

Be the Digital
Disruptor

Digitally Disrupt Your Supply Chain



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According to OpenText CEO & CTO Mark J. Barrenechea, “We are all information companies. Whether we are a bank, an insurance agency, a mining company, a manufacturer, or a technology company—all of our daily business operations depend on information in its many formats. Our information is valuable. Not only does information drive business, it is also a key differentiator that will define our competitiveness into the future.”

The disruptive enterprise

A disruptive enterprise is one that very effectively leverages new techniques and technologies to deliver value to customers in such a revolutionary way that its entire industry is disrupted. According to IDG, 93% of business executives believe digital will disrupt their business within the next year.¹

For example, enterprises can employ digital technology to:

- Create startlingly new and improved customer experiences that redefine customer expectations beyond the capability of competitors.
- Manage and wield the data content more compellingly and responsively than their competitors.

- Increase the efficiency, responsiveness, and capacity of their supply chains, thus making it dramatically easier for customers to obtain the products and services they desire.

Obviously, each of these feeds into the other, and the true winners are those who achieve leadership in all three, leaving their competition among the disrupted. According to Barrenechea, “We are in the early stages of a Digital Revolution. Disruptive technologies are changing business models in every industry. Extreme automation and extreme connectivity are forcing the enterprise to rethink its approach to customers, markets, its business network, and operations.”

The core elements of managing your digital transformation to yield powerful disruptive results are **your business network and your supply chain**.

This white paper examines how a digitally-driven supply chain can improve processes, increase efficiencies, and create better supplier engagement and customer experiences. It also discusses how many companies are approaching their own digital transformations to better inform their planning.



The Digitally-Driven Supply Chain

When most people think about chains, they think about the links, not the linkages. That is, each link along the chain is a separate component, but it is the connection between the links that creates the chain.

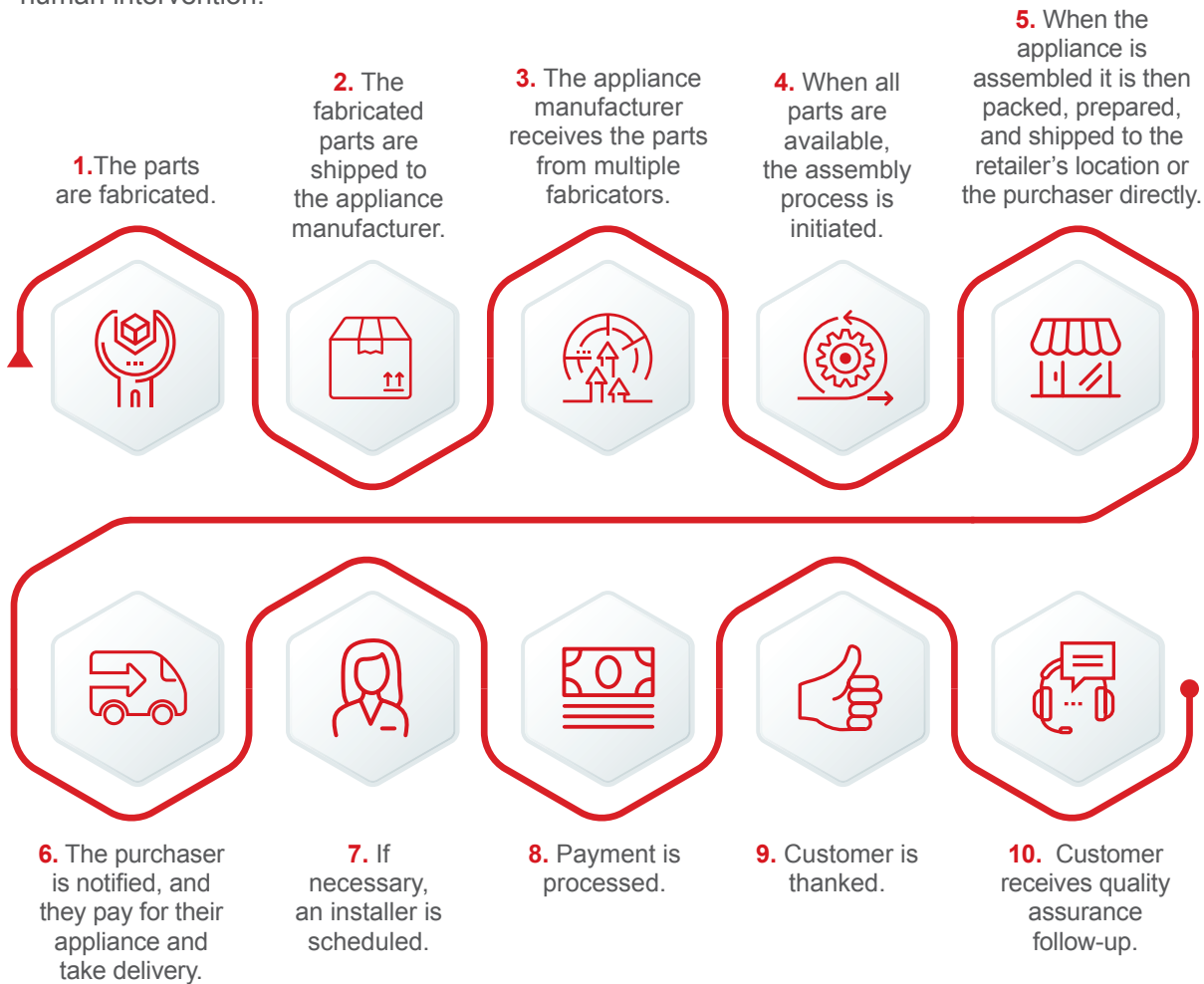
Similarly, it is the linkages between the components of a supply chain that make it efficient or not.

