

Anglia Business Solutions

David
Hurley



SUPPLY CHAIN VISIBILITY: AN AID TO PROFITABILITY

The interconnected global nature of today's supply chains has placed a premium on the ability to efficiently collaborate with customers and suppliers worldwide simultaneously. Their common aim is to drive efficiencies across the supply chain while reducing costs. Increasingly, IT is becoming a catalyst for the changes in operating practices necessary to compete effectively in their chosen sectors. So how does this work in practice?

In order to explain how IT can help, it is worth mentioning the challenges faced by companies operating in the food industry. Like it or not, the overarching aim of investing capital in a business is to achieve a return. The constant downward pressure on margins, together with increased quality demands and shorter lead times, makes it difficult to achieve and retain profits.

The difficulty in detecting a company's most profitable product or customer is the lack of visibility of product and operations throughout the supply chain. Value is added but costs are also incurred. The costs of manually capturing information on every process on every product as it moves through the supply chain would far outweigh the benefits. However, the alternative is to operate in a fog of uncertainty while hoping that the accounts department can rustle up a profit at the end of the month. In a low margin business where the net profit can be as low as two per cent, such uncertainty can be disturbing.

Successfully deployed modern real-time business applications can help in a number of ways. For example, dynamic forecasting and planning applications can simplify inventory management, while ensuring that demand is matched by supply. This reduces product and packaging waste while improving cash flow. Seamlessly integrating order intake with operational systems helps to reduce production delays and transcription errors, while minimising administrative overheads. Using fully integrated mobility and touch-screen technologies to track, trace and cost product and using labour operations in real time reduces errors, while providing management with full operational transparency.

Triggering automated notifications can alert supervisory staff to potential product quality issues or plant breakdowns. Advanced notification of transport requests can optimise load planning thus reducing transport costs and carbon footprint. Real-time proof of delivery signature capture can reduce invoice queries while improving inventory security. Using automated invoice and statement production delivered via email significantly reduces administration and postage costs, while minimising payment queries. Integrated business intelligence tools provide management with detailed and accurate insights into product, supplier and customer profitability.

Overall, modern real-time systems can help supply chain companies to become more agile and to compete using dynamic information as a competitive aid. The key is supply chain visibility. Afterall, if you can't monitor profitability, you can't manage it. ■