

Paperless Management Solutions

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Maybe eliminating paper wasn't such a good idea after all. The conventional thinking is that it increased productivity. Sure, people spend less time waiting for paper to be generated. And overall, there are fewer people doing less labor related to low value-added activities. Some would even say that the biggest advantage is the democratization of the work environment - since information is so much more available today, most workforces are more empowered than ever before to act on the information that is available to them.

The rub is that the hardware and software needed to replace it, although best practice, is standardized. This means that everybody has access to it, and many of our competitors are using the same exact systems that we are. Enterprise Resource Planning (ERP) systems are ubiquitous - over 95% of large and mid-sized companies have them now, and most have more than one system (which ironically raises the same problem as having legacy systems did!). Best of breed systems are commonplace,

especially for Transportation Management Systems (TMS) and Warehouse Management Systems (WMS), where ERP systems' features and functionality are often lacking or not sufficiently customized to their users' unique needs. Crossover applications that are used by consumers as well as companies are highly standardized and inexpensive (take GPS, for example).

The efficiency of standardized systems is great for each of our companies individually, but if everybody takes advantage of the same opportunities, how can we purchase and use these solutions without giving up our unique competitive advantage? Traditionally, most companies developed one or more competitive advantages related to their internal processes. In the 1990s, these "trade secrets" became known as "best practices," and other companies tried to emulate them to achieve competitive parity with the best companies. ERP systems, best of breed systems, and global trade solutions (to name a few) have these best practices embedded in their DNA, based on developers

identifying and refining the best practices that were in the market.

Moving forward, our competitive advantage will need to shift from "practices" to speed and global growth.

- Speed will be needed to deliver more quickly and reliably than ever before. This is precisely the efficiency gain that CFOs are looking for from the supply chain department. In addition to speedy delivery, customers are demanding rapid responses to market shifts and the ability to introduce new products quickly. Speed, which became known as a competitive dimension in the 1980s, is now in full bloom. The imperative to gain a speed advantage is no longer a leading-edge capability, but a basic cost of being in business.

- Aggressive growth will be needed within our countries or regions to compete effectively against the competitors we know are out there, but more importantly, bold growth will be needed in the world outside of these known boundaries. This will be especially true where growth rates abroad are much higher than the growth rates at home.

The maturity of paperless solutions is changing the nature of the operations profession. Whereas the profession has traditionally been focused on cost reduction and efficiency, more executive time is now being spent on expansion. The activities of the paper-pushers are becoming more creative, less repetitive, and more strategic.

Are you up to the challenge? Boston Strategies International is. In recognition of the more strategic role that supply chain is playing in our client organizations, Boston Logistics Group formally changed its name to Boston Strategies International. Of course, not every company needs to change its identity to keep up with the trend. But be careful about being too incremental: you may not recognize your competitor has been getting faster until it's too late. **D**

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