Traditionally, every time anything moved from one segment of a supply chain to another, people had to be involved to document and assure the process. And since people are prone to errors, they often introduce latency into a process. When a supply chain failed or broke down, it was usually traced back to something someone did incorrectly—a human error.

In a digital supply chain, information moves as seamlessly between segments as it does within them. For example, a fabricator of machine parts receives an order electronically from the manufacturer for whom they are supplying parts. The order may automatically trigger a check of inventory which may then launch an order for the fabrication of new parts due to stock-out. Where this simple sequence might have taken days when people were involved at every step, today the entire activity is completed within seconds and the parts are delivered to fabrication and shipment.

Taking another step further in this process, a customer at a retail store is placing an order for a household appliance. That order travels the network to the retail chain's central order processing ERP, which triggers another inventory check. Again, finding none in stock, the ERP places the order with the appliance manufacturer, which triggers yet another inventory check. Finding none in stock, the appliance manufacturer places orders to all parts fabricators, including the one described earlier.

The sequence of events that follows is compelling when you think about it all happening with no human intervention.

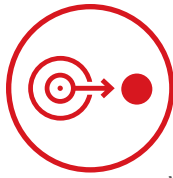


This is a simplification, but it serves to illustrate a simple supply chain. If people were involved, each step would take days, or longer. The only time lags in a fully digitized supply chain are those involved in actually fabricating parts and assembling the final appliance.



The Need for More Speed

In today's consumer driven market, product lifecycles are shortening and new product introductions are occurring at a much faster rate. These trends make the effective management of your supply chain almost impossible without digitizing and connecting your suppliers, customers, and everything else in between. Your entire organization needs to unlearn the old and learn how to function as part of a digital ecosystem where information increasingly needs to be exchanged in real time.



Approaching Your Digital Transformation Your Way

“Digital transformation” can be an intimidating concept, conjuring all manner of science fiction images, but the reality of your digital transformation is very much within your control. You simply need to answer the question, “How can digital tools and systems be applied to improve our business?”

