

### **3 Ways Process Transformation Helps Supply Chains Better Prepare for Disruption**

#### **Key Highlights**

Continuous process discovery enables you to proactively identify process gaps and variations and course-correct them. Process redesign and automation help you build scalable, resilient processes.

Touch-free processes support your AI and ML initiatives by streamlining and standardizing the flow of data across teams and applications.

January 2020. As China, the largest exporter of goods in the world shut its factories to contain COVID-19, global supply chains slowed down. By early March, more than 75 percent of U.S. businesses reported that their supply chains had been impacted. It all happened very quickly. Nobody had the time to prepare or handle disruption of this scale. The unpredictability of a 'crisis', coupled with a dependence on complex vendor ecosystems, is what makes building resilient processes 'proactively' so critical for today's supply chain leaders.

#### **This starts with finding answers to a few important questions:**

How can I detect process gaps and continuously improve them?

How can I execute end-to-end processes with minimum human intervention?

How can I leverage advanced technologies to predict and mitigate the impact of an event?

Enter process transformation.

Process transformation helps optimize core business functions, including supply chain, through continuous discovery and improvement. Furthermore, it enables advanced analytics technologies to predict disruptions and help prepare a business for continuity. Let's see how.

Continuous improvement is your best bet to stay ahead

COVID-19 is unprecedented in many ways, but recent history is filled with examples of supply chains having to adapt. Geopolitical turmoil, trade wars, and natural disasters are a constant potential threat. Yet, every time there is a new crisis, supply chain leaders scramble to keep their core processes up and running.

#### **Why?**

Because with time, variations and deviations creep in. Whether through natural human behavior, acquisitions and reorgs, IT upgrades, or anything in between. Which is why your formal standard operating procedure (SOP) often looks different than how things play out in real life.

Regular monitoring and course-correction are key for staying prepared. A continuous improvement journey enables supply chains to proactively identify gaps and raise red flags well before a major change event. However, the conventional discovery approaches are not cut out for scalability and sustainability. A comprehensive discovery platform gives you insights, both wide and deep, into transformational opportunities across your teams and applications. This is especially important as supply chains work in tandem with a large network of suppliers and logistic partners whose workstreams are out of reach for your optimization initiative. Improving core internal processes is a powerful way to build resilience in the face of disruptions.

Bayer, a Fortune 500 pharmaceutical giant, is one such company that leverages continuous discovery to optimize its processes. It deployed [Soroco](#) discovery platform across its supply chain and logistics teams to continuously monitor and evaluate areas of transformation. In the first phase of evaluation, it discovered that 13 processes had high degree variations, 2 relied on outdated technology, and 5 could be consolidated into one. Next, it redesigned and automated these processes to make its supply chain more agile.

### **Redesign and automate processes to minimize impact during a crisis**

Supply chain processes are complex. They span cross-functional teams, multiple systems, geographies, suppliers, and logistic partners. In times of disruption, staffing your workforce to keep the supply chains functioning at their optimal level is a significant risk. But the silver lining is that most of the administrative tasks such as supply and demand planning, returns and refund processing, and inventory management are highly automatable.

This is where process excellence and automation come in. They help you to build resilience by reducing unnecessary human intervention and accelerating execution. Process excellence focuses on redesigning and optimizing processes to eliminate redundant human touchpoints. Once you have an efficient process, you can automate work that is highly time-consuming, error-prone, and repetitive. With the right platform, you can go beyond task-level automation and build reliable, touch-free processes.

For instance, consider new supplier onboarding during natural calamities. In such times, businesses want to onboard new suppliers from the nearest non-impact areas to reduce transit delays. However, for large enterprises, manual onboarding could take three to six months. It involves several repetitive steps such as short-listing suppliers, sending out requests-for-quotation (RFQ), preparing contracts, creating purchase orders (PO), and getting approvals.

By automating manual steps in the process, you will be able to swiftly move from a supplier in a high-impact area to a supplier in a non-impact area.

### **Leverage clean data to fuel your analytics and big data initiatives**

Supply chains are increasingly turning towards advanced technologies such as predictive analytics, machine learning (ML), and artificial intelligence (AI) to predict and plan for future disruptions. These technologies rely on big data for all their analysis. But, big data has an Achilles heel: dirty data (i.e., duplicate, incomplete, and inaccurate). While several factors add to dirty data, human error tops the list.

Process transformation helps eliminate dirty data through automation. An end-to-end automated process eliminates the errors and time lags caused by human touchpoints. This uninterrupted and accurate flow of structured data ensures that the predictions are timely and closest to reality.

For instance, consider predictive analysis for inventory management. To prepare for disruption, supply chains must always have a safe stock level. Automating this process accurately tracks the flow of goods and inventory levels. Analytics tools can then analyze the patterns to predict stock-flow and suggest procurement planning to avoid overstock and out-of-stock incidences.

### **The way forward**

Process transformation enables supply chains to build agility for business continuity. It helps to reduce delays, control operational costs, and minimize the risks of large-scale events. Businesses are responding. Those who want to keep their supply chain up and running are investing in process transformation. In fact, a recent survey reveals that 54% of major enterprises want to increase their investment in process automation in the post-COVID world. Connect with our team at Soroco to learn how we can help you get more value from your process transformation program. **More info:-** <https://soroco.com/>