

The background of the slide is a dark blue, semi-transparent image of a warehouse interior. It shows tall stacks of shipping containers in various shades of blue and grey. A forklift is visible in the center, lifting a container. Several thin, colorful lines (blue, green, red, yellow) are drawn across the upper portion of the image, resembling data or network connections.

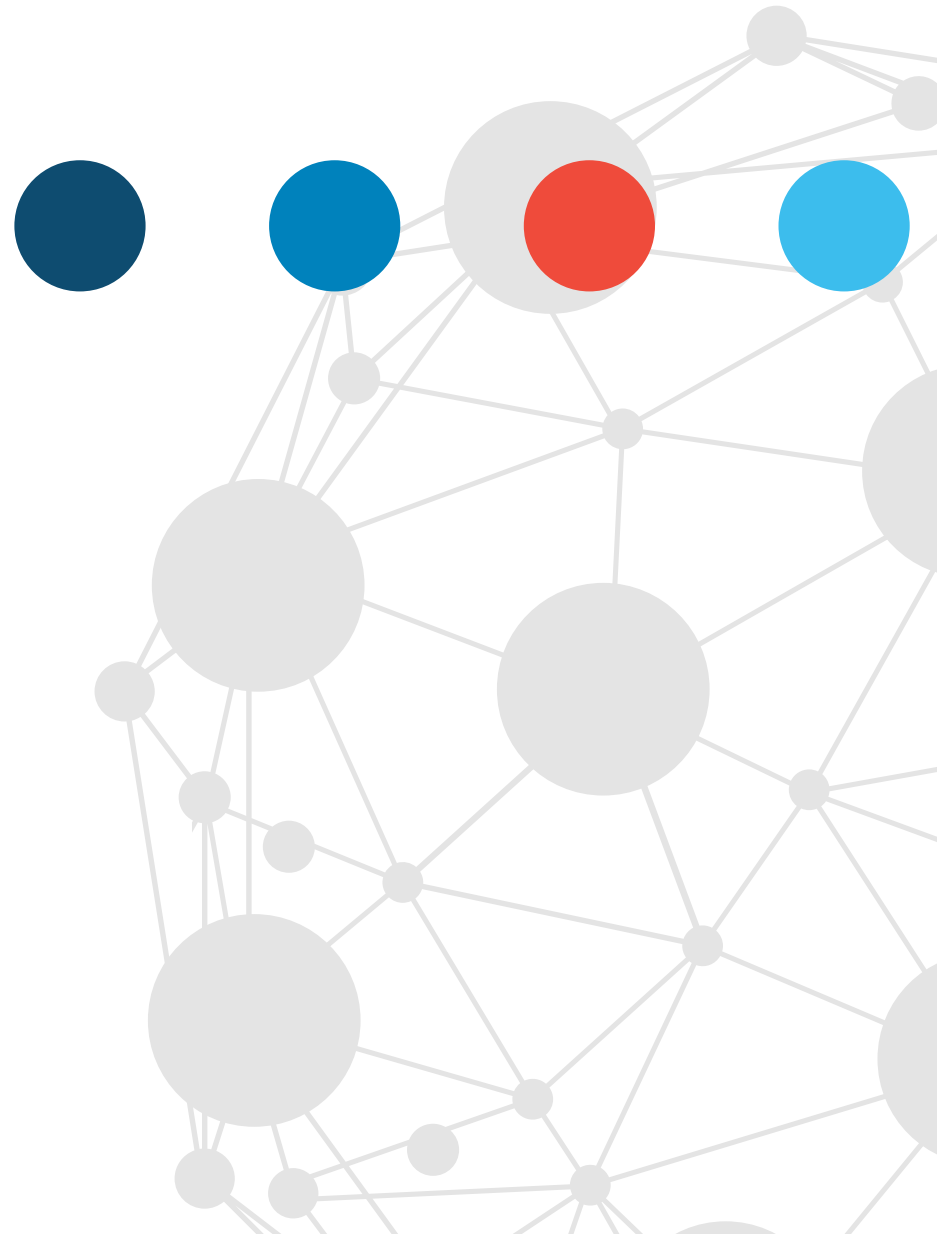
THE CLOUD: TRANSFORMING SUPPLY CHAINS

PART 2

CLOUD: COST-EFFECTIVE


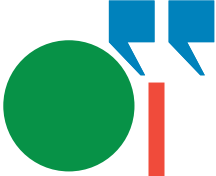
Possibly the most straightforward way in which the cloud is changing supply chains, and the way in which it's most appealing to companies, is just how cost effective it is. The cloud reduces supply chain costs in a number of ways.

