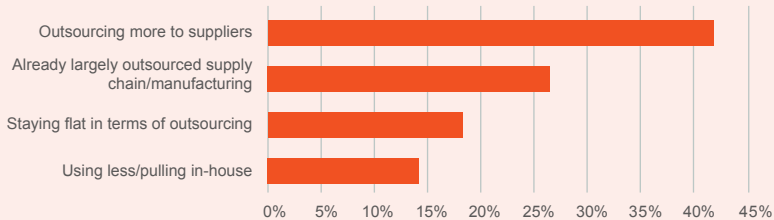# Supply Chain Partner Visibility: Are We There Yet?

According to an Acsis survey done in partnership with Supply Chain Digest, most manufacturers are not even close. The reasons to keep partners "disconnected" from systems include complexity, security and integration costs. But the workaround costs may be even higher: Manufacturers compensate information gaps by keeping excess safety stock, padding customer delivery dates, manually duplicating order entries and rush deliveries – all of which impact customer loyalty, profitability and efficiency.

## THE CHALLENGE: MORE OUTSOURCING, LESS VISIBILITY

It's clear that outsourcing is – and has been – on the rise.

- Outsourcing more to suppliers
- Already largely outsourced supply chain/manufacturing
- Staying flat in terms of outsourcing
- Using less/pulling in-house

*(Chart axis: 0% 5% 10% 15% 20% 25% 30% 35% 40% 45%)*

**BUT**, they aren't satisfied with the information from their supply chain partners:

**Satisfaction on a scale of 1 (least) to 7 (most):**

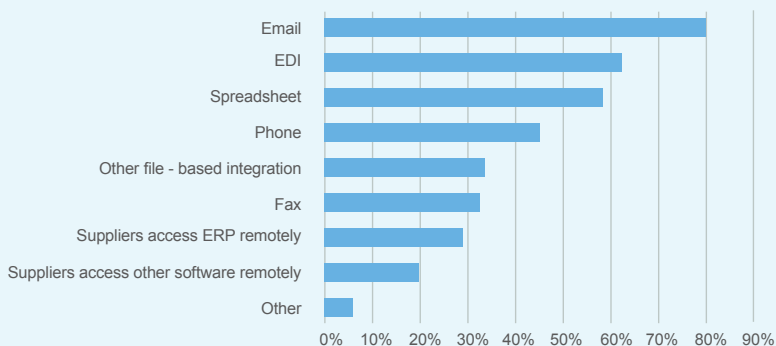| | Detail | | Accuracy | |
|---|---|---|---|---|
| **1** Least | | 3.7 | 3.8 | 4.1 |  **7** Most |

Timeliness

*Source: Acsis Supply Chain Digest Survey*

## TODAY'S REALITY: MOST DO NOT CONNECT

Manufacturers are relying on a variety of information exchange methods from the 90s. **Hello fax machine!**

- Email
- EDI
- Spreadsheet
- Phone
- Other file - based integration
- Fax
- Suppliers access ERP remotely
- Suppliers access other software remotely
- Other

*(Chart axis: 0% 10% 20% 30% 40% 50% 60% 70% 80% 90%)*

And of the few that are connected, most are electronically integrated with **less than 10%** of their partner network.
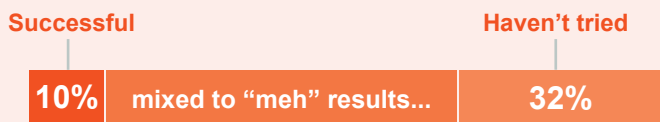
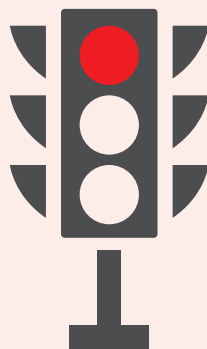*Source: Acsis Supply Chain Digest Survey*

## CONNECTIVITY: EXPECTATIONS, RESULTS AND BARRIERS

# 81%
expect benefits through more supply chain visibility

But, of those who tried to fix it, only 10% have been successful.

| Successful | | Haven't tried |
|---|---|---|
| **10%** | mixed to "meh" results... | **32%** |

And the concrete barriers to achieving better supplier integration/visibility are:

- **4.9** Partner IT capabilities/resources
- **4.7** Cost of integration
- **4.6** Data security concerns
- **4.5** Security/access limits to outside parties
- **4.4** System complexity
- **4.4** Internal IT capabilities/resources

*Rated on a scale of 1 (lowest barrier) to 7 (highest barrier).*
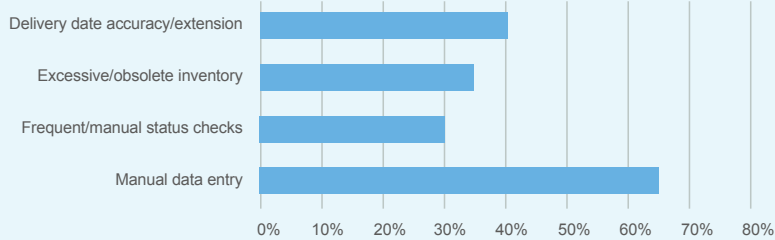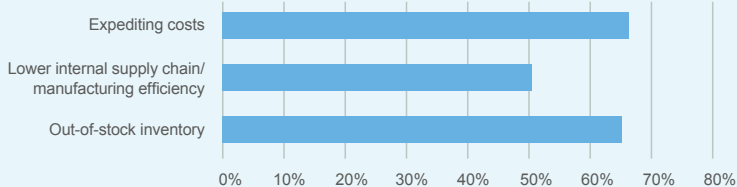
*Source: Acsis Supply Chain Digest Survey*

## VISIBILITY WORKAROUNDS: COSTLY AND RISKY

Manufacturers compensate for a lack of supply chain partner visibility with expensive workarounds like holding excess inventory and the related financial burden, paying expediting costs as a result of "crisis mode," and jeopardizing customer satisfaction with stockouts.

**Manufacturers Using Costly Workarounds...**

- Delivery date accuracy/extension
- Excessive/obsolete inventory
- Frequent/manual status checks
- Manual data entry

*(Chart axis: 0% 10% 20% 30% 40% 50% 60% 70% 80%)*

**...with Significant Business Impact.**

- Expediting costs
- Lower internal supply chain/manufacturing efficiency
- Out-of-stock inventory

*(Chart axis: 0% 10% 20% 30% 40% 50% 60% 70% 80%)*

*Source: Acsis Supply Chain Digest Survey*

## FIND AND FIX THE HIDDEN COSTS IN YOUR PARTNER NETWORK

Companies who implement better supply chain visibility and collaboration will realize:

- **Cost savings by eliminating redundant and manual processes**
- **Efficiency improvements - 90% decrease in time to onboard new partners**
- **Accuracy improvements from on-demand information visibility**
- **Shorter lead times for customer delivery**
- **Reduced security risks**

**Acsis Edge Network** is a lightweight, cost-effective solution that solves the problem of visibility of product movement and synchronization of systems across extended supply partners.

For over 20 years, Acsis has specialized in lightweight, cost-effective solutions that fill visibility gaps in supply chain execution. Our "edge" applications manage the data collection and serialization of goods across extended supply networks, feeding and synchronizing ERP and execution systems automatically.

Contact us for a "Value Calculator" assessment of your supply network and to learn about our Edge Solutions.

*Statistics come from a May 2016 survey of 110 supply chain executives in chemical, food & beverage, consumer products, pharmaceutical and other manufacturers conducted by Supply Chain Digest on behalf of Acsis, Inc.*

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