Gaining Supply Chain Connectivity and Visibility with the Cloud

At a Glance

- Your supply chain network needs to meet and exceed delivery targets for your business to remain competitive.

- The need for supply chain integration and visibility is critical to drive down the cost of operations, reduce time-to-market, and accelerate process improvements.

- Cloud-based supply chain planning and management enables clarity and consistency for strategic supply chain objectives, more effective strategic sourcing for direct and indirect procurement, and scalability for growth.

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White Paper

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Managing the Challenges of Your Supply Chain

Your supply chain network faces a myriad of challenges in meeting and exceeding your customer demands. Likely, your supply chain network grapples with these characteristics:

- Limited to no IT integration within and among supply chain participants in fundamental areas like forecasting and demand management.

- Limited if any shared quality data and process-based collaboration between businesses.

- Lack of consistency in core process like sales and operations planning (S&OP) and reverse logistics.

- Siloed, functional metrics that only show one view of the supply chain's performance.

- Manual, paper-based processes where supply chain visibility is non-existent.

- Excel spreadsheets for S&OP that are based on portals or static applications that don't align with how customers and suppliers work.

These characteristics can lead to manual work-around programs, gross margin leakage over time, and delays within the supply chain—all of which hamper your ability to compete in dynamic markets. With supply chain integration and visibility, you are able to lower operational costs, speed time-to-market, and continually improve processes to scale and react as the market dictates. Your supply chain then needs a flexible and agile foundation to enable integration and visibility.

Gaining Connectivity and Visibility with the Cloud

Cloud-based supply chain planning and management systems give you greater agility and insight because your supply chain operations are less constrained by manual approaches. Based on customer interviews and discussions within our customer community, there are three key areas where the connectivity and visibility of the cloud delivers results:
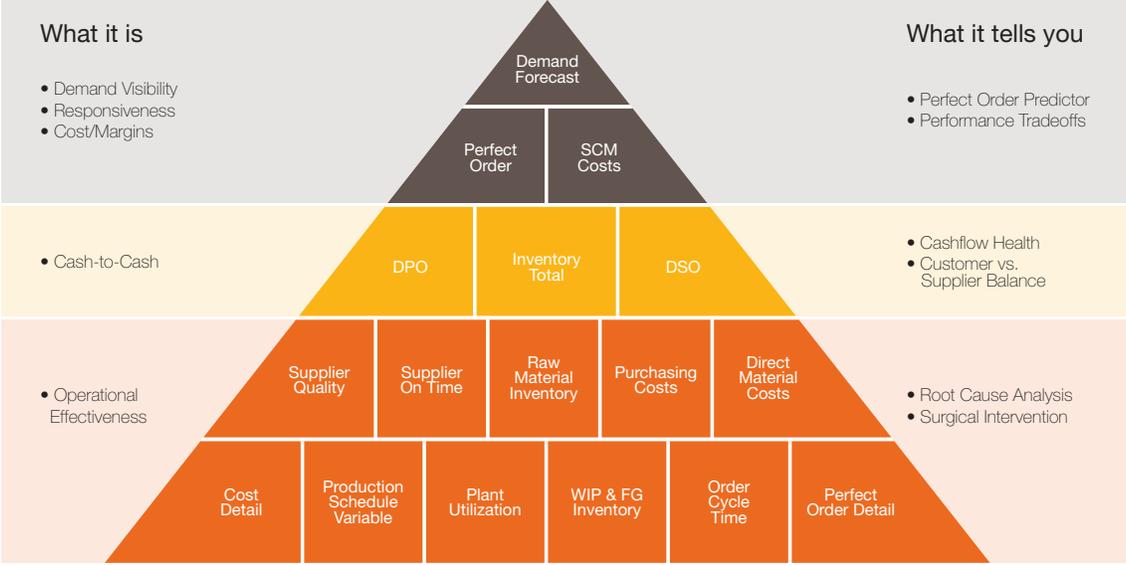
- **Greater clarity and consistency of strategic supply chain objectives corporate wide.** Companies most often see this area as having the greatest room for improvement in both their own operations and in the operations of their customers. Closing the gap in supply chain objectives begins with a common system of record. Customers tell us cloud-based platforms are delivering on this need, making it possible for all departments and divisions to share a common system of record and single version of the truth across all supply chain operations.

- **More effective strategic sourcing for direct and indirect procurement.** The focus within some companies today is how to create a consortium-based buying strategy that combines their efforts to create greater purchasing power. What's missing is the ability to create more effective strategic sourcing that can also combine better project tracking and performance management across buying consulting. As direct procurement saves the most in terms of costs, the focus on project management as part of consortium-based purchasing is also critical. Only cloud-based platforms are delivering this today.

- **Develop supply chain processes designed to scale globally from the start.** All companies need to think of themselves as global competitors first, and align their specific supply chain processes and programs to compensate for variations in product quality management, time-to-market, and continual process improvement on a global basis. Only by concentrating on these areas can an organization scale and retain its customers while competing to win new business.

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Aligning Operational Metrics with Financial Results

Using the Hierarchy of Supply Chain Metrics shown in Figure 1, you can quickly determine how improving ground-level or operational metrics will drive cash-to-cash and eventually top-tier financial results.

Figure 1: Hierarchy of Supply Chain Metrics

Only with a unified, complete system of record enables you to align these metrics with cash-to-cash measures like inventory management and the aggregation of Days Sales Outstanding (DSO) performance over time. Combining these elements will eventually lead to an accurate demand forecast and make supply chain management trade-offs clear. A cloud-based, integrated ERP supply chain planning and management system orchestrates all of these factors together in a timely manner without the need for manual input or heavy IT investments.

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Conclusion

Manual processes and siloed software will not deliver an acceptable level of orchestrated supply chain performance. A comprehensive supply chain management strategy supported by a unified, cloud architecture enables holistic supply chain planning, accelerates supply chain performance, and delivers supply chain metrics that you can use as a roadmap to continually improve business performance.

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About DemandCaster

DemandCaster Supply Chain Planning replaces spreadsheets with a full-featured, cloud-based suite of sales and operations planning, demand and supply planning, and inventory planning software that integrates with your ERP system. The result is improved forecast accuracies, lower inventories, and satisfied customers. DemandCaster, a division of Plex Systems Inc., and helps manufacturers and distributors improve their operating performance by implementing lean manufacturing principles.