Jumping In: Embracing Technology in the Supply Chain

Through a series of emerging technologies workshops that the Canadian Supply Chain Sector Council hosted in early 2018 across Alberta, we learned that many small and medium-sized businesses don't know how or where to start to upgrade the technologies they're using; they're afraid of making the wrong move or jumping in too soon.

In the past, change happened over a longer period, and it was often prudent for businesses to adopt a "wait and see" approach in the face of new technologies, particularly when multiple technologies were competing for market share. It often made sense to wait for a "winner" to emerge, rather than taking the risk of investing early in a technology that might ultimately fail.

This is no longer the case. Studies by the McKinsey Global Institute have concluded that the first-mover advantage for transformative technologies is so profound that late adopters may find that the game has left them behind and that they will be unable to catch up competitively. "Wait and see" is not a viable strategy when technology is changing as rapidly as is currently the case.

This case study looks at how to get started on technology adoption and why that's so important.

Case Study: Ship Local

The Challenge?

Small and medium-sized e-commerce businesses face high costs to ship their products, even across a city, making it difficult for them to compete with global giants.

The Solution

The Ship Local website provides Calgary businesses with relatively inexpensive cross-city shipping services by connecting them with the unused capacity of local couriers. The goal in creating this platform was to enable local businesses to "compete on an even playing field" with large competitors, says Bruce Gilkes. The company aims to eventually offer this service across Canada.

"Now is the right time," says Gilkes – for any company that hasn't already – to embrace new technology. The so-called "disruptive" technologies, including blockchain, automation, robotics, big data, the Internet of Things, and so on (discussed in detail in the CSCSC's January 2018 report, *The Digital Supply Chain: Creating Skills for the Future*), are transforming the supply chain sector by providing greater visibility, data, analytics and opportunity for improvement. As the report notes, " The global adoption rate for all of these technologies is within the next 1 to 5 years, and it is anticipated that they will be widely adopted (i.e., they will become the way we do business) by 2025."

Gilkes adds that these technologies are being adopted now: "It's happening around you, whether you want it or not." Further, he says, expectations will continue to rise; customers and suppliers want more and more information, they're demanding visibility – and this trend is unlikely to reverse. If your company can't deliver what customers want, they will go elsewhere, he emphasizes.

"It's either catch the bus or get run over by the bus."
—*Bruce Gilkes*

There are a lot of free resources to get educated on technologies and lots of people who can help with the decision-making process. Gilkes recommends "getting smart" using these free tools and resources as a first step, then being "a bit fearless" and jumping in.

While embracing technology may lead to job losses in some quarters – storefront retail, for example – Gilkes believes that it also creates new jobs, in IT functions, shipping and receiving, and transportation, for example. Employees will need to regularly upgrade their skills and be adaptable as technology finds its way further into the supply chain.