



SUPPLY CHAIN ANALYTICS

THE IMPORTANCE OF REAL-TIME ANALYTICS AND HOW IT'S OPTIMIZING SUPPLY CHAIN PERFORMANCE

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SUPPLY CHAIN ANALYTICS:

The Importance Of Real-time Analytics and How It's Optimizing Supply Chain Performance

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The importance of understanding business intelligence analytics in real-time is constantly increasing as the agility requirements of the business rise. To perform your best, you must be able to quickly understand changes in market demand, the actions of your competitors and the performance of your suppliers and partners. Real-time supply chain analytics empower you to identify opportunities for both adding efficiencies and competitive differentiation.

About Youredi

Youredi is the only global provider of cloud-based integration Platform as a Service (iPaaS) solutions to singularly address the needs of e-commerce and supply chain logistics providers for interoperable, cost-efficient data integration that ensures the seamless flow of information across value networks. We provide supply chain integration for some of the largest companies in the world, including Alibaba Group Holding Limited.



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Chapter 1.

Why Is It Crucial To Accelerate Your Supply Chain Transformation Immediately?

We have said it time and time again. Consumer demands are growing. We are well past the days of simply discussing consumer expectations. Now, supply chain leaders must look to meet increasing consumer demands by investing in progressing their supply chain transformation.

In a recent blog, we mentioned how Amazon: was negotiating to lease 20 Boeing 767 jets for its own air-delivery service, registered to provide ocean freight services in China, and purchased thousands of truck trailers to ship merchandise between distribution facilities.

Alibaba Group, the other global e-commerce powerhouse we mentioned in that blog, utilizes logistics company Cainiao, which was formed to develop an efficient, China-wide parcel-delivery system. Now, according to Judy Tong, President of Alibaba's Logistics arm Cainiao, "The ultimate goal of Cainiao is to make it easy to deliver goods to anywhere, so that parcels delivered in China can arrive in 24 hours and parcels delivered cross-border can arrive in 72 hours instead of several days currently for China shipments and days or weeks for international orders."



Is there something that Alibaba and Amazon understand that the rest of us don't? Is there some coveted secret as to why these two companies are investing so much into their supply chain? No, not at all. In fact, it is quite simple. In Amazon's case, it was fed up with third party carrier struggling to keep up with the rapid growth of e-commerce. The overall message? Keep up with consumer demand.

If we take a step back for a second, and really ponder the current state of e-commerce from a consumer standpoint (Which we all are at one point or another) it is truly quite fascinating. At any time, from just about anywhere in the world, we can order an item online, and in a few days/weeks, it will end up on our doorstep.

The thing is, with companies such as Amazon and Alibaba setting such a high standard for the rest of the world, two week, or even one week deliveries will eventually become unacceptable. Soon, consumers will be expecting their goods delivered in a matter of days, regardless of where it is coming from. And that is just on the receiving end, expectations are high for returns as well.





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Not only are consumers demanding more when it comes to speed of delivery, they expect more in terms of financial as well. What I mean by this, of course, is free shipping. According to eMarketer, Accent, an omnichannel customer engagement technology vendor, released data indicating that 88% of consumers would be more likely to shop online if they were promised free shipping. Along with that, a survey comScore administered to more than 5,800 US online shoppers suggested the same, adding that 83% of respondents said they were willing to wait an additional two days for delivery if shipping was free.

Such expectations and demands are only going to grow, and that is why supply chain leaders must accelerate supply chain transformation now. If you fall behind the eight ball, you risk not achieving your growth and scale objectives. With that, your chances of remaining relevant and competitive within your industry are compromised.

Remember, the person who stated, “The consumer is always right” was in fact a consumer.

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Chapter 2.

What Real-Time Supply Chain Analytics Really Look Like.

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Real-time business analytics enable you to execute reactive changes in your business processes as you move forward, ultimately minimizing cost and maximizing profitability. Such analytics tools can be used to ensure KPIs

A supply chain analytics, or business activity or event monitoring, tool takes processed data and allows you to create dashboards that provide the real-time analytics most important to you. It allows you to measure and monitor how a process should be running, alerting you to abnormalities and bottleneck.