Firstly, it can reduce the overall workload required for a number of day to day operations that otherwise have to be performed by workers. That's because the cloud, for example, can be used to automatically take care of the majority of order processing. In turn, freeing up human workers to perform other tasks.




COST EFFECTIVE

A post by Eazy Stock explain another cost-saving byproduct of the cloud:



“MOVING TO THE CLOUD ELIMINATES EXPENSIVE SOFTWARE SETUP AND THE ONGOING COST OF RUNNING AND MAINTAINING DATA CENTERS. IN THE LONG RUN, IT ALLOWS FOR THE REDUCTION OF COSTS ASSOCIATED WITH MANAGING AND MAINTAINING IT SYSTEMS SINCE, RATHER THAN PURCHASING EXPENSIVE SYSTEMS AND EQUIPMENT, YOU REDUCE COSTS BY USING YOUR SERVICE PROVIDER’S RESOURCES AND ONLY PAY A SUBSCRIPTION FEE.”



COST-EFFECTIVE ADVANTAGES



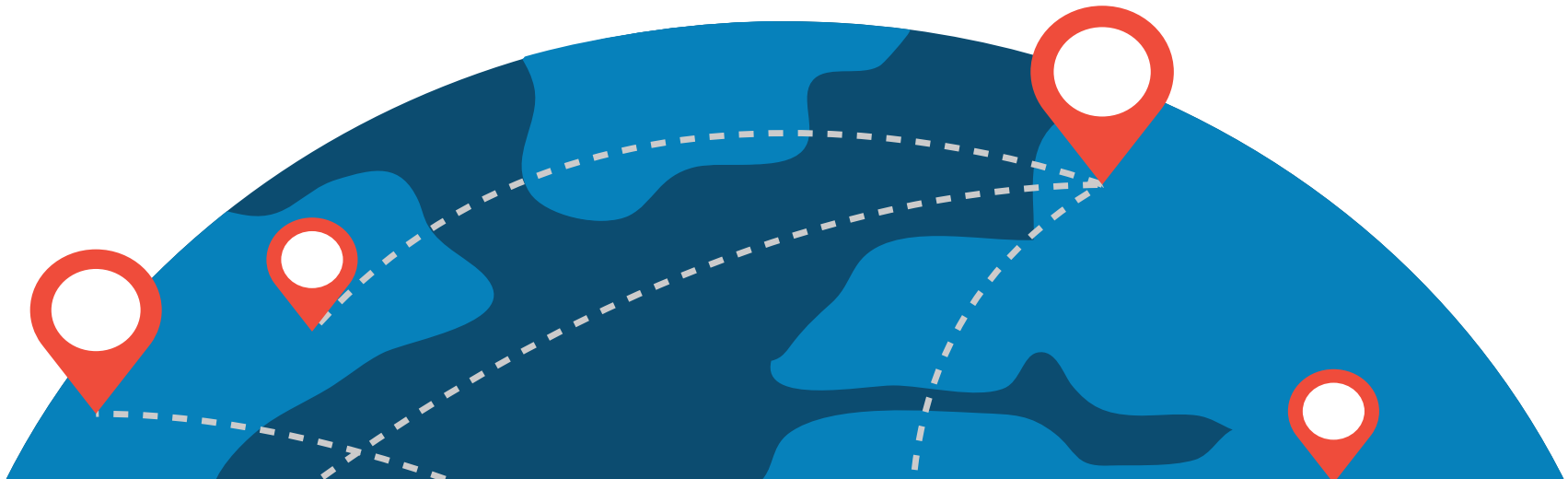
KEY ADVANTAGES

- Boosts efficiency since human labour isn't spread as thin
- Minimizes waste: digital operations are run in as streamlined a fashion as possible with less money being
- sunk into maintenance

CLOUD: QUALITY DATA

Another key area of change that the cloud brings supply chains is the data it allows them to work with. Since clouds can support the totality of a company's digital operations that means all of its data can be stored on the cloud.

Thus, instead of having a variety of digital operations taking place in isolation and the data associated with them being collected in separate platforms, the data can be pooled together in one place, while the various digital operations can interact with each other. Resulting in clearer and more robust data.



