

FOR DECISION-MAKERS IN SUPPLY CHAIN

Supply Chain Effect

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PLANNING, VISIBILITY & FLEXIBILITY

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Flexibility, planning and visibility – a necessity in a changing world?

BY JENS DREMO AND ROBERT JANSSON

Digitization has become a necessary part of today's business landscape, especially in the supply chain. By implementing digital solutions, companies can achieve and flexibility that is essential to avoid imbalance and inefficient inventory management. But how to achieve better efficiency and what challenges do companies face when trying to improve their supply chain processes?

Companies not only want to get a better overview and control over their own material supply, but also strengthen the relationship with their suppliers. With digital solutions of the type we offer, these goals can be achieved – however, the challenge is often to get the commitment and prioritization necessary to succeed.

The insight and the need exist

The pandemic and other global disruptions have forced many companies to rethink how they build their business networks. Many companies use a global supplier network for their supply chain, which makes them more vulnerable to disruptions. Companies are now seeing the benefits of a more regional supply chain, where there is an opportunity to take proactive steps to identify and mitigate the effects of any external challenges in the supply chain and to meet increased demands from customers. There is thus an increased interest in and insight into digital solutions that provide better overview and control. But implementing the necessary changes is not an easy task.

Digitization requires Change Management

To understand the challenges and the need for digitization in supply chain management, we can start by looking at what companies face when they decide to invest in a new system solution. Many companies feel that they have improvement potential, but often it is a question of prioritization internally. So, although the interest in improving the processes is there, few have it at the top of

their agenda. The big challenge lies in having the power and the will to implement the necessary change. Transforming the supply chain is a big task, especially for larger companies replacing their complex processes with new systems and processes. Therefore it is crucial to start a change work, a change management initiative. Here it can also be important that companies offer on-site training programs to prepare employees for new technology and new work methods. If they fail to do this, they can lose valuable knowledge and experience when employees do not have time and have difficulty adapting to the new ways of working.

Cooperation with suppliers and customers

But it not only requires a change in the company's own working methods, but also an adaptation from all parties involved in the supply chain, often both customers and suppliers. Technology plays a central role here, as our solutions are based on collecting and processing information from several different systems. This can create concerns about integration and compatibility, but the gains in terms of better visibility and control are usually worth the effort.

Visibility for better planning and optimization

For companies with large and complex supply chains, the need for efficiency and improved planning is particularly great. These companies often have long chains from material production to final product and distribution all over the world.



Jens Dremo, CEO, PipeChain SCM. Photo: Robert Lipic

Many times they experience inefficient material supply and bottlenecks that prevent them from reaching their goals. Here, digital solutions can make a big difference by offering a comprehensive overview and enabling better planning and control of the entire chain. Investing in a large system solution is a big commitment that requires time and resources. But there are many advantages. By getting a better process and reducing inventory, companies can avoid imbalances and shortage situations, everything from replanning in own production to postponing deliveries to end customers. With improved visibility, they can also optimize their material flows and reduce capital tie-up.

Summary

In a world where disruptions in the supply chain have become increasingly common, the interest in improved planning and visibility has increased significantly. Companies are now realizing the importance of not only relying on global supplier networks but also having a regional supply to reduce risk and create stability. However, the challenges are many, from implementing the necessary changes in working methods to integrating technology that requires information from several different flows. For companies with large, complex supply chains, the right software can provide the visibility and control needed to streamline processes, reduce inventory and avoid bottlenecks. By creating visibility across the entire chain, companies can optimize their material flows, reduce capital tied-up and achieve a more balanced and efficient supply chain. We have been doing this work for over 25 years, with the goal of providing companies with the insight they need to take their business processes to the next level.

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