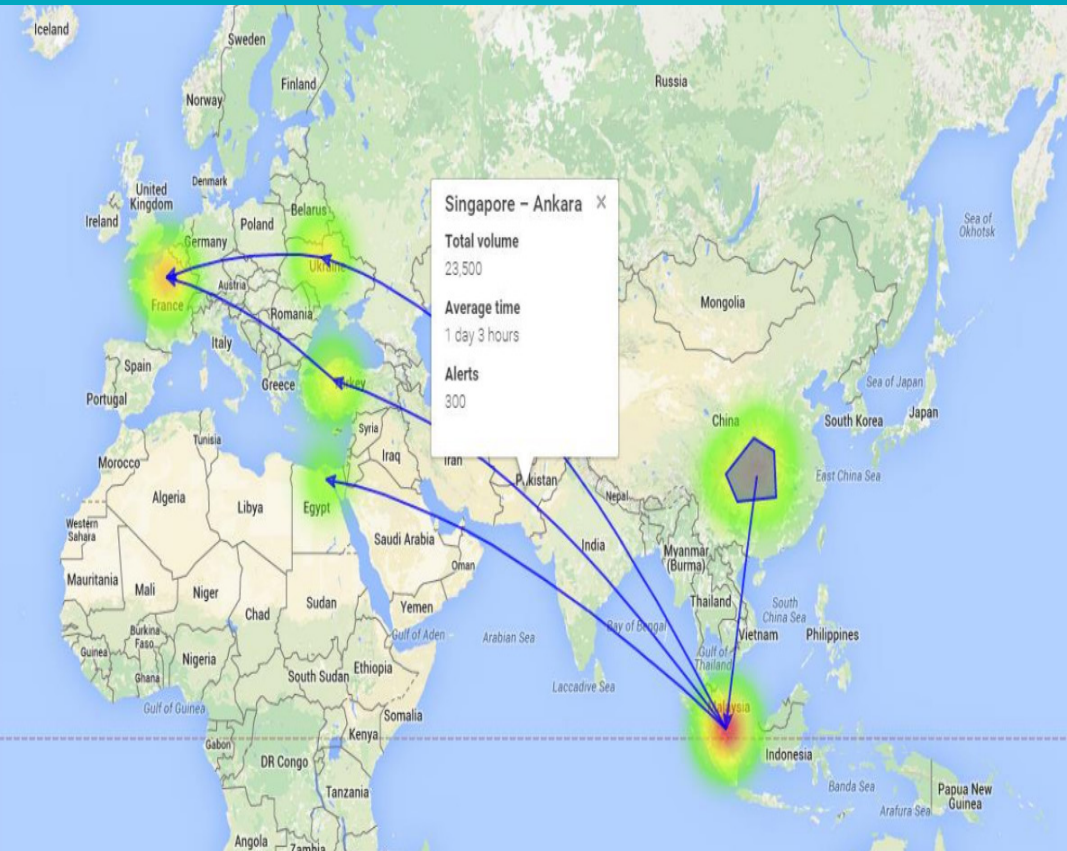
Business Activity Monitoring (BAM) is not exactly new concept. At a high level, BAM tells you, in real time, what is going on in your organization or a network of organizations.

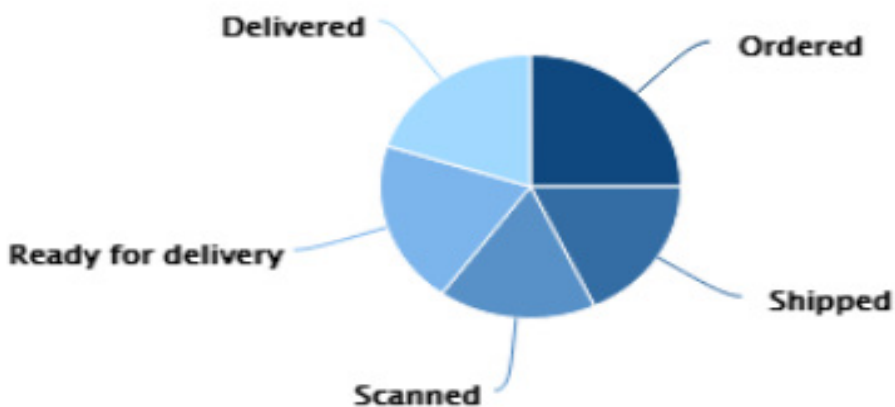
Unlike traditional BI or reporting tools, the key point with BAM is that information is always in real-time (think: You don't gather performance metrics once a month, once a week, or even once a day; you always have information about the current situation).

BAM is a natural companion of supply chain integration. As integration solutions are transferring business critical information between your systems, and increasingly in your partner network, your integration solution has all the data that is relevant to analyze your business processes.

