



3 DIGITALIZATION STRATEGIES DRIVING FASHION SUPPLY CHAIN RESILIENCY

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Expert cites 3 common fashion sector supply chain risks and how to safeguard against inevitable turbulence and uncertainty

With the considerable fashion sector supply chain disruptions brought on by the pandemic and amid escalating inflation, supply chain resilience is more critical than ever before. The unforeseen pandemic presented a range of challenges that many supply chains were clearly—often admittedly—unprepared for. Labor shortages, shipping cost surges, new patterns of production and consumption have all played a key role in disrupting fashion industry business logistics, upending markets, industries and whole economies in the process. In its wake are logistics, procurement and other supply chain professionals who continue to suffer stress and chaos on the frontline, while scrambling to react to newly exposed systemic weaknesses and vulnerabilities.

“In order to prepare against unforeseen and inevitable turbulent events ahead, it’s important to take proactive measures to identify the most inherently fragile areas within a supply chain,” urged Nirav Patel, CEO of Bristlecone, the leading provider of connected logistics solutions that is part of the \$19 billion dollar Mahindra Group. “In this post-pandemic era, we need to challenge conventional thinking and pursue digital innovation on a much larger and more significant scale.”

Three Common Risks to Supply Chain

While there are numerous reasons why supply chains are disrupted, there are a few prime culprits:

1. Environmental Forces: External factors, such as natural disasters, economic turmoil and geopolitical instability impact supply chain performance in numerous unsavory ways like damaged transport infrastructure, canceled deliveries and demolished inventory—all of which can lead to unbalanced supply and demand.

2. Value Chain Disruptions: Issues within the value chain, the process starting from businesses receiving raw material to then selling the finished product to consumers, can create a bull-whip effect where small fluctuations in initial operations can lead to even greater negative effects across the entire supply chain. Value chain

triggers include labor disputes, limited supplier cash flow, manufacturing accidents and so on.

3. Business Operation Challenges: When troubles arise internally within key areas of the business, like breaches in the finance, IT or HR divisions, core operations will struggle to function and that will impede the company at large.

As supply chain threats like these and others remain omnipresent—with regional, national and global implications—it has become an imperative for organizations to employ digital tools for enhanced automation, visibility and resiliency.

Here are three digital strategies leaders can implement to do so:

1. Supply Chain Digital Twins: Digital twins are digital replicas of physical supply chains. They integrate with the company’s systems to provide real-time insights on any sudden disruptions in a supply chain’s performance level, allowing supply chain management to become more proactive than reactive. Digital twins help companies mitigate environmental risks by immediately notifying them of natural disasters or other external forces that can harm the supply chain’s efficiency. This simulation provides an additional level of visibility that would otherwise be impossible without leveraging technology.

2. Predictive Maintenance: This is a preventative technique that uses machine learning technologies and sensors to track how machines and systems are functioning. Predictive maintenance is able to foresee when a machine is likely to develop issues in the near future so that maintenance can be done before any breakdowns. Supply chain operations become more resilient knowing that all machines and robotics are working efficiently.

3. Tracking: Today’s supply chain management companies live in a fortunate time where they can collect real-time updates on current events courtesy of the Internet and other technologies. Companies can leverage social media to obtain consumer behavior analytics while also monitoring the industry, news and other sources that can indicate potential supply chain disruptions like the passing of a new regulation. Logistics

and transportation technologies provide powerful modern digital fleet tracking so that companies can track their shipments and fleets across land and sea, all over the world. Analytics from cloud-based and other technologies provide valuable insights on—and can fiscally quantify—things like employee engagement and productivity. This data is direct feedback that supply chain managers can leverage to assess what leadership tactics are effective and which fail to drive workforce benchmarks.

Mitigating avoidable business risk by proactively transforming and shoring up supply chains with digital technologies and methodologies like these is a trend forecasted to persist over the next few years. Gartner, a global management consulting company, predicts that “by 2026, more than 75% of commercial supply chain management application vendors will deliver embedded advanced analytics (AA), artificial intelligence (AI) and data science.”

Digital transformation is already reinventing the modern supply chain across sectors as technologies like Artificial Intelligence (AI), Machine Learning (ML), Internet of Things (IOT) and Blockchain integrations grow. These next-gen digital deployments are offering innovative ways for supply chain professionals to procure highly accurate, up-to-the-minute data—the kind that creates opportunities for companies to predict and aptly react to macro and micro conditions, mitigate risks and, at the most extreme level, thwart a business-busting disaster.

“Supply chains are complex and disruption is becoming the norm,” Patel added. “Businesses must be able to operate seamlessly within their ecosystem of functional teams, partners, logistics providers, customers and other stakeholders, and work together to navigate and mitigate supply chain risk—all while improving customer experience. Establishing multi-tiered digitalization replete with data aggregation, information exchange, collaboration, risk management, AI-powered analytics and robust cloud technologies can shore up a supply chain with unprecedented speed, visibility, synergy and control. It’s a mission critical way to maintain the kind of resiliency that will demonstrate—and protect—business value.”