

High-performing businesses

Meet the future of your supply chain



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1. Five major supply chain challenges

A well functioning supply chain can be the difference between the life and death of a large business.

Often global and multi-national, the network between a business and its suppliers ensures high-quality products and services get to the customer in a timely fashion.

Supply chains can range in size and complexity. With a product such as coffee, for example, it could involve steps including cultivation, production, processing, transportation and distribution.

Businesses need to deliver services and goods as efficiently as possible to meet the requirements of demanding customers and their changing needs in the digital age.

According to a survey from Deloitte, 79% of companies with high-performing supply chains [achieve revenue growth greater than the average](#).

Pressures driving behavior for all companies include:

1. Rising supply chain costs

Costs could be rising for business that may have razor-thin margins, particularly in industries like food and beverage manufacturing. There are also inflationary pressures from rising transportation and shipping costs. Political and social upheaval can significantly affect the costs of businesses in certain parts of the world.

2. Changing customer preferences

More connected customers have more choice, which means they have higher expectations when it comes to products. They require speed and visibility, as well as variety and customisation of products. The time between order and delivery must be minimised.

3. Growing complexity of global operations

For many businesses, supply chain complexity grows as they expand into new markets. There is a need to deal with a growing number of products, customers and new channels. In addition, global expansion may result in a significant variation in supply chain process around the world.

4. Increasing regulations

The global regulatory and compliance landscape regularly changes – think changing regulations and new global trade agreements. This can be complex to manage in industries like food and beverage manufacturing, there can many regulations to track.

5. Technology advancements in the supply chain

To remain competitive, businesses must look at innovation to increase profitability and efficiency. Traceability, for example, provides the ability to capture, log and audit products by information such as the origin, status and location. The right systems can ensure that an organisation is aware of what's happening both internally and externally.

This can help businesses meet industry standards, enhance visibility and prevent recalls.

2. Four pillars to supply chain management

Managing the supply chain is not easy. In a global environment, competition doesn't let off, which means businesses need to constantly keep up-to-date with strategic and operational challenges. They must also be informed about what the competition is doing.

Businesses need an effective supply chain management strategy that allows them to control the flow of goods and services across the company.

Supply chain management expert Muddassir Ahmed believes there are four key pillars to a successful supply chain management strategy, which can allow businesses to take charge of their supply chains, keep up with customer demand and increase profitability.

People

Business leaders shouldn't need in-depth technical knowledge to understand what's happening at every level and area of their organisation. Decision making can be improved greatly by taking advantage of outside experts for specialist, strategic analysis.

Systems

If you're a business leader, you shouldn't need in-depth technical knowledge to understand what's happening at every level and area of the business. You can ameliorate the decision making process by bringing in outside experts to give strategic analysis when needed.

Process

Businesses need to analyse how their company operates through data sources such as financial information and inventory data, providing training for all systems that are used. This will be key to keep up with customer demands and market changes.

Execution

The key to good execution and the meeting of business goals is to make informed supply chain decisions based on the accurate data. Inaccurate data may lead to assumptions that are simply wrong.

3. Five ways business management solutions can help supply chains

Business management solutions can plan, forecast and handle inventory alongside other financial information related to the supply chain. It helps organisations face up to critical business challenges, allowing them to gauge how much stock is needed, or predict future growth.

A successful supply chain management strategy can lead to increased customer satisfaction rates, lower supply chain costs and maximised profits across the entire business. The right business management solution can give businesses greater insight and control delivering startling benefits right away. They'll be able to speed up turnaround times, guarantee great product quality, successfully mitigate risks across the business – and much more.

Business management solutions can support supply chain management with:

- **Demand planning** – This can forecast the demand for a product or service so it can be delivered in an efficient way to customers, increasing satisfaction levels. Businesses can use analytics to examine information such as sales data and customer orders to make smart decisions about inventory and production levels.
- **Sourcing** – Organisations can analyse what they buy, from whom, at what price and at what volume. With costs soaring, they'll need to get the most for their money and meet increasing business demands. Organisations need reliable, affordable and quality suppliers, finding a balance between quality of materials and affordability.
- **Production** – Technology can support businesses with providing products and services to customers in a cost-effective and professional manner. Business management solutions will help manufacturers for example, plan, develop, manufacture and deliver goods or services. Any delay or weak link will mean a potential loss of business.
- **Inventory management** – Businesses can keep a detailed real-time record of the products they hold, holding information used in sales, purchasing, warehousing and production, allowing complete quality control. Inventory management can be a complex process for large organisations, and should integrate with accounting systems.
- **Logistics** – Business management solutions can support organisations with traditional logistical functions such as marketing, product development, finance and customer service. It will help them move on products efficiently, helping them with packaging, transportation, distribution and delivery through multiple channels.