The first step toward answering this question is to become familiar with the many digital innovations that are now delivering value in the marketplace. They include:

Data collection – Perhaps the best way to envision the dramatic improvements in data collection is to examine the retail store. Previously, only one data point was collected as each customer passed by an “electric eye” at the doorway. This delivered the total number of daily visitors. Today, every customer passes by digital

signage that is equipped with cameras, microphones, and other sensors. Other beacon-based telemetry is also available. These devices collect information about height, weight, gender, and many other factors regarding each customer. They then identify that profile and track its progress throughout their store to establish traffic patterns. At the end of the day, hundreds of data points are captured about each of hundreds or thousands of customers.

Of course, this is only the first step along the supply chain. Similar data collection capabilities are available along the path every product travels as it makes its way from manufacturer to distribution to retail sale. Bar code and radio-frequency identification (RFID) technologies have enabled collection of information regarding products—even while they are in transit aboard carrier vehicles.

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Big data analytics – All of these millions of data points each day turn into billions and trillions of data points in a short time. And they are useless unless they are collected, collated, and analyzed to develop a better understanding of who the customers are, what they prefer to shop for, what in-store marketing was most attractive, and more.

Then, where are the points of delay along the supply chain? Where do products dwell the longest? Where do the most errors occur?

Big data analytics make it possible for data scientists to perform exquisite examination of even the largest bodies of data. Faster processors and storage underlie far more sophisticated software than ever before, which enables calculations and algorithms to produce results in a reasonable amount of time.

Cloud computing – Many companies have realized the economies of leveraging cloud computing to enable much of this data collection and management. Recognizing the inefficiency of hiring very expensive data scientists and other experts, they have increasingly outsourced more of their IT functionality to cloud data centers operated by experts who maintain, enhance, and operate the infrastructure. As a result, they enjoy dramatic cost reductions by transforming much of their CapEx into more easily budgeted OpEx.

Mobility – The ability to retrieve product and transaction information and then record interactions and transactions with customers is enabled by tablets, smartphones, and other highly mobile devices. Connection to high-speed wireless networks facilitates these interactions by preventing latency from interrupting the process.

The Internet of Things – The more we can avoid the introduction of people into the process, the more we can prevent the errors and other delays they cause. Since 2008, more automated devices have been connected to the global internet than human interface devices (HID). Newer Internet of Things enhances and streamlines wider sets of processes than ever before, monitoring events, environmental conditions, and movement while controlling systems that impact them. IoT devices now perform processes previously driven by people far more quickly and efficiently – and with fewer errors.

Artificial intelligence/machine learning/cognitive technologies – Cognitive technologies enable processors to observe the real world through audio, video, tactile, and even olfactory sensors that feed all this information to processes that allow the computer to learn new things and make new correlations. Artificial intelligence (AI) can now make informed decisions to take decisive actions that were previously the province of the human operator. This frees human operators to pursue higher order functions while enjoying new efficiencies in many processes along the supply chain.



Two Paths to Digital Transformation

Decision makers have two fundamental paths they may travel as they develop their plan for digital transformation.

1. Assure competitiveness – Remaining competitive assures survival, which may be the goal of the organization depending upon budget and other considerations.

Observing how others are implementing technologies to enhance their supply chain activity and following best practices may be a fine way to invest in proven solutions and assure survival.

2. Establish leadership – Some companies, whose digital transformation is already much further along, have reached the point where they are actively examining new technologies to learn how they might provide new value. These innovators are re-imagining new visions for how their supply chain activities might be dramatically improved through the application of these new technologies and placing their bets on those technologies that hold the most promise.



It's All About Integrating the Information

Companies that perform literally every step of their processes themselves have long been able to automate those processes through advanced integration of their own internal systems.

However, those companies are becoming fewer and fewer. The new normal of business involves partnering with other businesses to furnish the parts and pieces needed to create value for customers. The more organizations that get involved in fabricating parts, performing processes, and otherwise contributing to the supply chain, the more complex the integration between each point becomes. The more efficient the integration, the more rapidly processes are executed. The more rapid the process execution, the sooner value is delivered to the customer.



