

# Mitigate Supply Chain Risk with Collaboration and Visibility to Achieve the Perfect Order

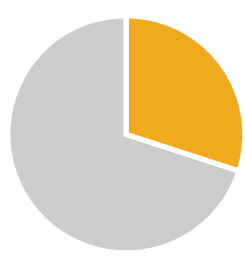
In today's global economy, no company works alone. Intricate supply networks require interaction with hundreds – or even thousands – of outsourced resources, partners, suppliers, and customers around the world. That's why innovative manufacturers are embracing new collaboration and automation technologies to help overcome inefficient, error-prone, manual processes. By enabling collaboration without boundaries, industry leaders are providing greater visibility into direct materials to deliver the perfect order.



“Supply chain managers have a new focus: to move from cutting costs to enabling new processes and making corporations more connected and agile to create value across the entire enterprise.”<sup>1</sup>

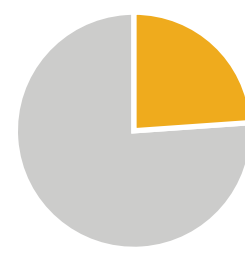
## Why is collaboration essential to reduce supply chain risk?

To mitigate the supply chain risks that naturally arise from complex networks, many manufacturers and procurement executives are looking for ways to work closely with partners. In recent surveys, executives say:



**30%**

Mitigating risk is their biggest single day-to-day challenge<sup>2</sup>



**24%**

Reducing supply chain risk is one of their highest priorities when collaborating with trading partners<sup>3</sup>

## Collaboration is essential for achieving the perfect order.

Close, effective collaboration with trading partners is a best practice for manufacturers striving to optimize operations. According to companies surveyed:



**93%**

Derive value from collaboration<sup>4</sup>



**43%**

Consider improved collaboration with suppliers to be a top strategy for chief procurement officers (CPOs)<sup>5</sup>

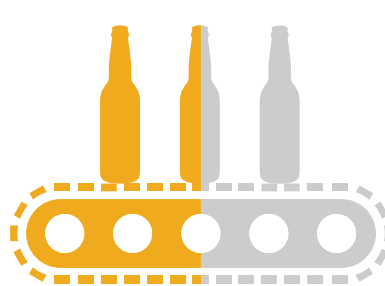
## Collaboration takes many forms.

As indicated by the companies surveyed, the top collaboration methods used over the last three years include:



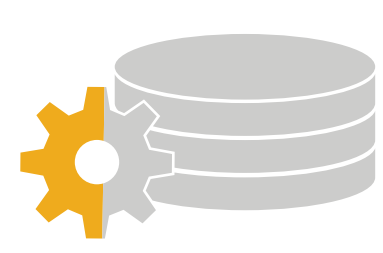
**63%**

Share information with trading partners<sup>6</sup>



**51%**

Automate processes<sup>7</sup>



**18%–21%**

Use business networks or industry process hubs<sup>8</sup>

## How can companies improve their collaborative processes?

Because traditional, paper-based processes can be inefficient and error prone, innovative companies are taking steps to improve these methods.



**54%**

Believe manual processes are a major concern<sup>9</sup>



**35%**

Invest in business networks to improve agility within an extended network of trading partners<sup>10</sup>

## Even when CPOs identify visibility and connectivity as key priorities, actual performance often lags.

When asked about the importance of supply chain visibility in key areas:

**79%**

Claimed interenterprise order management for customers is critical<sup>11</sup>

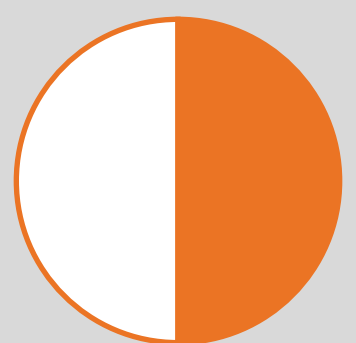


Yet only

**29%**

say their company performs well in this area<sup>12</sup>

There is a **50%** gap between perceived importance and actual company performance.<sup>13</sup>



When asked about the importance of connectivity provided by various technology solutions:<sup>14</sup>

**84%**

Rank phone, e-mail, fax, or postal mail as important



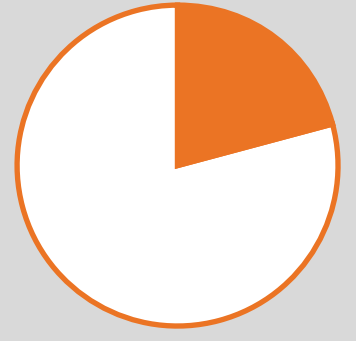
However, only

**63%**

rate actual performance as high



There is a **21%** gap between perceived importance and actual company performance.



Similarly,

**82%**

Believe spreadsheets are important



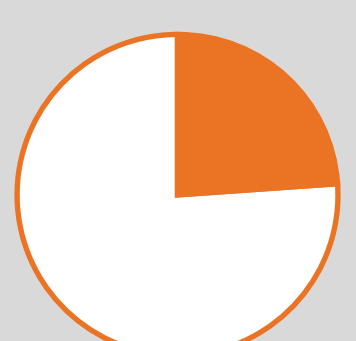
But, only

**58%**

regard actual performance as high



There is a **24%** gap between perceived importance and actual company performance.



“Companies want better supply chain visibility. The gaps in current supply chain capabilities are large. While electronic data interchange (EDI) is effective in moving transactional data, it is point-to-point lacking community interaction.”<sup>15</sup>

## Technology is key to creating the perfect order.

The majority of surveyed companies recognize that a new generation of technology is critical for automating processes, enhancing collaboration, and mitigating supply chain risk.



**50%**

Need better tools to assess compliance and mitigate supply risk<sup>16</sup>

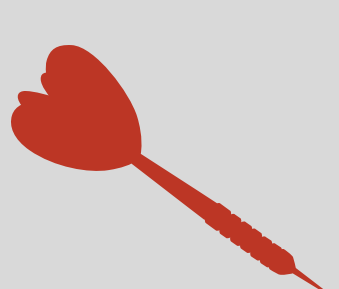


**45%**

Cited improved use of technology as a top CPO strategy<sup>17</sup>

## Collaborative supply networks deliver quantifiable business value.

By using technology to build a bridge to collaboration, leading manufacturers are realizing significant benefits, including:



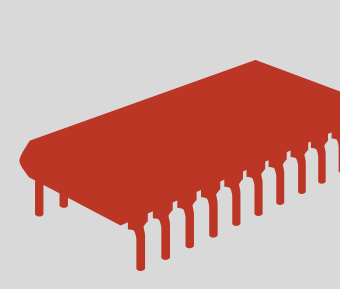
**60%**

Improvement in order accuracy<sup>18</sup>



**50%–75%**

Faster transaction cycles<sup>19</sup>



**>90%**

“Touchless” transaction processing<sup>20</sup>

“Companies have been meeting these new supply chain challenges with a new set of tools. Cloud technologies can help companies reconfigure business processes quickly and extend information to employees and partners across the globe.”<sup>21</sup>

## Learn more

To find out how you can mitigate risk through supply chain collaboration, to achieve the perfect order, visit us at <http://ari.ba/supply-chain-collaboration>.

### Sources

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2. 9. 16: “Top Procurement Priorities for 2014 and Beyond,” Gatepoint Research, July 2013.
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18. 19. 20: “A Tale of Two Companies: The Power of Business Networks,” SAP infographic, 2014.



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