Supply chains hold a large proportion of costs. An effective supply chain management strategy allows companies to respond to new market-growth opportunities and help them navigate economic uncertainty, financial volatility, the impact of globalisation and the constant pace of change.

4. The future of the supply chain

New technology is changing the way businesses are able to manage their supply chains. On top of support for supply chain management, a business management solution provides a strong digital platform for innovation that legacy ERP cannot.

To create a robust and agile digital core, businesses must look at replacing existing ERP with business management solutions that have system-of-record capabilities, which makes up the essential core of a digital business. A solid digital core is crucial to build differentiated and innovative solutions.

Supply chain innovation (under the umbrella term Industry 4.0) that businesses could be looking at include:

Big data analytics – It has been long understood that businesses can take advantage of the data they hold to make better and faster decisions, increase productivity and efficiency, identify new opportunities and create happier customers – improving forecasting and efficiency to make businesses more responsive to customer needs.

The Internet of Things – IoT allows hardware devices, often through sensors, to connect, send and receive data. In manufacturing for example, networked devices on the factory floor can collect data to drive predictive analytics. And in the food and beverage industry, IoT can help with traceability to monitor the temperature of perishable food.

Simulations and 3D printing – With simulation, products can be virtually modeled and tested, saving time and money. And through 3D printing, businesses can create personalised products at fast speeds. The benefits include less risk, more control, agility – and less need to monitor supplier performance – as quality products can be made relatively quickly.

Automation, robotics and artificial intelligence – Automation is already in use in multiple industries, for software applications or through robots on an assembly line. It improves the speed and accuracy of operations, adds efficiency and reduces the risk of human injury. In time, advances in AI could allow robots to completely take over manufacturing and distribution processes.

It's already apparent that getting better customer intelligence from Industry 4.0 capabilities requires improving existing systems to make use of that intelligence. Businesses can then make seamless end-to-end supply chains a reality.



5. Why Sage X3 is the answer

Sage X3 is a business management solution that will simplify every part of an operation, leaving organisations lean and ready for whatever comes next, wherever they are in the world.

Sage X3:

- Is a cohesive, enterprise-class solution to manage all core business processes – from purchasing to manufacturing, inventory management, sales, customer service, and financials – locally and internationally.
- Accelerates collaboration and reporting, delivering real-time insight into all costs and operational performance.
- Is easy to use in web browsers and on mobile devices, giving employees the freedom to work where they need.
- Is simple to manage and highly configurable to adapt to unique processes, role and preferences.
- Can be used as a service in the cloud to reduce demand in-house, or deployed on any chosen infrastructure.

With Sage X3, organisations take advantage of enterprise-class business management functionality, security and scalability at a fraction of the cost and complexity of legacy ERP systems.



6. Sage X3 is built for industry



Sage X3:

- Has built-in functionality for process manufacturing, manufacturing, distribution and services tasks, and adjusts to accommodate unique rules and processes.
- Is easily scalable and quickly adapts to changing needs, growing with the business as it expands to new markets or geographies.
- Allows access to data on mobile devices, checks inventory, takes customer orders, approves purchases and views key performance indicators on the go.
- Eliminates inefficiencies, ensures compliance and streamlines operations. The end-to-end integration of your business processes can control costs and improve profits.
- Evaluates risks, monitors performance and helps strategy planning with real-time user dashboards, self-service business intelligence and reporting tools.
- Supports expansion. It allows organisations to increase capacity, implement new processes, manage new business units and expand to new geographies.

With Sage X3, organisations take advantage of enterprise-class business management functionality, security and scalability at a fraction of the cost and complexity of legacy ERP systems.

7. Sage is the global leader in business management

Sage X3 provides a faster, more intuitive and tailorable business management solutions for your growing enterprise, delivering favourable ROI and a more personalised experience for businesses than traditional ERP systems.

Sage X3 delivers value across multiple industries for large, thriving customers in over 100 countries around the world, supported by over 480 business partners and more than 1300 certified consultants.

Embrace Change at Speed: faster, more intuitive, and better tailored solutions than conventional ERP for organisations looking to retain their competitive advantage by increasing their agility and embracing change.

Sage X3 delivers comprehensive business management capabilities from supply chain management to manufacturing through to human resource and payroll management capabilities. This is further complemented by over 50 add-on solutions providing additional industry-specific functionality.

Along with comprehensive multinational business management, Sage X3 offers support for 18 different industry verticals ranging from food & beverage manufacturing through to industrial machinery manufacturing and FMCG distribution.

This ability to support multiple adjacent verticals allows Sage X3 to support the entire value chain from seed to sale or farm to fork.

Contact our Sage sales team to learn more.

<https://www.sage.com/en-au/sage-business-cloud/sage-x3/>



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