Deeper Integration

Truly disruptive enterprises take integration another layer deeper. They create interfaces between their systems and those of their suppliers and customers. And they work to improve integration of content communication within the actual applications they use every day to perform their work. Rather than move from a manufacturing application to a separate communications platform, they weave the communications functionality directly into the manufacturing application. This saves tremendous time and eliminates potential errors.

According to IDC's Digital Transformation in the Supply Chain Survey in December 2016, **57% of respondents** feel that enabling new capabilities, or even new business models, via digital technologies is driving supply chain transformation.² Such digital transformation is creating the digital disruptors in many markets.



Optimizing Through Automation and Enterprise Information Management

While the promise of digital transformation is that it will make things easier, there are more concerns and challenges than ever before. Your enterprise must be far more agile than ever and responsive to new opportunities and threats. However, your customers are better informed than they've ever been, and that will only increase as more data becomes available to them. Similarly, your new workforce has higher expectations than ever. Plus, there are ongoing challenges, such as managing regulatory and other legal pressures, globalization, information governance and data and network security.

Your ability to survive and thrive will depend upon how well you increase efficiency at every level and reduce every possible cost. Your only avenue to being truly competitive will be through how well and how much you can innovate new processes and break old paradigms. Famed sales motivator Zig Ziglar said, "If you're doing what you've always done, you're probably getting what you've always got." But that's no longer true. You're no longer getting a fraction of what you formerly "got." You need to do more, faster and better.

With the right selection of B2B Managed Services, your organization has the ability to readily leverage pointed expertise and technology to bring on new partners, automate processes, increase visibility and optimize decision-making. Bringing together all information regarding your enterprise and how it relates to suppliers, customers, and others, will be the lynchpin in your innovation strategy. Here's where you'll manage the workflows that guide your operations, and where you'll learn everything your data is waiting to tell you.



You Can't Manage What You Can't See, or Know

Today, your data has much to tell you, but you'll need to participate in the process of distilling that useful information out of the tremendous treasure trove of data your systems collect. You'll need Enterprise Information Management (EIM) systems that break down silos and put data at your disposal. With systems that combine the benefits of your digital supply chain and business intelligence, you'll gain insights that will inform superior decision-making—making you the disruptor, not the disrupted.

Peter Drucker tells us "you can't manage what you don't measure." Fortunately, our ability to collect, correlate, distill, analyze, and convert metric data into information that drives excellent decision-making has never been greater. The question is no longer whether we can truly measure what we wish to manage. It's much more how we want to go about doing so, and which tools will give us the greatest latitude and functionality to improve our analysis and drive better results.



The Confluence of Powerful Disruptors

The cloud, big data, the Internet of Things, artificial intelligence, cognitive systems, even the concepts of digital transformation and digital disruption themselves are easily construed as mere “buzzwords” in an industry that’s already heavy with them.

The underlying technologies, however, are far more than simple hyperbole. Where AI was the stuff of movies just a few years ago, it is today delivering powerful advantages to companies that implement it in their supply chain operations. Now that technologies can truly learn, extrapolate and interpolate new insights, and make informed decisions, they can deliver far more value than ever before.

Your competitors know this! And they are using it to their advantage. The more you delay the launch of your own digital transformation, the further ahead of you they become. You cannot wait. You must act. Now.

There is great help available to you. To remain competitive in today’s market, companies need to find ways to embrace these new technologies and processes and obtain maximum value from their digital ecosystem. Be on the right side of that equation. Partner with the right B2B Managed Services partner to help you build and leverage your business network. **Talk with OpenText about how you can become the disruptor and not the disrupted.**

Digitally disrupt your supply chain with IoT

Learn the 5 key building blocks of an IoT platform and how they can improve your supply chain operations and your business. [Watch the Gartner webinar, The Next Big Opportunity? IoT for Your Supply Chain.](#)

1 Forrester – [The Future of Business is Digital](#)

2 Ibid.

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