

Supply chains shift gears from 'just in time' to digital transformation

Supply chains used to have laser focus on delivering things 'just in time' and at the lowest possible cost.

Both objectives are still relevant. However, in the past 18 months the pandemic has pushed many supply chains to near breaking point. This caused delays to the delivery of goods ranging from toilet paper and personal protective equipment (PPE) including masks and gloves for health workers, to computer chips and gas.

The new priorities are resilience, flexibility, and rapid-response to unexpected events.

As the research company Gartner has [noted](#), Covid-19 demonstrated how costly a fragile supply chain can be for organizations. Gartner added that business leaders also don't expect the pandemic to be the last major disruption that global supply chains face.

Heads of supply chain and logistics, often working closely with chief information officers (CIOs) and finance directors (FDs), are reviewing their supply chains and accelerating digital transformation projects, many of which had begun pre-pandemic.

Increasing resilience and 'agility' (the most cited industry buzzword) is a major technological shift that requires organizational change. Many of these supply chain projects involve an overhaul of enterprise resource planning (ERP) software systems and financial planning software. It will also see a shift to cloud computing for more flexible computing power and real-time data analysis to improve delivery times and better predict customer demand.



Automation technologies including machine learning will help companies streamline supply chains and cut their costs by removing costly and time-consuming manual processes.

Half (51%) of 200 supply-chain executives said that they are investing in data science skills, and **73%** said that they are piloting or planning to use machine learning in the next 12 months, according to [research](#) published earlier this year by accounting firm and consultancy EY.

However, many company supply chains are still far from autonomous, fast, flexible, and intelligent.

Digital transformation

To bridge this gap between aspiration and reality, heads of IT, finance and supply chains must work closely.

Only 4% of chief supply chain officers (CSCOs) say that their operations are “future-ready”

Research by Accenture

What technologies and methods are companies using to modernize and improve their supply chains? This was one of the talking points at a recent logistics industry conference ([Deutsche Logistik Kongressin](#), 20-22 October 2021) in Germany.

Shalendra Kumar is Group Supply Chain Business Solutions and Systems Director. His remit includes IT solutions and digital transformation in supply chains, finance and legal areas at Coca Cola Hellenic Bottling Company, a packaged goods business and bottling partner of Coca Cola.

Speaking at the logistics conference, Kumar said that his company's plans for supply chain and digital transformation were based around “**four pillars**”:

- **Connectivity, data and computational power** (including, real-time visibility in the supply chain, predictive maintenance and digital twins)
- **Analytics and intelligence technologies** (including demand forecasting, scenario planning and reporting on sustainable packaging)
- **Human-machine interactions** (including virtual plant tours and using augmented reality, such as smart glasses)
- **Advanced engineering** (including 3D printing for spare parts, and automated warehouses)

The company is at different stages of trialling and rolling out the technologies. Using robots in some warehouses, including driverless forklift trucks, along with automation technology, can better organize drivers in the yard to check registration details that saves time, and increases productivity.

Productivity

These and other new technologies can also reduce the time trucks are waiting in warehouses and help Coca-Cola Hellenic give customers a more accurate prediction for when deliveries will arrive, he added.

“This is bringing us productivity in terms of truck utilization and less time spent in our plant because all of this is monitored by software.”

Shalendra Kumar

Group Supply Chain Business Solutions and Systems Director

In the same discussion, [Kamil Kasprowicz](#), vice president, supply chain management, at Otto Group, a German e-commerce company and retailer, said that it planned to invest heavily in its network technology and IT over the next four years.

Addressing all of these topical challenges, the latest version of Oracle Cloud SCM includes new artificial intelligence, machine learning, and IoT features to improve real-time monitoring of shipments, and enhance the efficiency of trade and logistics processes.

- **Oracle Logistics Machine Learning:** Helps customers leverage machine learning in transportation processes to accurately predict transit times, reduce costs associated with unplanned delays, increase logistics efficiency, and enhance the customer experience
- **Rules of Origin Qualification:** Helps customers comply with rules of origin criteria across hundreds of different trade agreements
- **Connected Logistics:** Helps customers better predict and manage shipments and inventory, while monitoring location and conditions (such as temperature and humidity), by connecting logistic flows between Oracle Transportation Management, [Oracle Warehouse Management \(WMS\)](#) and [Oracle Internet of Things \(IoT\)](#)

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