TITAN

CONSULTING

INSIGHTS

IS YOUR SUPPLY CHAIN "DIGITIZED"?

TIPS ON HOW TO "DO IT!"

Digitization is all around us. Business leaders are talking about "Digitization", and "The Amazon Effect", Disruption and Adaption – what is it and how do I get there? To get these answers, I sat down with one of our Supply Chain Experts, who has over 25 years of experience driving change and performance improvement across the global supply chain. Together, we explored key insights and strategies to address these issues.

— Kent Lamb, Partner

It Just Happens!

One question that comes up in every supply chain conversation is how to define "digital supply chain." Specifically, *"the digital supply chain is a device-to-device connection that limits or eliminates human touch!"*

One Cisco Systems executive enthusiastically describes it as "it just happens!" A simple example is Uber as a digital supply chain. The only time a human is involved is the moment the driver picks you up to take you to your destination. All other activities: demand, supply, logistics, payment, customer rating, are digitized and demonstrate device-to-device automation.

More automation in the supply chain results in better accuracy in the processes of planning, forecasting, procurement, and consumption of materials and services.

At its core, digitization enables the seamless integration of the demand chain with the supply chain. It acts as the catalyst for achieving "the perfect transaction, every time." A perfect transaction occurs when the demand chain— represented by the customer's demand signal, such as a sales order—accurately triggers the appropriate supply chain actions to procure, produce, and deliver. The result is that the ordered product is delivered on time, in the correct quantity, and at the agreed-upon price.

In dealing with the "Amazon Effect," your supply chain needs to run in real-time and use technology to provide customers with the services they expect. This is relevant for multi-channel sales and multi-channel logistics.

In the discussion of the digital supply chain, increased automation provides higher performance, lower costs, greater customer satisfaction and stronger confidence in the metrics.

Where do you start?

The dilemma for many companies is where to start? *"Start with what you do best!"* is the advice we hear from most experts in the field. Historically, the place to start is with the low-hanging fruit. This approach has proven its challenges though, with long implementation timeframes, lack of ownership, and the ramifications of fixing broken business processes.
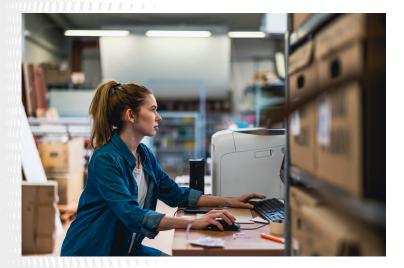
Your scorecard should tell you what processes you are "good at." For example, if on-time delivery is where you are your best, then consider how digitization can improve your scorecard. The place to start for deliveries might be with digital signatures on delivery. Proof-of-Delivery (POD) is a function that generates many customer issues– having a digital POD easily accessible can improve your delivery scorecard, reduce complaints, and increase on-time payments.

Scorecarding is a key digital best practice, focused on measuring the "facts" or "truth" of your business processes. By capturing the right metrics, you ensure that the data generated through digitization delivers value, justifying the investment and driving continuous improvement.

Frame or Re-Frame Your Digital Supply Chain?

What if you don't know where to start? Wait-and-see is not a winning strategy! Many companies make excuses for not being able to compete with their rivals using their current strategy. If I were with Fresh Market, Sysco, or any company in the food service industry, I would reassess my digital supply chain – especially with Amazon now entering the food service market.

One industry leader continues to staff their customer service center as a differentiator insisting that their customers expect this level of service. Unfortunately, this is a cost driver in the supply chain and adds little value to their product and services. Their margins are shrinking, and their leadership role is dwindling.

The real reason? They were afraid to change. It would affect jobs; the way people view their jobs and roles. Newsflash – jobs and roles have always changed. How many people are in your typing pool today? You may need to re-frame your questions and objectives for what you expect from digitization.

If you are not certain where to start, our recommendation is to "assess digitization by focusing on people, processes, and technology". This classic assessment model identifies opportunities, organizational resistance, gaps, metrics, risks, and tools. With this justification in hand, the **roadmap to supply chain digitization is a matter of value, focus, and priority.**

Moving forward:

This makes it clear there are two challenges – where are you in your digital supply chain journey? Do you need help digitizing and automating what you do best, or are you looking for thought leadership on how to map your path to a digital supply chain? For either of these challenges, Titan Consulting is here to help!

Ready to start your Digital Transformation journey? Visit our website at titanconsulting.net to learn how Titan Consulting can provide the resources you need to create a game-winning strategy!