The Collaboration Conundrum.

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Most supply chain managers will agree, knowing what is going on inside their supply chain operations enables them to react swiftly when problems or delays occur.

They also know that supply 'chains' are, in fact, networks. These networks can be very dynamic (i.e. change frequently) and they can also be very extensive (i.e. very long or involve a large number of participants). Sometimes they can be both.

The process of discovering and understanding what's going on inside the network has been enhanced by technology. But for the most part, this progress has been confined to using technology within the organisation, and externally to a group of direct partners. In many cases this has resulted in a substantial improvement in performance and awareness, but is only scratching the surface of what could be achieved.

Over the past few years, the internet has enabled the spectacular growth of the phenomena known as "social networks". These are communities of people who use the internet to connect with each other to share aspects of their lives. They are fantastic tools for friends and family to stay in regular contact with each other, allowing them to share photographs, videos and experiences. They are also used more extensively by people falling into specific demographics (i.e. Those under the age of 30, females of most ages, special interest groups, etc.).

So far, the only major impact this technology has had in the commercial arena is with services for recruitment, and those connecting professionals to each other (e.g. LinkedIn).

Obscured by much of the interest and hype about the growth of these networks, is a very interesting aspect of the technology. That is the fact that people are able to join them within seconds and begin exchanging and sharing data shortly after that.

Contrast that with the process for establishing communications between the systems of two supply chain operations. It is lengthy, often tortuous and frequently expensive. But the technologies employed by both are broadly the same!

Most people would suggest the difference is due to the nature and sensitivity of the material they support. Transactions in the commercial world usually occur within a framework of legal precedent, confidentiality and deliberate obscurity. No wonder universal supply chain transparency and true visibility has been hard to establish.

But I wonder how long this situation can endure?

It is a fact that the performance and agility of a supply chain is a serious competitive advantage. But as noted above, they are extending and evolving into very fluid and dynamic supply networks. These networks are also controlled by the demand 'pull' rather than the production line 'push' in order to avoid the build up of costly

inventory pools. Within such an environment, the speed at which adjustments can take place and new participants incorporated, will now become the key factors for competitive advantage. However, most of the prevailing systems for supporting such activity come with a heavy administrative burden.

The solution is to exploit the mechanisms in social networks that enable self registration, but with some inherent restrictions as to whom is allowed to see what. A corollary to this would be how most social networking platforms allow access to the personal details of users. Permission to view is implicit in any connections the user establishes with their 'friends', on the basis that they are known and trusted. Anyone outside the group is denied access.

It is appreciated that commercial relationships can be more complicated than this, but in many cases, omission of sensitive data (e.g. buying and selling prices) would remove at least one of the perceived impediments to adoption.

It's a little more tricky with regard to the involvement of parties whose participation should be justifiably obscured. This is harder because the premise for most 'social' models is one of almost no hierarchy, i.e. a very flat structure, where everyone involved has the same permissions as everybody else. This compares to an administration capability established to support a defined hierarchy, enabling the controlling party to manage who gets to see whom and what. But this administrative burden also impedes agility when adjustments or expansion of the network is required.

The resolution to the conundrum may not be to expect everyone to change how they operate now, which is unrealistic. Perhaps it should be a process of evolution, with adoption of these 'social' solutions in areas where large numbers of users need access to limited amounts of information. e.g. Multi-mode, multi- carrier, track and trace systems.

VisibleLogistics is a highly flexible, multi-perspective supply chain visibility solution, designed and developed as a service with this goal in mind. It is well suited for 3 and 4PL's, along with the buyers and suppliers they support. It is simple to join, easy to use and inexpensive to operate.

Capabilities include the monitoring and management of fragmented and outsourced third party transportation & warehousing service networks, and collaborative manufacturing, product configuration and repair operations. Data interface options range from low volume, low-tech, sub-contractors using simple mobile phone SMS, or desktop internet access, to high volume, high speed EDI interfaces.

Many companies have technologies used for managing independent operations within organisations, however they frequently lack a mechanism for supporting the information flows between the different parties involved in an overall supply chain.

Over time, the communities of users surrounding supply chains will begin to share more information with their trading partners across such a platform. In doing so they will learn ways of managing how to share appropriate information amongst the

other members. But they will also gain a high degree of operational flexibility.

The large manufacturing organisations operating global ERP environments will be forced to open those systems up through more fluid interfaces. These will have to be established in minutes or hours, rather than the days and weeks they take now. This will coincide with the growing migration towards SaaS solutions, which will erode the omnipotence many internal systems by destroying the business models of their vendors. But that's for another story.

In summary, by adopting social networking models as the basis for supply chain data exchange, transparency and trust will nurture a number of benefits for all participants.

Accurate and more timely data will enhance collaborative demand forecasting, provide early warning of disruptions, improve inventory and order management and finally approach the goal of true 'birth to death' audit trails for every manufactured component. This will not only save money, but also make it much harder for counterfeit items to enter supply chains undetected. The impact on terrorism alone may justify that effort.