THE CLOUD: TRANSFORMING SUPPLY CHAINS

PART 1

WHAT IS THE CLOUD?

As companies continue to digitally transform their supply chains at rapid rates, it's more important than ever that they have platforms to host their new technologies. These new technologies range from artificial intelligence and its subset, machine learning, to automation and the internet of things.

All these technological innovations are driving supply chains forward yet aren't optimal if silo'd. This is where cloud computing or simply the cloud comes in. It's the unifying technology that allows all these disparate innovations to operate all in one place. But just what is it?

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WHAT IS THE CLOUD?

Put simply, the cloud is an online storage space for your data and programs. Thus, in turn, it's also space where what's stored on it can be accessed through the internet. This is opposed storage spaces like hard drives, which are contained to physical objects, making the storage localized—only accessible via the storage device.

IT'S THE UNIFYING TECHNOLOGY THAT ALLOWS ALL THE DISPARATE TEHCNOLOGICAL INNOVATIONS AND PLATFORMS TO OPERATE AND INTERACT IN THE SAME PLACE.

THE CLOUD DEFINED

An article from Deloitte highlights this growing presence of robots in supply chains:

> "THE CLOUD REFERS TO SOFTWARE AND SERVICES THAT RUN ON THE INTERNET, INSTEAD OF LOCALLY ON YOUR COMPUTER. MOST CLOUD SERVICES CAN BE ACCESSED THROUGH A WEB BROWSER LIKE FIREFOX OR GOOGLE CHROME, AND SOME COMPANIES OFFER DEDICATED MOBILE APPS. SOME EXAMPLES OF CLOUD SERVICES INCLUDE GOOGLE DRIVE, APPLE ICLOUD, NETFLIX, YAHOO MAIL, DROPBOX AND MICROSOFT ONEDRIVE."

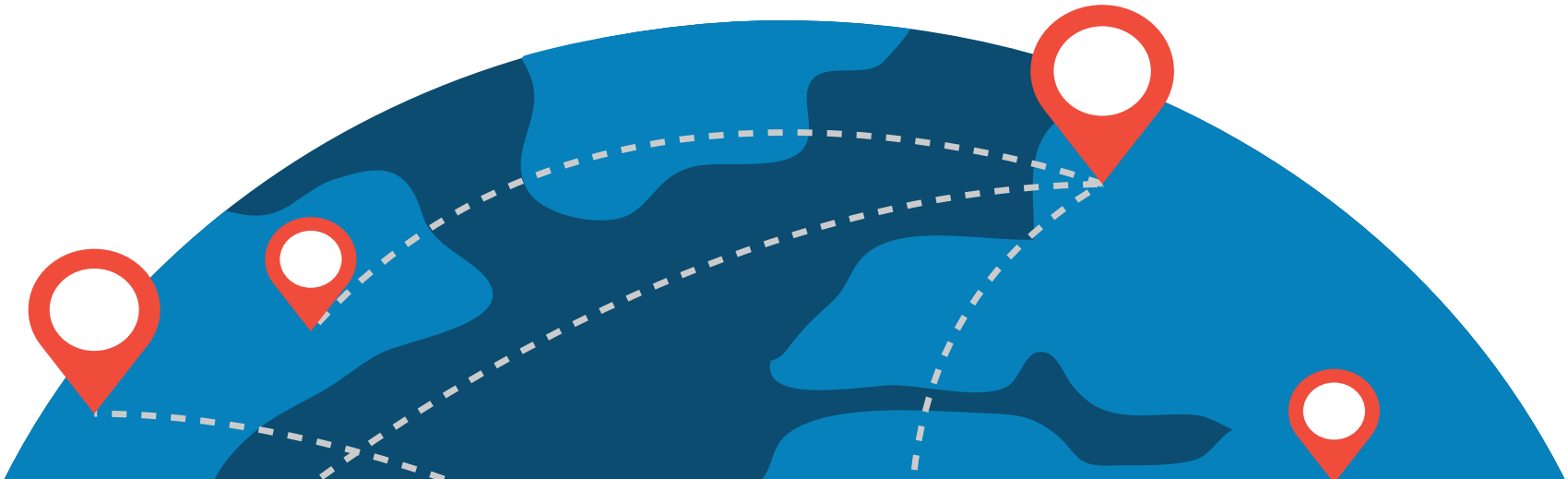
With that mind, what are some of the key ways in which supply chains are changing as a result?

CLOUD: INTEGRATION

One of the most prominent ways in which the cloud is transforming supply chains is its ability to adopt multiple technologies and their platforms so that they can all operate in the same space. Not only that, but the cloud allows for these platforms to interact with each other.

Given the complexity of supply chains and the large variety of platforms needed to support the various stages of their operations, this is a critical component of clouds. The less disconnected the sum of supply chain's parts are the better for the healthy functioning of the chain. The cloud is central to this.

In turn, with the reduced supply chain complexity that comes with having all its platforms in one place comes the potential for superior decision-making. This is because supply chain managers will be able to review all the data being produced in a single unified space.