QUALITY DATA

THE DATA CAN BE POOLED TOGETHER IN ONE PLACE, WHILE VARIOUS DIGITAL OPERATIONS CAN INTERACT WITH EACH OTHER. **RESULTING IN CLEARER AND MORE ROBUST DATA.**

An article by Cerasis explains a further benefit that results of this:

“THE CLOUD, IN CONJUNCTION WITH THE INTERNET OF THINGS, HAS ENABLED RAPID COLLECTION OF DATA FROM VARIOUS RESOURCES AND ANALYSIS OF THIS DATA. AS A RESULT, BUSINESSES CAN ERADICATE THESE FORMER “HUMAN” POSITIONS IN FAVOR A SERVICE THAT PERFORMS THE SAME RESULTS ONE AN EXPONENTIALLY FASTER SCALE.”

QUALITY DATA ADVANTAGES



KEY ADVANTAGES

- Enhances the quality of data a company uses as its all in one place
- Avoids siloed data, which in turn can lead to a breakdown in supply chain operations as a result of
- knowledge gaps

CLOUD: PLANNING

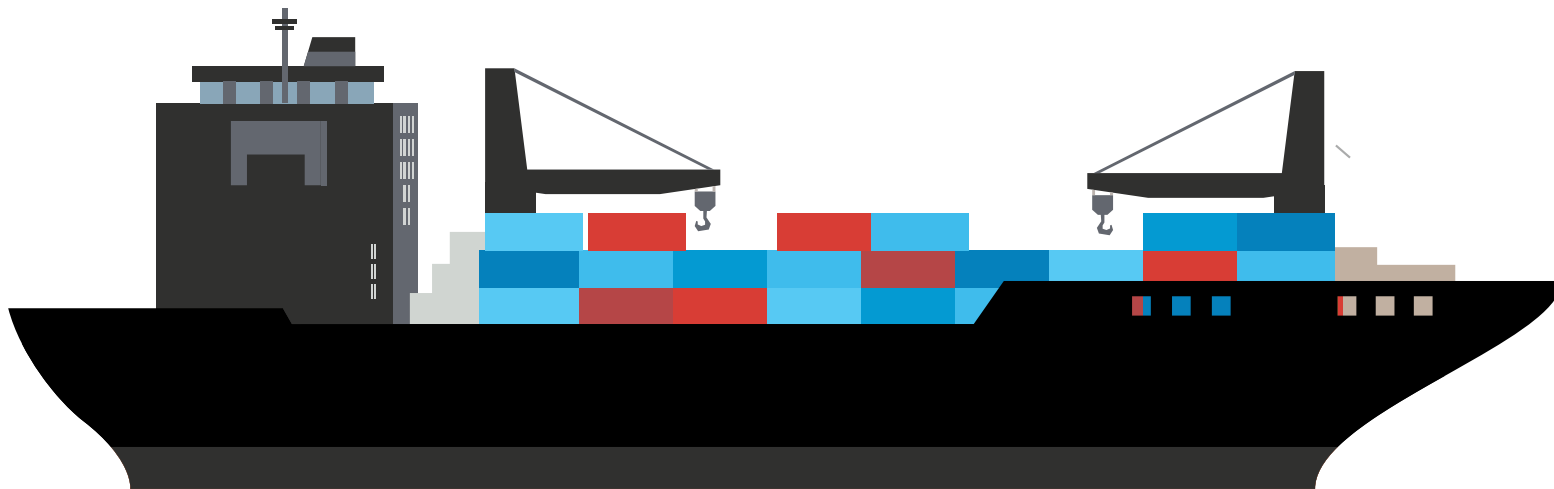
Planning is probably the most important part of running a successful supply chain. Yet with supply chains growing larger and more complex that planning has become has been tested greatly in recent years. The cloud is playing a significant part in making that planning a great deal easier. This is because many of the things that have already been covered in this ebook and the last.

By having the burden and strain that comes with managing a supply chain reduced in a variety of ways supply chain managers can then dedicate more time and resources to planning. Not only that but they can have more precise mechanisms for that planning—for example, better data and hence superior analytics and forecasting. Thus, things like cost reduction, higher quality data, supply chain flexibility, and more all play into improving supply chain planning.

PLANNING

A post by Inbound Logistics breaks down why so many companies are turning to the cloud as an avenue for elevating their planning:

“ONE OF THE BIGGEST HURDLES TODAY’S ORGANIZATIONS FACE IS GAINING EXECUTIVE APPROVAL TO IMPLEMENT AN ADVANCED SUPPLY CHAIN PLANNING SYSTEM. IS THE CLOUD THE ANSWER TO THESE HURDLES? FOR MANY THE ANSWER IS YES. THESE COMPANIES HAVE FOUND IT POSSIBLE TO ENACT POWERFUL SUPPLY CHAIN CAPABILITIES ALMOST IMMEDIATELY, WHILE SAVING SUBSTANTIAL AMOUNTS OF WORKING CAPITAL AND ENSURING TIMELY SUPPORT FOR GROWTH AND COLLABORATION OVER THE LONG TERM.”



