



Building Smarter, More Resilient Supply Chains for the Future

Unexpected disruptions and outdated practices are stressing supply chains, sometimes until they break. To stay competitive, companies need to have more flexible supply chain processes that are driven by actionable insights.



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Chapters

Building smarter, more resilient supply chains

Use data to alleviate sourcing pressure

Extend visibility with a control tower

Connect resiliency to sustainability

Improve the last mile

Adapt and thrive

Building *smarter, more resilient* supply chains

The foundation of resilience is intelligent, ***adaptive*** supply chain management solutions that provide a ***real-time view*** into supply chain operations and ***advance warning*** of potential problems.

The challenges plaguing supply chains have officially reached critical mass, with supply chain memes and jokes becoming part of the pop culture conversation. But supply chain struggles are far from funny for companies attempting to survive a perfect storm of highly disruptive trends.

In recent years, supply chain troubles have imperiled everything from customer loyalty to brand reputations to profit margins, and a lack of comprehensive insight has made it difficult to respond.



While some supply chain issues will alleviate as the recent pandemic wanes, many disruptive trends will continue. Companies will need to be more resilient and flexible – and more successful at managing disruption, which can be achieved using modern, cloud delivered supply chain applications.

No end in sight

9 of 10

retailers expect that supply chain issues will continue to negatively impact revenue in 2022

Source: <https://www.marketwatch.com/story/supply-chain-issues-to-bedevil-retailers-through-2022-according-to-survey-11639002812>

The foundation of resilience is intelligent, adaptive supply chain management (SCM) solutions that provide a real-time view into supply chain operations and advance warning of potential problems. With tools that drive efficiency and provide precise control based on real-time data and situations, companies can be agile, responsive, predictive while increasingly sustainable supply chains.

Dive into this eBook to *learn more* about:

- ▶ How to solve unmatched sourcing pressures
- ▶ The benefits of having a supply chain control tower
- ▶ How to embed sustainability into your supply chain
- ▶ The importance of streamlining the last mile

Use data to *alleviate* sourcing pressure

For companies that want to remain competitive amid the volatility, data-driven **sourcing decisions are the differentiator**.

To say that today's market is challenging is an understatement. Modern supply chains must work around many hurdles, including fluctuating tariffs, increasing regulations, shortened product life cycles, ongoing labor shortages, and extreme volatility in market demands.

These are all in addition to the “no norm is the new norm” supply chain surprises of the past few years, from pandemic-related pressures to weeks-long port backups to cargo ships run aground.

But even amid the struggles, the expectations placed on supply chain executives remain high. Companies are looking to you to create and maintain sourcing systems that withstand current headwinds while also:



Improving environmental, social, and governance (ESG) scores



Maintaining reliability and brand reputation



Mitigating costs and finding increased efficiencies



Increasing supply chain elasticity

Given these additional performance metrics, the days of sourcing based primarily on cost are long gone. SCM teams, instead, must evaluate their sourcing on an increasingly complex set of supplier variables, including scalability, resiliency, quality, and flexibility – to name just a few.

Understanding these factors requires additional data and metrics. It also requires new systems that can collect the data and provide analysis in near real-time to generate executable information. For companies that want to remain competitive amid the volatility, data-driven sourcing decisions are the differentiator.

Integrating data to *improve* sourcing

- ▶ Product development teams to better understand and plan for the components and resources for upcoming products.
- ▶ Sales and demand management systems, which enable you to anticipate demand-driven requirements to maximize revenue and profitability.
- ▶ Legal and governmental teams, allowing you to get ahead of political changes that negatively impact global suppliers.
- ▶ Customer service teams, which can help identify product quality issues early and how they relate to supplier performance.
- ▶ Environment, Social and Governance (ESG) initiatives to guarantee that each tier of suppliers upholds your company's goals.

Extend *visibility* with a control tower

With cloud-based SCM platforms, you can see your entire supply *ecosystem in real-time*.

Visibility into a single supplier is no longer enough. Companies committed to building stronger, more resilient supply chains are extending visibility to customers, suppliers, and distributors. You want to see not only what's happening with your supplier, but also what's happening with your supplier's supplier. The same goes for alternative vendors and distributors all over the globe.

One of the best ways to achieve this 360-view is by leveraging SCM technologies to create a supply chain control tower for your supply chain operations. Not long ago, getting to the bottom of disruptions took a flurry of phone calls and days of waiting for suppliers to respond. Now, with cloud-based SCM platforms, you can see your entire supply ecosystem in real-time.

In this new era, SCM control towers enable companies to:



Automatically collect data, instead of relying on traditional spreadsheets.



Establish a single source of SCM truth across all teams and departments.



Monitor all levels and branches of a global supply chain and identify problems early.



Respond to disruptions quickly by adjusting routes or changing or augmenting suppliers.



Communicate via one platform to check on order statuses and make changes.

The *competitive benefits* of improved visibility

A two-way street

44%

of companies give critical suppliers visibility into their future demand, but 76% of industry leaders do

Source: <https://www.supplychainbrain.com/articles/34114-the-state-of-supply-chain-visibility-a-survey-of-500-supply-chain-and-procurement-executives-on-supplier-collaboration>

There are numerous advantages to having greater supply chain visibility, including:

- ▶ Costs savings from re-engineering to favor low-cost suppliers and faster, more efficient delivery routes.
- ▶ Fewer “fake orders” because customer service no longer need to lock in supplies to ensure they are available down the road.
- ▶ Improved lead time because buyers can look across multiple suppliers to understand availability.
- ▶ Increased supplier flexibility so that companies can source from many suppliers instead of one.
- ▶ Better communication regarding delays and disruptions, enabling action to lessen the impact.
- ▶ The importance of streamlining the last mile

Connect *resiliency* to sustainability

A truly sustainable supply chain involves ***addressing every aspect of your processes***, from how your organization ideates and designs products to last-mile logistics.

