

Optimising supply chains with ERP intelligence

A new report by the United Nations Conference on Trade and Development (UNCTAD) has found that Africa's economies have the potential to become major players in global supply chains. The report, titled "Economic Development in Africa," was released in mid-August and says that Africa's vast resources of materials needed by the technology sector make it well-positioned to meet demand.



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Minerals and metals like aluminium, cobalt, copper and manganese are essential components of the latest technologies.

"Africa also offers advantages such as shorter and simpler access to primary inputs, a younger, technology-aware and adaptable labour force, and a burgeoning middle class, known for its growing demand for more sophisticated goods and services," UNCTAD adds.

In light of this positive outlook, it has become vital for African countries to optimise their supply chains to a global standard.

Enterprise resource planning solutions are playing a significant

Enterprise resource planning (ERP) intelligence gives supply chain managers real-time insights into demand patterns, inventory, supplier performance and even distribution so they can make the best possible decision for the company.

Procurement professionals also benefit, as this software offers tremendous visibility into aspects like raw material availability and supplier delivery. It puts them in the enviable position of being able to improve sourcing strategies and negotiate the best terms with suppliers.

It doesn't end there either, says Stephen Howe, a director at South African Sage business software and implementation specialist Times 3 Technologies (T3T).

"The ERP system benefits everyone from production managers to quality control and inventory teams. By having greater insights, they can all optimise their performance to build an even stronger supply chain," he says.

Demand forecasting

The advanced analytics tools embedded in the ERP solution process analyse real-time data, meaning that trends, patterns and any anomalies can be guickly identified and addressed.

The intelligence also tracks key performance indicators (KPIs) such as lead times, on-time delivery rates and inventory turnover. Dashboards and reports visualise these metrics, enabling quick assessment of performance.

Howe believes the solution's demand forecasting capability will be particularly useful to African countries as they play a greater role in global supply chains.

"This solution helps organisations anticipate fluctuations in demand and adjust production and procurement accordingly," he says.

An ERP solution like Sage X3, for example, is geared towards supply chain management aspects like purchasing, inventory and warehousing, sales and customer service as well as financial functionality. In other words, almost every aspect of the supply chain.

T3T, a Platinum Business Partner for Sage in South Africa, has also produced a series of Sage X3 add-ons to offer African – and indeed international – companies even greater functionality.

T3T's Sales Budgeting Module

This T3T's Sales Budgeting Module add-on, for example, offers an intuitive, creative way to budget by period and attributes such as product and customer. "Sales projections, forecasts or estimates of total sales volumes and values are automatically calculated based on current actual values and then projected forward," Howe explains.

"This can be filtered by region, sales representative, product, customer, and more. Projected volumes and values can be manipulated based on weighted days allowing for fluctuations based on seasonality or known events or trends."

Once a forecast is created, a growth expectation is generated, facilitating the finalisation of an accurate, achievable sales budget for the following year at both a volume and value level.

"Being able to integrate data from various stages of the supply chain to create a holistic view of the entire process is making a huge difference to companies, and we certainly expect to see more African firms making use of this technology as they gain a greater foothold in the global market," Howe says.

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