PLANNING ADVANTAGES



KEY ADVANTAGES

- Better the running of a supply chain
- Decreases the likelihood of supply chain managers having insufficient data
- Allows more resources to go into planning

CLOUD: RESILIENCE

Finally, tangentially related to planning, is the importance of supply chain resilience and the role the cloud plays in reinforcing it. With all the complexity and uncertainty in the modern day supply chain, companies more than ever before require protection and fail safes in their operations.

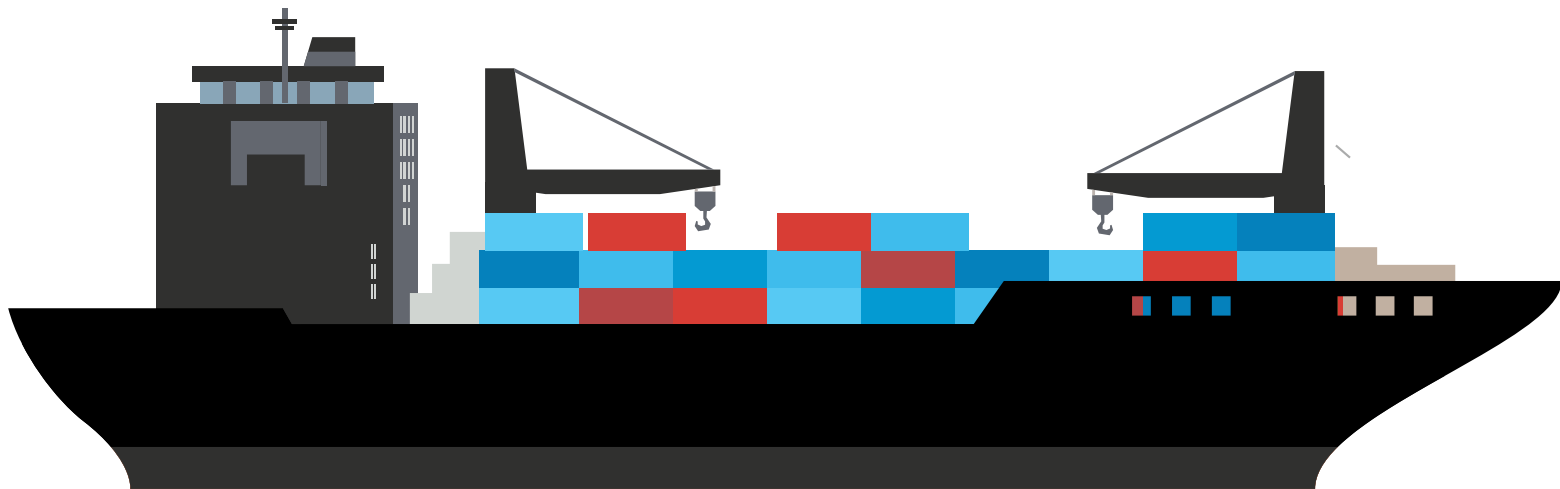
The cloud provides them that resilience by way of its aforementioned speed, flexibility, and agility. With cloud technology supply chains can be responsive to sudden changes and maneuver around impediments that arise in the way that they operate.

RESILIENCE

The previously mentioned Cerasis article even explains how clouds can help companies withstand sharp market decline:



“THE USE OF CLOUD TECHNOLOGY PROVIDES A BUFFER AGAINST MARKET VOLATILITY. ESSENTIALLY, PARTNERSHIPS BETWEEN A SUPPLY CHAIN MANAGEMENT PROVIDER AND A CLOUD HOST ARE SUBJECT TO RENEGOTIATION, OR EVEN CANCELTION, IF THE MARKET SUDDENLY DECLINES. AS A RESULT, THE SUPPLY CHAIN ENTITY IS ABLE TO MINIMIZE ASSOCIATED COSTS WITH THE COLLAPSE AND MAINTAIN SERVICE AT COMPETITIVE RATES.”



RESILIENCE ADVANTAGES



KEY ADVANTAGES

- Helps companies adapt to fluctuations in supply chain operations
- Provides supply chains the robustness to withstand unforeseen roadblocks
- Protects companies from market decline or collapse

SOURCES

<https://cerasis.com/cloud-technology-in-supply-chain-management/>

<https://www.eazystock.com/uk/blog-uk/advantages-cloud-computing-supply-chain-management/>

<https://www.inboundlogistics.com/cms/article/is-supply-chain-planning-right-for-the-cloud/>

