

Using data to streamline the supply chain

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16 Mar 2017

Companies invest in many systems to power the supply chain: warehouse management systems, transportation management systems, enterprise resource planning (ERP) platforms and a myriad of other solutions.



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However, sharing data and automating processes between systems, instead of keeping them in isolated silos, allows cross-departmental supply chain processes to be optimised, increasing operational efficiencies and providing a superior customer experience.

Data integration can be the differentiator that enables companies to disrupt processes to increase efficiencies. For example, imagine an ERP system receiving sales orders electronically from the customer relationship management (CRM) system, processing orders and scheduling deliveries automatically, and sending updated stock and delivery information back to the CRM system.

With automation and integration between the different systems, there can be faster order fulfilment, reduced costs and increased customer satisfaction.

Integrating new efficiencies into the supply chain

Here are seven more examples of how integrated data can introduce new efficiencies into the supply chain:

1. **Comprehensive real-time reporting:** Integrated data enables the supply chain professionals to make decisions based on a comprehensive and accurate picture of supply chain related activities across the organisation (e.g. sales, marketing, product lifecycle management, manufacturing, warehousing, procurement, finance, and transportation).

For example, a distribution centre can aim to have a high fill rate but if the cost of fulfilling orders is too high, it will sabotage profit margin goals. A comprehensive view of all activities ensures that orders are fulfilled in the most economic and effective way.

2. **More accurate demand forecasting:** Pulling in up-to-date sales data into your ERP can result in more accurate orders for raw materials, leading to more efficient deliveries, improved customer satisfaction and improved margins due to reduced transportation and inventory costs.
3. **Customise supply chains:** Companies may inadvertently over-service some customers, exceeding expectations, while, providing less than satisfactory service to strategic or high-volume customers.

Integrating data between your CRM and ERP systems can enable you to create dedicated supply chains according to a customer's service level agreement (SLA), providing maximum value at the lowest possible cost.

4. **Close the speed vs accuracy gap:** All supply chain costs need to be analysed together for a unified picture so that operational goals can meet corporate values and brand image.

For example, the company can choose to move inventory at the lowest possible cost, move goods the fastest way possible regardless of costs, or have the highest possible quality of order fulfilment with zero errors. Having cost data and variables together in one system enables easy trade-off analysis.

5. **Earn preferential carrier treatment:** A company that integrates its ERP with warehouse management and yard management software to enable short dwell times and long tender lead times, can earn a 'preferred shipper' status and have an easier time finding capacity because carriers like working with companies that boost their efficiency.
6. **Gain full control over financial commitments:** Control and visibility over the entire life-cycle of a transaction – from purchase approval to final invoice payment, provides full insight into cash-flow and financial commitments. Integrating procure to pay functionality enables ERP systems to extend to the final documents to confirm that goods were received and signed for, before invoices are paid.
7. **Improve production management:** Because PLM is intended to manage the development of a product and ERP is intended to manage the resource planning for production, it makes sense to ensure that the systems are fully integrated.

Once the design has developed to a point where resources need to be managed to produce the product, an ERP system should have the ability to import the most up-to-date product data and share with the necessary departments to ensure accurate financial planning.

Businesses that integrate data and processes across various business systems can optimise their supply chains and provide customers with the best possible service from order to delivery.

Data integration and data integrity throughout the organisation are requisites for effectiveness and efficiently managed resources. A highly adaptable underlying IT infrastructure that enables data and processes to be shared between a company's IT systems can keep the supply chain working at an ultimate level of performance.

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