



# Supply chain management technology: what does the future hold?

Claire Umney highlights the importance of preparing your supply chain management for future growth.

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**SECTOR HIGHLIGHTS**



As the UK seems to emerge from the economic slump, overall investment opportunities and capabilities for UK businesses are improving. To prepare for future growth, companies are looking for ways to manage their logistics and global supply chains more efficiently. Supply chain technology trends are continuously shaped by new business areas, production methods, outsourcing strategies, workflow changes, environmental impacts and globalisation, just as much as by new technologies, platforms and communication standards.

Meeting the industry's increasing demand for accessibility, mobility and visibility requires comprehensive IT support to provide all relevant supply chain information at the click of a button, connect all involved supply chain partners and integrate all relevant processes from procurement to fulfilment, ideally through one overarching platform.

End-to-end supply chain systems support many areas of global logistics. They go along the entire logistics process to pick up the thread at one end – for example, at the order in the ERP system – and follow it through to the other end. They optimise logistics operations and inventory management, while also facilitating customs and compliance functionality as part of international movements. They provide even greater benefits in terms of process efficiency and cost savings, especially considering that the data flow from procurement to fulfilment can be used for logistics operations and regulatory compliance at the same time.

There are some key areas that will increasingly guide decisions relating to the implementation of new supply chain technology.

**Multichannel capability**

The growth in internet orders and the flexibility of delivery options now offered by many businesses, along with significant increases in international shipping and return volumes over recent years, has seen cutting-edge development in supply chain technology. Logistics solutions must now be capable of responding quickly to the requirements



Above: There are some technologies that, overall, are considered of high relevance for future supply chains, such as cloud solutions and mobile devices



Above: Claire Umney, General Manager, AEB (International) Ltd

Left: The growth in internet orders and the flexibility of delivery options now offered by many businesses, along with significant increases in international shipping and return volumes over recent years, has seen cutting-edge development in supply chain technology

of e-commerce and multichannel to react quickly to different order channels and process order distribution smoothly and efficiently, even across international borders.

### Visibility

Improving supply chain visibility benefits all areas of the supply chain and provides the backbone required to achieve more efficient management of inventory and transport resources, which in turn improves responsiveness to requirements, including e-commerce and multi-channel challenges. Visibility solutions should include reporting tools that strongly assist in managing daily operations – for example, with weekly volume reports on inbound traffic for loading dock resource planning – as well as in strategic discussions – for example, when negotiating annual carrier contracts based on on-time performance results. Visibility supports supply chain flexibility, the ability to react promptly to supply chain disruptions and the proactive management of supply chain events.

### Transport and inventory management

This area represents a key component in annual operating costs. Implementing IT systems offers benefits, including streamlined operations, more efficient resource management, better on-time performance, loading dock transparency, effective inventory management, faster replenishment, freight cost transparency, consolidated shipments, optimised routes and long-term carrier relationships, resulting in performance improvements, significant cost reductions and potentially lower carbon dioxide emissions.

### One-stop-shop solutions

Of course, with supply chain management IT, there is no one-size-fits-all solution. What represents a must-have for one company might be irrelevant for another. It all depends on the individual operations and specific business requirements.

However, companies are increasingly moving away from patchwork system landscapes to discover the benefits of comprehensive supply chain management systems for managing logistics and global trade processes – from initial sales order to final delivery – in one system. Powerful modular solution suites offer many options for businesses, allowing step-by-step implementation of required functions, one business area at a time, and providing smooth integration into existing system landscapes, or even replacing them altogether.

### Technology

There are some technologies that, overall, are considered of high relevance for future supply chains, such as cloud solutions and mobile devices. Even though security concerns are under consideration yet again, cloud computing has become an integral part of today's supply chain management solutions portfolio and remains of interest due to the ease of access and implementation, low investments and overall applicability to a number of business areas in global logistics. Mobile computing and mobile devices have gained greater importance in recent years due to their ability to support supply chain processes efficiently on the go. Their technical advancement has shown significant development in their scope of capabilities, but their most

valuable feature continues to be the ability to integrate into ERP and operational systems to gather and share data in a variety of forms and formats.

Comprehensive, sophisticated supply chain management systems meet the requirements of supply chains in the 21st Century: adaptability, collaborative ability, transparency, compliance and speed in all processes. Streamlining processes and cutting costs in the long run are all vital for future business growth. By choosing the right software solution, supply chain managers can future-proof their business and gain a competitive advantage.

### About the author

Claire Umney is General Manager, AEB (International) Ltd.

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