Building sustainability into your company's supply chain is not only good for the planet – it can be great for your business. Done right, improving the sustainability of your supply chain generates cost savings, new efficiencies, better partnerships, and positive brand equity. In the process, you'll enhance resiliency across the board.

But getting there is no small feat. A truly sustainable supply chain involves addressing every aspect of your processes, from how your organization ideates and designs products to last-mile logistics. At each point, your company can take actions to limit the environmental impact of your business and improve the world.

Consider these *four key factors* to get started:

1

Design lower-impact products

Supply chain sustainability starts at the beginning – with product lifecycle management (PLM). The challenge is developing products that use fewer environmentally sensitive materials and producing them more sustainably.

For example, companies may reconfigure products by using recycled materials or less packaging. Some may focus on processes that use less water or electricity. Or perhaps they may create longer-lasting products that don't require replacement.

Modern PLM solutions make all the difference in designing better products. They enable companies to be socially and environmentally responsible by developing products with unified processes within a single solution. This streamlines the design processes and how engineering requirements are managed.

2

Improve supply sourcing

Sourcing sustainable products and raw materials effectively and efficiently is key to creating a sustainable supply chain.

In the past, companies may have been tempted by cost-saving offers by disreputable suppliers. But in today's ESG-focused era, a bad apple in your supply chain can significantly damage your brand.

Assessing and improving your sourcing decisions will put your company on a sustainable path and give your customers one more thing to love about your products.

Sustainability counts

56%

of U.S. consumers will stop buying from brands they believe are unethical—even if the issues are with a supplier

Source: <http://mintel.com/press-centre/social-and-lifestyle/56-of-americans-stop-buying-from-brands-they-believe-are-unethical>

3

Plan for sustainability

Sustainable businesses are focused on minimizing waste and making the most of the planet's finite resources. And getting there requires effective supply chain planning solutions. LiDestri Foods, a New York-based company that produces popular tomato sauce and salsa brands, provides an ideal example.

The company goes to great lengths to ensure it never wastes raw materials, which means using raw/fresh tomatoes within days. This requires meticulous supply chain planning and close coordination with its network of growers and shippers.

LiDestri adopted a cloud-based demand planning platform to do just that. Thanks to increased visibility and forecast accuracy, the company has **reduced “disposals” by 50%** – saving more than \$2 million a year.

4

Improve product packaging

Product packaging is just as important as the product itself, especially when it comes to sustainability. Finding ways to improve packaging by reducing its environmental impact is essential for creating sustainable supply chains.

LiDestri highlights the impact such efforts can have. The company developed a new package called the Living Jar, an ultra-clear, blow-molded, high-barrier plastic PET jar that replaces glass packaging. It's lighter, shatterproof, and more environmentally friendly. The company was also the first in its industry to remove cardboard between jars as flats, eliminating another significant source of waste.

Improve the last mile

Studies show that *the final link* in a product's journey can make up 30% to 50% of the total cost.

Today's supply chains don't end once the product is created. Instead, companies manage the product life cycle through customer delivery, and the last mile – from carrier to doorstep – is increasingly important.

First, it's one of the most expensive parts of your supply chain. Studies show that the final mile in a product's journey can make up 41% of the total supply chain cost ([View source](#)). Receiving the product is also a significant component of the customer experience.

So how can your company transform the last mile from cost center to a competitive differentiator? The secret is innovating your transportation and delivery management processes with technology.

A new era of *delivery*

The demand for consumer-friendly delivery services has profoundly affected the entire supply chain. New delivery options impact everything from the location of warehouses to the use of robotics. For instance, to shorten last mile-delivery distances, many companies are moving toward micro-fulfillment centers – placing smaller distribution centers in more places that store fewer products but increased quantities of those frequently ordered products.

To keep costs down, more companies also are using innovative technology that can help [optimize transportation routes](#) to deliver goods faster and more efficiently. Data and analytics, available in the cloud-based supply chain management platforms, can also help create more efficient last-mile performance.



Technology for tomorrow

This shift is even upending how established shipping companies such as UPS and FedEx operate. These companies are looking at creating new business models that rely on independent delivery merchants, rather than employees, to go that last mile.

Already, companies like Uber and GrubHub are tapping networks of independent gig workers to deliver everything from food to merchandise. Down the road, you can expect to see autonomous vehicles, drones, and robotic delivery playing a role in this new paradigm.

Along the way, consumers want to know where their product is in its journey. Thanks to technologies ranging from GPS to Internet of Things (IoT) sensors to smart doorbells, consumers can now track their orders over the last mile and even watch the final inches.

Adapt and *thrive*

Supply chains are only becoming more complex. But fortunately, the technology for managing them has evolved as well. ArganoCSS can help your company create a stronger, more resilient supply chain designed to adapt and thrive in the face of modern challenges.

We've helped many companies make the move from outdated legacy systems to the Oracle SCM Cloud. With its singular architecture, it's the only SaaS SCM platform that offers cloud benefits and enterprise-grade supply chain functionality.



Are you interested in finding out how you can make your supply chain more resilient with a cloud blueprint designed for your industry and strategic requirements?

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