



East West

FREE GUIDE

# What's the Future of Supply Chain Management?



With so many out-of-your-control factors out there – weather, technology breakdowns, political or economic upheaval – managing your supply chain has never been so critical. Third party logistics (3PL) professionals recently identified several key trends:

- Technology risk will continue to shift from shippers to 3PL providers, and will likely speed up in the years to come.
- Integrated solutions – air/ground, air/sea and the like – will not only create value for shippers, but increase margins for 3PL providers.
- eCommerce will continue to influence growth.

### Leverage Technology

Savvy use of technology is the key differentiator between those who move ahead with agility and speed in logistics and supply chain management, and those who lag behind.

Some of the ways technology will influence supply chain management include:

1. Using autonomous vehicles or aircraft will increase, even as regulators try to figure out how to manage the increased traffic on the roads and in the skies.
2. The robotic workforce is growing. Robots no longer just build products; they pick the products from warehouse shelves then deliver them.
3. Using the “cloud” to store and track Big Data, with a large proportion of resources going to securing data from breaches or cyberattack.
4. The Internet of Things continues to proliferate as consumers become more and more comfortable with connected devices monitoring their health, home environment and security. Consumers expect to be able to track everything from a package going to their home to a container of goods from China on a multitude of platforms.

**Cover:** Overlooking the Port of Charleston  
**Below:** Lifting a container on a cargo ship in Charleston



Thanks to technology, managing a supply chain has never been easier, or more complex. The tools available for monitoring all the moving parts of a business are legion – and that’s great. But customer expectations are driving retailers (and their suppliers) to constantly adapt and evolve.

To that end, check out this excellent and thought-provoking list of the top [\*\*5 reasons companies require supply chain expertise\*\*](#). It’s compiled by

Naren Agrawal, the Benjamin and Mae Swig Professor of Operations Management & Information Systems in the Leavey School of Business at Santa Clara University.

- 1. Changing customer attitudes:** “Today’s customer is not the same as that of 10 years ago. Whether we speak of end consumers like you and me, or an enterprise buyer, today’s customer wants to spend a lot less time on the purchasing decision, cares a lot more about information about the product, and, has access to a lot more information prior to the purchase.”
- 2. Customization (segment of one) and multi-dimensional competition:** “In light of this relentless focus on customized solutions and rising consumer expectations, companies have had to enhance their supply chain competencies. A key pre-requisite? Razor sharp focus on supply chain excellence.”
- 3. Product proliferation:** “The relentless drive to offer relevant value to all consumers has led to an explosion in the size of product portfolios that companies offer. How can they do this? You would be right if your answer included supply chain excellence.”
- 4. Short product life cycles:** “This rapid pace at which new products are introduced places unprecedented burdens on how companies design, manage and coordinate their supply chains.”
- 5. Globalization:** “Today, companies design products in one part of the world, source raw materials in another, manufacture or assemble finished products in yet another part, and sell to customers in an entirely different geography. What’s more, when products fail, they are serviced by repair facilities in yet another location, without compromising user experience.”



**Above:** Container yard in the Port of Charleston

## Widen Your Web

If tech is a differentiator, personalization is a transformer. To develop true supply chain visibility, build a supply network rather than a supply chain. Focus on creating a web of partnerships instead of transactional relationships.

Start with those vendors whose involvement affects your bottom line the most. Approach them with an intention of collaboration and mutually beneficial gain. Take an incremental approach, focusing first on key vendors and then moving through your network based on each supplier’s impact on your processes. An “us” dialogue will be better received than a “me, me, me” dialogue.

There’s never been more important time to focus attention on this vital segment of your business. If you haven’t already done a supply chain assessment, looking for weak links, now would be a good time.