IT's Playbook for Digitizing Supply Chain

It's no secret that the pandemic acted as the proverbial cat out of the bag for supply chain, exposing a number of previously unaddressed issues and underlying weaknesses. One of the most important takeaways from this experience is that supply chain won't simply bounce back to its pre-pandemic state–a truth underscored by the continued impact of both external factors and internal struggles. Maxed-out supply chain leaders struggling to address these challenges have little bandwidth to consider strategic improvements, creating an opportunity for IT to step into the leadership role and implement a digitization strategy that improves supply chain operations. This playbook provides a framework for supply chain digitization, explains why IT should run it, and demonstrates the benefits of doing so.

The Cry for Help from Supply Chain Leaders

Supply chain leaders today spend most workdays managing operational emergencies with industry-standard–and highly tactical–techniques. Promising more business to suppliers who can jump the line, threatening to leave those that can't deliver, relying on expedited deliveries, and extensive overtime are all examples of go-to (and unsustainable) "solutions." While defaulting to these tactics is understandable (especially when considering that most companies still consider supply chain a cost center and view change management as risky), other companies have managed to find a new way forward. Amazon, Apple, and Starbucks are some of the well-known brands that captured market share before and during the pandemic because of their robust, digital supply chains. But midsize companies too—like McGee & Co., Delicato, and Vitamix—have implemented **digitization strategies** in their supply chains that empowered them to evolve and even thrive throughout continuous challenges. So, what does supply chain digitization look like exactly?

## Enterprise Service Management: A Digitization Strategy for Supply Chain

Digitization improves supply chain performance by directly addressing its two major pain points:

- **Productivity**: Supply chains are understaffed right now, and the need for more labor won't decrease. Companies need a way to increase productivity; technology provides a solution through automation and efficiency gains.
- **Flexibility**: Chaos is a new normal for supply chain management; supply chains will consistently face unexpected disruptions of major proportions. Companies that can identify, assess, and act the fastest will emerge the most successful.

Enterprise Service Management (ESM) is a digitization strategy custom-built for supply chain that empowers it to address these challenges, no matter the size or sector of a company's operations. Think of how CRMs automate sales operations, or how Human Capital Management technologies empower human resources. ESM works in a similar vein as these functions by providing a *single source of truth* that enables:

- **Real-time communication**: see and communicate about exceptions when they happen.
- **Automated workflow**s: eliminate manual work and increase productivity.
- **Real-time visibility to processes and exceptions**: speed up resolution times with clear insights into how and what causes issues.
- **Personalized dashboards**: Assign accountability and manage teams across enterprise.
- **Insightful analytics:** Take data-driven action that decreases overall incidents through root cause analysis and increased business intelligence.

The operational benefits of these improvements include shorter lead times, higher service levels, increased productivity, lower costs, protected revenue, and higher customer satisfaction scores.
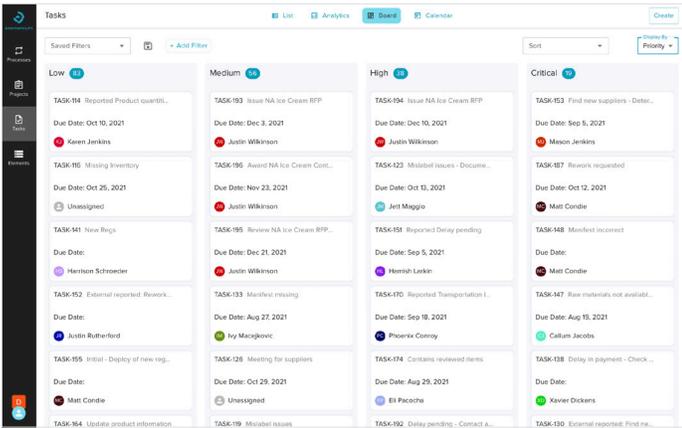
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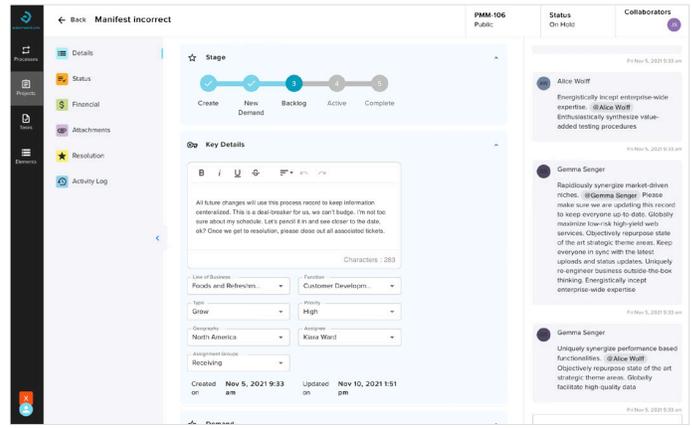
Configurable workflow engine

IT is Well-Positioned to Take the Lead

IT is just the partner that supply chain needs to benefit from technology and innovation. Why? Because IT specializes in the full life cycle of innovation, from market assessment to change management, all the way through process improvement and renewal. For years, IT has been leading successful service management rollouts of Salesforce, Workday, ServiceNow, and others. IT can work with the supply chain team to design and implement an automation roadmap, and IT has the company's respect when it comes to change management. When IT is involved, everyone in the organization knows the project is properly resourced and road mapped.

Supply chain leaders and company executives should already be asking IT for help. But, if they're not, they will be shortly, and they will be increasingly desperate. **When confronted with the question of: "You had two years of delays in order to innovate, why didn't you?", there really is no good answer.**

If you're in IT, and you're not being asked for help, take this opportunity to be proactive, keeping in mind that digitizing manual processes presents a high ROI upside with minimal downside. You can start small with proof of concepts and scale. By acting proactively before your organization experiences major problems, you'll also gain credit for your work as an innovator and a thought leader.

The evidence of ESM's power sits in the stories of its users. Check out customer success stories by *Vitamix*, *Starbucks*, *McGee & Co.*, or *Blue Diamond* in order to see ESM in action. You can also talk to a supply chain service management expert by emailing us at *info@elementum.com*. Or learn more about enterprise service management by going to *www.elementum.com* for additional white papers, playbooks, and customer testimonials.

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