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THE SHIFT FROM TRADITIONAL TO DIGITAL SUPPLY CHAINS

The supply chain faces significant pressure. Traditional Supply Chain was seen as a cost center built for one purpose – to deliver goods to stores. But, in an Omni-channel world, supply chain has become the consumer-facing front office and a key determinant of choice of shopper's experience. Get fulfillment right across the full range of channels, and consumers will be satisfied; get it wrong and they will look elsewhere.

Traditional supply chains are linear in nature, with a discrete progression of design, plan, source, make, and deliver. Today, many supply chains are transforming from a staid sequence to a dynamic, interconnected system that can more readily incorporate ecosystem partners and evolve to a more optimal state over time. This shift from linear, sequential supply chain operations to an interconnected, open system of supply operations is termed as digital supply network (DSN). DSNs assimilate information from many different sources and locations to drive the physical act of production and distribution.

Let us now look at the benefits of DSN.

THE BENEFITS OF DSN INCLUDES:

- ▶ Helping reduce operating costs.
- ▶ Improve product quality and increase visibility Upstream.
- Downstream benefits include - increasing sales effectiveness, generating new business development opportunities and creating strategic advantages.

The recipe to success for any supply chain is efficient exchange of information.

Also, the connected nature of DSNs helps companies speed up the decision-making process and better keep up with changing market needs, reduce risk, increase internal and external transparency, and increase profitability by increasing top and bottom lines.

The recipe to success for any supply chain is efficient exchange of information. The traditional supply chain is full of friction, caused primarily by lack of complete and timely information. Probability for disruption is high; sudden shifts in demand, lack of raw materials, and natural disasters can wreak havoc on the best-laid supply chain plans, and with outsourcing of many necessary elements only makes it harder to understand the supply chain in full blurring visibility into the transportation network and making it difficult to mitigate problems as they occur.

THE BENEFITS OF DSN INCLUDES:

For CFOs, the rapid pace of digital and technology development poses new challenges. But it also provides an entirely new starting point to reevaluate their role in helping the business capitalise on new opportunities.

The emergence of cloud technologies means that custom built systems won't be the norm in the future and robotic process automation ("RPA") and artificial intelligence ("AI") will remove the majority of manual tasks from the finance team. Some leading finance teams has adopted these technologies to dramatically reduce time spent sourcing and manipulating data.

Infact, operational processes will become increasingly automated over the coming years and we may even get to the "lights out processing" goal that finance teams have set themselves for seemingly decades now.

As business models change to better serve customers, finance leaders need to entirely rethink how and where the business invests around its core capabilities to protect the future. CFOs should lead in driving the transformation of end-to-end business processes that create the maximum value for the organisation and its customers.

As finance operations increasingly move away from operational processing toward insights and analytics, finance heads need to become more "customer centric" and become more focused on products and services they provide to their customers, how they provide them and at what price.

In this new business dynamics, CFOs must capture, measure, report and predict future performance in a much more agile manner to support better decision making and growth.



CONCLUSION

Supply chains are extremely complex structures and no company has yet succeeded in building one that's truly digital. The applications required are not yet widely used. This will completely change over the next five to 10 years, with different industries implementing DSC at varying speeds.

Companies who implements DSC first will gain a difficult-to-challenge advantage in the race to Industry 4.0, and will be able to set, or at least influence, technical standards for their particular industry.

The benefit will by no means be limited to the greater efficiencies. The real purpose will be the many new business models and revenue streams the digital supply chain will open up.

For CFOs it is important to appreciate the impact of these shifts. Today's CFO needs to be a strategist, change management and technology evangelist as well as the ultimate steward and leader of finance operations in the business; leading a team of dynamic professionals driven by the business strategy.