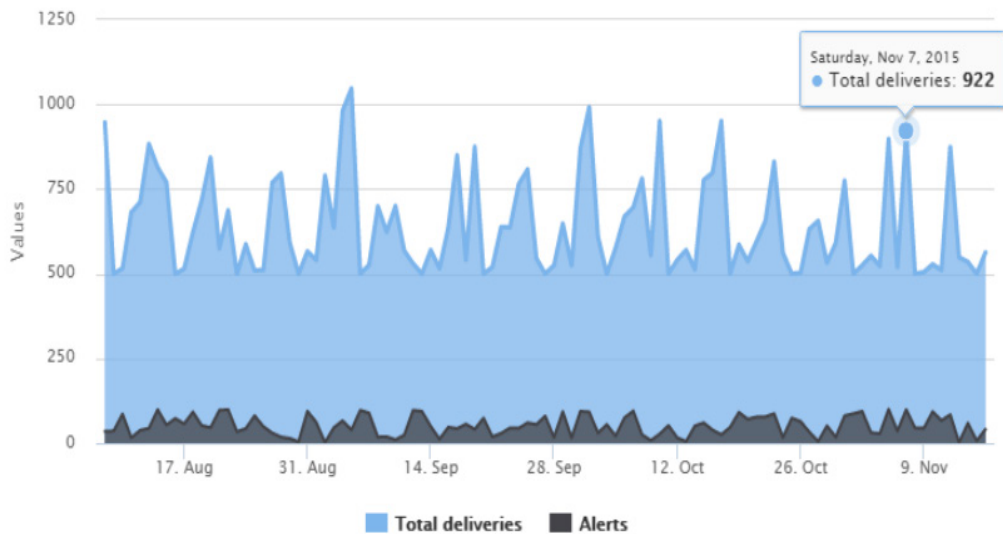


The importance of understanding business performance in real-time is constantly increasing as the agility requirements of the business rise. You must be able to quickly understand changes in market demand, actions of your competitors, performance of your suppliers, and subsequently modify your own behavior according to these changes.





Delivery pipeline

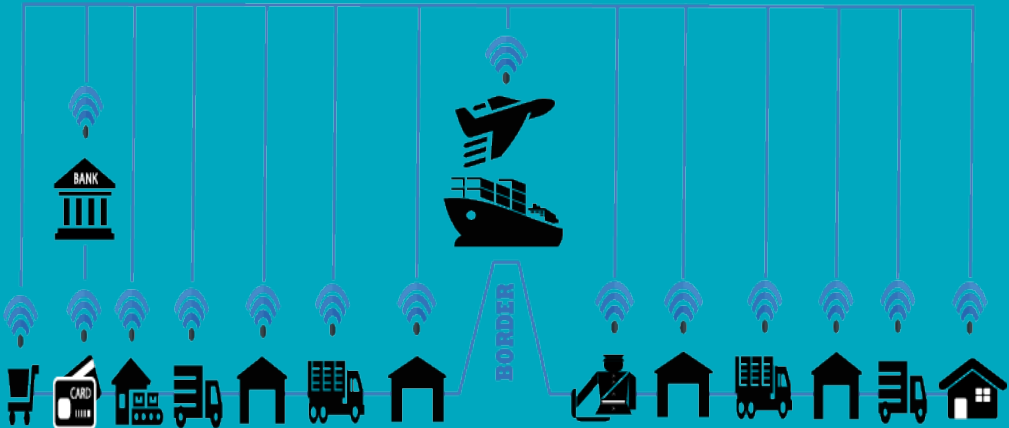


Chapter 3.

How Real-Time Analytics Optimize Supply Chain Performance and Maximize Your Profitability



If you are a chief supply chain officer, it is essential to plan and implement supply chain analytics to optimize your end-to-end supply chain performance. This goes hand and hand with goals of overall cost-reduction and maximizing profitability.



Optimizing end-to-end supply chain performance requires CSCOs to deploy improvement initiatives across people, processes and technologies while supporting ongoing operations.

Managing end-to-end supply chain performance with the effective use of metrics and benchmarks is essential. Using big data as the framework for implementing supply chain analytics. If your supply chain is under performing, you are losing out on time, money, and potentially customers. As the technology evolution accelerates, adapting and scaling become increasingly important.

Whether it be inbound (manufacturer to warehouse), outbound (warehouse to consumer), or reverse, 3PL's, 4PL's, and merchants must be able to evaluate performance. Chances are, there are individual performance goals and metrics that are aligned with the desired supply chain outcome. This rolls directly into customer analytics. Knowing what a customer is going to buy, when and where from. Knowing the customer side of the equation allows use to be more predictive on the supply side of the equation. This is where predictive supply chain analytics and proactive alerting across your supply chain allows you to optimize the flow of goods and drive efficiencies.

Lacking these metrics is not the issue, rather, the issue lies in understanding how to use such metrics to audit supply chain performance. The key, is real time visibility and insight into the data; utilizing the right algorithms behind the metric to provide the right metric or prediction.

