Are Supply Chain professionals being distracted by the latest shiny object?

Lately, I have been reading so much about Blockchain and its impact to Supply Chain that with a nod to the phrase "Physician heal thyself" I am expressing these self-doubts.

I am by no means a luddite; I have been diligently reading and talking to industry professionals about the impact of data analytics, IoT, Robotics, 3D Printing, AI, Blockchain and other technologies on logistics and supply chain and definitely see a long-term impact. However, with the proliferation of these new tools, techniques and technology it begs to ask the question; are we losing focus on the Supply Chain basics that bring value and efficiencies to our customers? Perhaps it is not just the impact to Supply Chain Operations; with the introduction of new technologies at a dizzyingly fast pace and wholesale disruption of legacy business models, several firms/leaders are struggling to understand the threats and an ROI justification before committing their organizations to implementing them.

Based on my engagements the past few years, I see broken processes and legacy systems as the immediate challenge confronting supply chain professionals. Of course, we need to do both, implement technologies that streamline costs and make us efficient but that cannot happen unless the view of Supply Chain transitions from purely a cost center to that of a customer experience enabler.
As an example, visibility is a key supply chain challenge. Which of the two emerging technologies IoT or Blockchain will have a greater ROI? As the cost of sensors go down significantly it makes greater sense for industry focus on IoT rather than Blockchain. The buzz however is all on Blockchain, which has some clear but limited applications. When looking through the prism of Customer Experience it is clear that we need to invest more in IoT.

If distribution and fulfillment is my focus, of course I would need to look into Warehouse automation including robots. That will definitely help with my efficiency and costs, but how does it enhance the end customer experience? We have abundant amount of data – are we leveraging that to streamline our operations or is it primarily used for Sales & Marketing functions?

For every one of the technologies note above - AI, 3D printing, Blockchain - look at it through the customer experience prism. By all means test each of these technologies, just be aware of the enterprise wide cost and customer impact – with existing processes and systems – before deploying it companywide.

In late 2017 Gartner, in its predictions for the future of Supply Chain operations suggested that technologies such as AI and Blockchain are melded with Supply Chain Management (SCM) which will become technology-centric and not just technology-enabled. Absolutely, SC professionals should be aware of the impact of these technologies, but to suggest that SCM will become techno centric to me seems a stretch. A small percentage of the large retailers, manufactures and other industries are definitely testing these concepts, but I anticipate that it will take a few more iterations and applications before this becomes mainstream like WMS. I would humbly suggest that until Supply Chain is considered a key enabler of customer experience and not just a cost center becoming techno centric cannot be achieved.

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