

# Supply chain faces automation disruption

By [Sean Young](#)

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Even though automation can enable warehouses to support the same-day and next-day delivery expectations of customers, companies first need to have complete visibility of how their existing supply chain is structured. After all, they cannot embrace future innovation if they do not fully understand their starting position.



Concerns that automation will phase out jobs have given way to discussions examining how people work in this more dynamic environment. It is not an 'us versus them' mentality. Instead, businesses are looking at ways for people to work alongside automation technologies such as robots and artificial intelligence. Perhaps more telling, is the recent focus on augmented intelligence that illustrates how technology is an extension of ourselves and not something that replaces us.

## South African dynamic

In a recent research white paper prepared by the World Economic Forum on the impact of the Fourth Industrial Revolution, it was noted that several industries (including logistics and supply chain management) are facing significant talent shortages.

Given the local environment and how unemployment is a significant challenge, technology is contributing to an increase in the importance of human capital. Furthermore, talent is seen as a competitive differentiator. This means that both the organisation and the employee (as well as prospective talent) need to embrace upskilling for the digital age. All this technological innovation around automation should be used as impetus to further enhance skills.

New and disruptive technologies are not only changing the supply chain ecosystem but also transforming the world of work. They are re-shaping the profiles and skills needed. So just enhancing capabilities is no longer enough. New skills need to be acquired to monitor the technologies and master new production processes. Human resources policies and programmes need to facilitate the change and support the transition if disruptions are to be avoided.

Companies need to start assessing, developing and enhancing their workforce in line with these future requirements.

## **Carpe diem**

It is therefore imperative for organisations in the supply chain to have a progressive outlook on personal skills development. Technology is driving exponential change, so it is critical to embrace this new environment. Many discussions inevitably turn to the future-proofing of skills or systems in the supply chain. A step in this process is to start being aware of what disruptive technological and other advances are happening in the core industry of the business. This can be distribution, retail, or logistics as examples.

Decision-makers need to start considering what other factors could affect the supply chain. Thoughts should turn to shifts in the global retail landscape and new consumer behaviour, for example, expectations of same-day or next-day delivery. These, and other factors will contribute to shaping the supply chain of the future.

A business can only truly become part of this dynamic if it is aware of what is happening. Even better, the rapid rate of innovation is resulting in the creation of jobs few could have predicted just 18 months ago. And there will be more coming that we cannot envisage yet.

Technological developments combined with social change have implications for current job profiles, especially the low-skilled labour workforce. A recent Oxford University study suggests that low-skilled workforces will shift to tasks that require creative and social skills which are not susceptible to digitalisation.

The future is wide open for companies in the supply chain. Now is the time to embrace it and factor it into strategic development.

## **ABOUT THE AUTHOR**

Sean Young is senior client partner at Decision Inc.

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