INTEGRATION

MOREOVER, THE CLOUD'S ABILITY TO INTEGRATE MEANS IT CAN ADOPT OTHER NEW PLATFORMS DOWN THE LINE, MAKING IT A CONDUIT FOR CONTINUAL TECHNOLOGICAL ADVANCEMENT.

A post from Cerasis further explores the cloud's ability to integrate:

> **"THE USE OF CLOUD TECHNOLOGY ENABLES MULTIPLE PLATFORMS TO WORK WITH ONE ANOTHER THROUGH A SERIES OF STANDARDIZED PROTOCOLS. THEREFORE, THE PREVIOUSLY EXISTING DIGITAL BOUNDARIES BETWEEN RAPID COMMUNICATION AND ORDER FULFILLMENT BECOME NONEXISTENT."**

INTEGRATION ADVANTAGES

KEY ADVANTAGES

- Better decision-making
- Faster order fulfillment
- Provides the opportunity for future growth

CLOUD: SCALABILITY

Another key feature of the cloud, especially as it pertains to supply chains, is its scalability. That means if a company wants to ramp up its production and greatly expand its supply chain output it can do so with minimal hassle.

Essentially, there's no operation too large for the cloud. It can adapt to new demands rapidly while minimizing inefficiencies. Thus, no matter how a supply chain grows, the cloud can keep up with it.

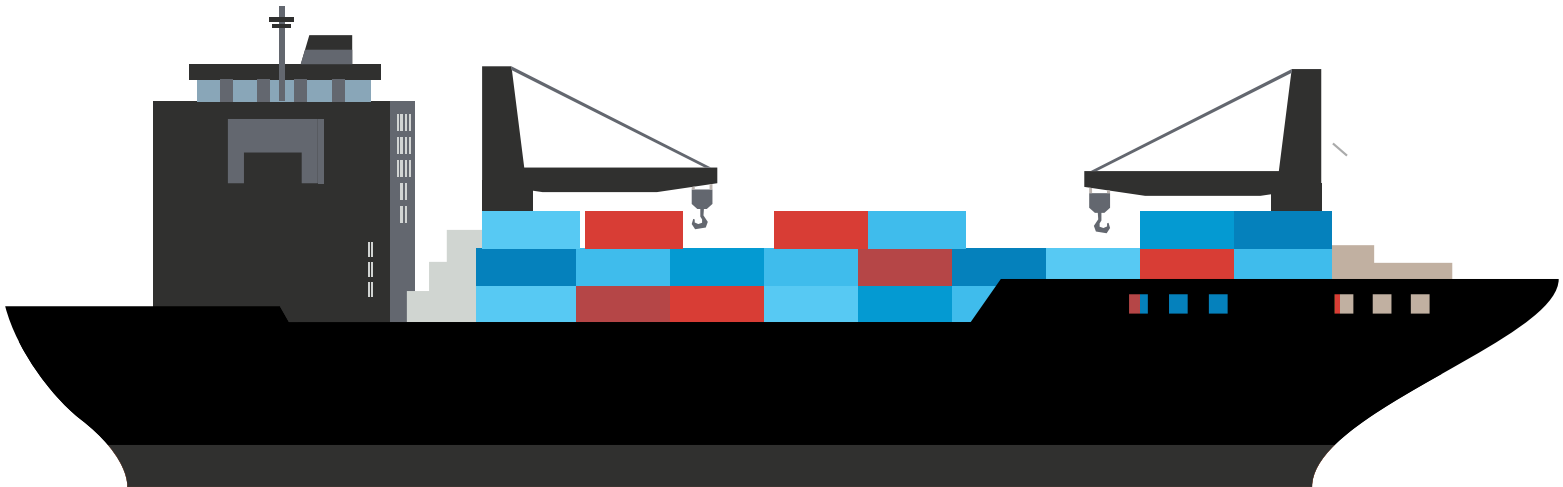
SCALABILITY MEANS THE POTENTIAL FOR CONTINUAL GROWTH AND THE ABILITY TO CONSOLIDATE AND INNOVATE PROCESSES WITH MINIMAL CONCERNS ABOUT COST AND SLOWING OF OPERATIONS.

SCALABILITY

EazyStock's 2018 article on the cloud expands upon this:

> **"THE CLOUD ALLOWS FOR THE CONSOLIDATION AND COORDINATION OF DATA. THE CLOUD CAN ALSO RAPIDLY RESPOND TO MEET NEW DEMANDS IN TERMS OF SIZE AND VOLUME, MAKING IT A VALUABLE TOOL FOR ORGANISATIONS OF ALL SIZES SINCE IT ALLOWS FOR SUPPLY CHAIN GROWTH AND SCALABILITY."**

In part this goes back to integration. Since cloud computing can integrate new platforms, consolidating their data, it can go a long way towards helping expansion efforts. This is because they often involve new platforms being introduced and new data flowing in.



SCALABILITY ADVANTAGES

KEY ADVANTAGES

- Gives companies the option to perpetually innovate
- Increases flexibility
- Presents a path for continual growth

SOURCES

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