

# CSCMP hottopics

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## The AI Revolution. Coming to Transform Your Business Network

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A critical task of business and IT leadership is understanding how emerging technologies will impact your business and industry.

Some technologies cause ripples, others cause waves of transformation and disruption. Today, we're seeing a new wave of highly transformative and potentially disruptive technologies, including Artificial Intelligence (AI), blockchain and the Internet of Things (IoT). Of these, technology leaders and analysts point to AI as perhaps the most transformative of our era.

In fact, Pew Research Center predicts that by 2025, AI will be “built into the algorithmic architecture of countless functions of business and communication, increasing relevance, reducing noise, increasing efficiency and reducing risk across everything from finding information to making transactions.” TechRepublic concurs, noting that technology and economics are aligning in a way that puts us at “a tipping point after which the use of Artificial Intelligence will become commonplace.”

That tipping point is approaching quickly. In a recent survey for IBM, 69% of supply chain professionals said they believe it is very important to improve supply chain visibility – and 91% said they believe AI will be the technology that helps them achieve that objective.<sup>2</sup>

Let's take a closer look at why and how AI technologies can unlock an unprecedented level of visibility for supply chain leaders and transform business networks.

### TECHNOLOGY THAT “THINKS”

AI technologies can understand, reason, learn and interact – and do so at enormous speed and scale.

AI-enabled systems use natural language processing and machine learning to absorb and analyze all forms of data – including structured and unstructured, internal and external. Wired magazine explains how they fit together: “In simple terms, machine learning is a branch of the larger discipline of Artificial Intelligence, which involves the design and construction of computer applications or systems that are able to learn based on their data inputs and/or outputs. Basically, a machine learning system learns by experience. The discipline of machine learning also incorporates other data analysis disciplines, ranging from predictive analytics and data mining to pattern recognition.”

AI technologies drive business value by:

- Accelerating data processing and analysis
- Speeding and simplifying business processes
- Unlocking new insights, in context
- Enabling better, faster decision making
- Delivering highly optimized outcomes
- Detecting anomalies, proactively

“Gone are the days when enterprises could maintain competitive positioning and meet customer expectations with a ‘good enough’ approach to B2B integration.”

- Saurabh Sharma, Principal Analyst, Ovum



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What's more, AI-enabled systems don't just “think” – they get “smarter” over time with more data to deliver greater value. The upside opportunities are so compelling that analysts advise CIOs and IT leaders to start thinking now about how AI technology can and will transform their business, IT and B2B Networks.

## TRANSFORMING AND OPTIMIZING B2B NETWORKS WITH AI

Globalization. Digitalization. Heightened customer expectations. The environment your business operates in is changing – and the need for IT and B2B agility is rising.

To thrive in the face of these challenges, you need to be able to quickly address B2B transaction anomalies and improve productivity. AI-enabled B2B networks can help by providing real-time transactional intelligence that empowers supply chain professionals and other line of business users.

Here's how.

### Access Detailed, Real-Time Transactional Intelligence

AI technology's ability to understand, correlate and collate digital transactional data that you exchange with third-party partners provides new levels of visibility and insight across your supply chain. You can search and view the lifecycle of every transaction in real-time and in context – and drill down to see specific details. You can also gain insights into the entire order-to-cash or procure-to-pay cycle, down to the underlying order, shipment and receipt details.

Access to this level of data and transactional visibility enables users to monitor transactions and performance against KPIs and other internal benchmarks. Critical information can also be mined and used to improve customer service and partner engagement.

AI monitors day-to-day document trends between you and your trading partners. When it discovers an anomaly, it provides an early warning signal so you can investigate and proactively address the problem, before it impacts your business. It works behind the scenes, tracking the contents of EDI-based supply chain documents and learning what is typical activity across document volume, velocity, and value patterns so it can identify anomalies.

### Empower Supply Chain and Other LOB Users

How much time does your IT staff spend responding to questions from line-of-business (LOB) users about the status of a transaction and related customer service issues? How many hundreds of IT hours are spent annually answering the question “Where is my order?” How satisfied are LOB users with the level of service you are able to provide?

It may surprise you to know that a survey of more than 500 IT and business professionals across the globe finds that 99% of companies take more than 5 minutes to locate the status of an order, and the average time is 70 minutes.<sup>3</sup>

B2B and EDI networks are essential, but companies struggle to maximize value from the data they contain. AI-enabled networks allow IT to transform the wealth of data and information in these systems into analytics and intelligence that supply chain and other line-of-business professionals can use to improve performance.

## About CSCMP Hot Topics

Issues of *CSCMP Hot Topics* may include early results from ongoing research being conducted for CSCMP or other organizations; new supply chain practices, thought-provoking ideas, or emerging trends; discussions of changes in the broader business and regulatory environment that may impact the supply chain and logistics field.



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The transactional intelligence and correlation of data and documents makes accessing information significantly easier and faster. When combined with AI's natural language search and expert guidance, accessing information from a complex set of systems and partners is user-friendly.

Business users can search and answer their own B2B transactional questions. This search ability allows IT to spend less time responding to queries from users, and more time on higher-level tasks.

## BUILD A BUSINESS NETWORK FOR THE FUTURE

AI technologies process large amounts of data at tremendous scale and speed, analyzing, understanding and correlating that data from across systems and processes. These capabilities modernize your business network, making it faster and more efficient – speeding transactions, information flows, sharing, and onboarding of suppliers and partners.

You can improve supplier and partner collaboration and interaction to build frictionless, productive and advantageous business relationships. With AI, your B2B network, supply chain and business are ready to embrace the future.

If you're just starting your B2B journey, it's likely that you're challenged by siloed systems, each with their own unique processes and applications, so consolidation is job one. Once you bring together all your B2B use cases on a single, scalable platform you can centralize management for onboarding, digital transformation and reporting. Then, you're ready to apply analytics, visibility and monitoring to improve governance and problem resolution. Finally, overlay technology multipliers like AI, blockchain and IoT integration for deeper visibility, better decision-making and increased productivity. You can leverage existing systems, analytics and technology investments throughout your journey as you innovate and future-proof your business network.

IBM can help you on your B2B journey with AI-enabled supply chain solutions that establish and leverage digital connections with all your suppliers and partners. You can automate, digitize and correlate all B2B data and documents to deliver deep search and new levels of visibility into the B2B transaction lifecycle and partner performance.

It's an exciting time to be in supply chain! I look forward to meeting many of you at CSCMP Edge 2019 and helping you explore how these innovations can future-proof your supply chain.

## REFERENCES

<sup>1</sup> IDC The Path to a Thinking Supply Chain, #US44218618, Aug 2018

<sup>2</sup> Vanson Bourne, IBM Supply Chain Data Report, Nov 2017

<sup>3</sup> Vanson Bourne, IBM Supply Chain Data Report, Nov 2017