



Ready for the Rebound

One good thing about difficult times is they drive people to take action. It's easy to be nonchalant about counting pennies when dollar bills are everywhere. But when things get tight, lip service surrounding efficiency and automation just won't do.

Tomorrow's leaders are using the recession to address manual processes, paper and other inefficiencies. Using the current recession to implement big picture strategies that will generate supply chain network efficiency will pay heavy dividends when the rebound hits. How? Picture being able to handle more business volume with less people. Not just by asking more from your staff and trading partners—but by investing in technology to get more out of your processes. When processes and transactions are automated, an up-tick in volume won't mean a rush to hire more people. Instead it will mean better profits through a smarter business pipeline that can do more with less. When the rebound occurs, those who invested and made their supply chain networks more agile, more transparent and more compliant will win.

Taking First Steps

Look beyond your suppliers...down to your critical raw materials providers. Are they on the same system? Does your raw materials provider have access to the same critical information, such as planning data, as your supplier? Are processes in place that allow you to handle large volumes and manage by exception, rather than touching every transaction multiple times? Does your accounts payable department have a no-touch system for rapid turnaround or does it manually process each payment? With the right approach, many of the goals and initiatives in place today to survive the recession can lead directly into a competitive advantage in the rebound years.

Here's an interesting exercise. Try examining a few of these metrics within your supply chain network. You just might find an opportunity to improve your strategy.

- Where does paper exist in your supply chain network? (yes, even e-mail)
- How many people within your organization have to manually touch a transaction document, such as a purchase order or invoice?
- What is your process for monitoring suppliers' performance and viability?
- How long does it take to on-board a new supplier?
- How are your trading partners communicating with you on each transaction?
- Where in your supply chain do bottlenecks exist due to capital constraints?

If any of these points raises concern, then it might be worthwhile to examine options that can help you switch to exception-based processing, and can automate workflows and documents within your supply chain network community. Picture a single platform that connects buyers with their suppliers, raw materials providers, financial institutions, agents and other key parties. Picture the flow of all sourcing information including plans, purchase orders and shipping data delivered in one place. Picture financial services such as export financing and early payments, being available at all steps along the way to ensure the lifeline of your supply chain network—capital—is available.

When the rebound takes hold, those companies that have found a way to do more with less will have an advantage. When an up-tick in demand arrives, 2010 leaders won't be scrambling to find new suppliers or personnel. They'll be able to process more transactions and documents with fewer people. They'll have fewer errors and delays in the supply chain. They'll have healthier suppliers. And the bottom line result: they will be more profitable than their competitors.