutions such as ERP are better because you can do everything from one single software. You can also cover all departments of your supply chain, from design to store. That way, organizations don't need to think too much because "everything" is covered.



However, one question remain. Were the silos durably removed since ERPs exist? If ERPs were definitely a big step forward, it's important to be looking at more specific, easy to implement solutions that'll help you remove pressure on a certain chunk of your supply chain and truly help smoothen production. In short, ERPs are not your only solution.



Once your pain points are clearly identified and ranked, hunt for the right solution using Google and your network to gather information, compare and test what's available in the market.

OUR PAINPOINTS

- BAD LEADTIME
- POOR COMMUNICATION
(Hundreds of daily emails)
- NO VISIBILITY
(Progress tracking via Excel)
- LACK OF RESILIENCE
- SUSTAINABILITY ISSUES

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PLAN IT

Get your roadmap in order.

Shape your vision and create a clear roadmap with milestones. Indeed, going digital comes with a fair share of unknown. Most of us don't know how to approach it, how to embark people and how to make the best calls. Look at where you want to be and when. Then work backwards.

According to a Gartner survey, "just 25% of supply chain organizations say digital projects across their companies are aligned under a single governance process".

So, this is where you will have to make a difference. Those are not abstract concepts, in digital (or in implementing any new way of working), the vision is key. Own your vision and put in place the right actions, the right accountabilities and the right timelines.

"Just 25% of supply chain organizations say digital projects across their companies are aligned under a single governance process"

Gartner study

3 Prioritize resilience.

And this is an important one. Embracing digital solutions should be looked at from the cost saving angle, of course. When a shock hits our supply chain, you've got to be able to run a tight ship and control your costs. Yes. There is no doubt about it.

However, a growing number of supply chain leaders today are leveraging digital technologies to re-shape the supply chain in depth, and think less of the immediate effect on bottom lines in their strategies. Those professionals indeed choose to improve the resilience of their supply chain first.

According to McKinsey study, "When disaster strikes, companies have to be laser focused on cash management. But those at the top of a value chain also have a vested interest in preserving the supplier networks on which they depend".

This meaning that the supply chain's integrity, strength and ability to bounce back quickly is even more important to embrace. Look at your supply chain and the solutions you select from that perspective. It will simply position your organization in a much stronger way to face disruptions and stay ahead of your competition.



Say goodbye to siloed supply chain





Go simple. 4

The purpose of implementing digital solutions within your supply chain is to remain agile, flexible and improve communication. So make sure you apply this agility when selecting digital tools to associate with your supply chain.

Prioritize cost effective solutions that you can implement easily without disturbing your organization too much. Management of change, as we all know, can be pretty hard.

For that reason, look for cloud-based solutions to which any stakeholder can connect easily without needing to install heavy on-site software on their computer.

Cloud technologies are bullet proofed technologies. Indeed, they've been around for a while, so you can be sure you're not going into some unknown territories, and you'll be able to "play" with them close to instantly. We all know that ERP can have months and months of implementation needed before they are fully functioning in your organization.

Cloud technologies offer you the simplicity you'll need to make sure your organization smoothly into the digital world. Always keep this in mind.

5 Involve your partners.

By adopting digital solutions your aim should be to turn your supply chain into a digital network of interconnected individuals and organizations. In order for this to work, let's be very honest, you will need to make sure all parties are included and taken through the journey as well.

Digital technologies are as good as the level of usage from all people involved. Identify digital solutions that understand the various needs across the chain. The way it will be perceived and used in the factories will probably be very different from the one in your brand's offices. So be smart when it comes to selecting a tool.

Finally select digital partners that guarantee they'll go on that journey with you, assisting you if needed in teaching, and going over the learning curve. And be prepared that there will be some effort to be put in making sure everyone is on the same page and motivated to work in a new way.

However, rest reassured that once each stakeholder experiences the true value of using such tools to remove low value-added tasks such as admin and repetitive actions, you'll have very committed partners.

CONCLUSION.

Be pragmatic. Shape your vision and approach your digital transition like any other project. The digital transformation of our supply chain is just inevitable and frankly the only way to tackle all environment and compliance related matters.

The tools available today will allow you to answer some of consumers and societies' most pressing trends and considerations.

Keep it simple and be demanding with your digital services suppliers. 2022 is the year to tackle this transformative topic, don't miss the train.

