How to Build an Intelligent Enterprise



From global conflict to the COVID-19 pandemic, the potentially devastating financial impact of disruptions to both supply chains and business operations in a globalized economy has been made all too clear in the first two decades of the twenty-first century.

Technology continues to grow by leaps and bounds, but business processes don't always keep up—and companies who fall behind pay a heavy price in lost profits, productivity, and value.

In order to preserve and expand their competitive advantage and growth potential, companies are increasingly shifting their focus to a new model: the *intelligent enterprise*.

Moving beyond traditional paradigms for everything from decision-making to the role of technology in business operations, intelligent enterprise holds the promise of better decisions, higher efficiency, and greater business value for those willing to understand and implement its core concepts.

What is an Intelligent Enterprise?

With Big Data playing such an important role in nearly every aspect of modern business, finding ways to transform the ever-expanding sea of available data into actionable insights is crucial.

So, too, is the need to develop proactive solutions that allow a business to keep its operational footing and its supply chain intact when facing challenges familiar and unexpected.

Intelligent enterprise is a business strategy that leverages existing and emerging technologies to integrate new business models for process management and shift organizational focus toward value and away from hardline dollars-and-cents thinking.

This shift prioritizes agility, proactivity, resilience, and a positive growth mindset. It acknowledges change as the only true constant, and the need for flexible, versatile processes that either contain, or can be modified to accommodate, a wide range of contingencies in order to make better business decisions that help prevent disruptions in the supply chain and operations.

Intelligent enterprises:

- Embrace digital transformation as a necessity, rather than an option.
- Understand the need to change not just processes, but corporate culture, where needed in order to achieve their desired goals. These enterprises are willing to:
    - Analyze all business processes and workflows to identify vulnerabilities and inefficiencies.
    - Abandon traditional top-down leadership and decision-making in favor of more collaborative and modular solutions built around contextual responses and specific roles.
    - Prioritize agility and resilience in the supply chain as well as effective business continuity planning.
    - Invest in education, training, and tools to ensure all team members have the information and understanding required to effect these changes consistently and throughout the organization.

- Research and implement emerging technologies—often called *intelligent technologies*:
    - Process automation for greater efficiency and accuracy of repetitive, high-volume tasks, as well as the introduction of continuous improvement as standard operating procedure.
    - Cloud-based master data management, storage, and analysis, eliminating the need for physical, on-premises equivalents and their associated costs and vulnerabilities.
    - Advanced analytics and machine learning for workflow optimization, supply chain optimization, and improved overall business process management.
    - Existing and new technologies used in novel ways, such as blockchain integrations to support digital spend management and organizational support for digital twins and the internet of things (IoT).
- Look for opportunities to transform existing business units into value creation centers. For example, optimizing the procure-to-pay (P2P) process, which touches all areas of an organization through its spend, with a comprehensive spend management tool like PLANERGY allows for both maximum savings *and* value by:
    - Introducing direct cost reductions and gains to speed and efficiency
    - Producing less tangible, but just as valuable, gains to productivity, growth, and innovation in the form of greater worker satisfaction and freedom to pursue high-value tasks that leverage their skills and know-how rather than low-value, repetitive tasks such as data entry or chasing exceptions.

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Intelligent Technologies for Intelligent Enterprises

The toolsets used by intelligent enterprises will vary, but the priorities they support generally cluster around three primary characteristics:

- **Agility:** The capacity for swift, strategic, and value-focused responses to sudden changes in the supply chain, marketplace, or the organization itself.
- **Visibility:** The removal of barriers to data and process integration; the ability to consolidate the organization's datasphere and integrate its software environment for maximum transparency, ease of access, and on-demand access, analysis, and reporting in support of advanced pattern recognition, process optimization, and innovation.
- **Focus:** The ability to leverage insights gleaned from improved visibility to model potential outcomes more effectively and generate efficient and effective use of resources, capital, and labor.

In pursuit of these priorities, intelligent enterprises rely on a cyclical framework built around three interrelated components:

1. Processes and People (AKA, "The Intelligent Suite")

A set of software tools and applications designed to automate and optimize business processes and foster both collaboration and shared innovation between staff, customers, and vendors, including:

- Supply Chain Management (including Vendor Performance Management and Vendor Portals)
- Customer Experience Management
- Procurement and Spend Management
- Marketing and Consumer Engagement
- Production and General Operations Management
- A "digital core" designed to integrate all applications and connect them to the digital platform for optimal collaboration, analysis, and data management.

2. Data Wrangling (AKA, “The Digital Platform”)

A cloud-based data collection and management platform that provides a comprehensive and clear view of all data to users, based on role-appropriate access, and also serves data to your integrated software environment in the Intelligent Suite.

3. Intelligent Technologies

Advanced tech tools driven by artificial intelligence (AI), used to:

- Process high volumes of data to identify patterns.
- Predict behaviors.
- Reveal hidden opportunities for greater efficiency, savings, and value.
- Suggest contingencies for, and solutions to, potentially disruptive events.

In leveraging these technologies, intelligent enterprises see immediate gains from greater efficiency, collaboration, and cost reductions.

However, they also unshackle their human workforce from tasks with minimal value, and create an environment where employees can focus on higher-value tasks.

This can have a positive impact in a number of ways, from new strategic partnerships with essential vendors through improved relationship management to a more human-centric customer experience supported, rather than supplanted, by AI.

Building Your Own Intelligent Enterprise

Built as it is on both digital transformation and a pretty significant departure from established paradigms for business management, the intelligent enterprise is a worthy goal that nevertheless requires some careful and strategic planning to achieve.

If your organization is looking at taking the leap, consider the following factors when developing your transition strategy.

1. Embrace agility, resilience, and flexibility, supported by digital tools, as

essential to your success. Invest in the education, training, and tools needed to ensure your entire organization shares the same focus on agility, value, and resilience.

2. Invest in whatever tools are required to centralize your data collection, organization, and management for real-time analysis and shared access across an integrated software environment. Any business without complete data, or the tools to harvest insights from it, will lag behind truly intelligent enterprises in the years ahead.
3. Discard organizational hierarchies that don't work, and build teams that do.
4. Be ready to rewrite the rules to keep, and attract, team members who can collaborate across time zones with efficiency, imagination, and accountability.
5. Be prepared to review, revise, and even rebuild your processes for optimal speed, flexibility and efficiency now, and you won't have to radically alter them should disaster strike. Process automation, centralized data management, and real-time analytics make this *much* easier.
6. Build global supply chains that include local suppliers (including redundancies for essential materials) for maximum flexibility and resilience. Again, the right tech tools, such as a dedicated vendor management solution or a supply chain management module in a larger, comprehensive suite, can facilitate greater resilience and agility through total data transparency, process optimization, and collaborative vendor relationship management.
7. For intelligent enterprises, digital transformation can take many forms. A strong, centralized software environment, combining both process improvement and artificial intelligence, is one of the best ways to introduce value through continuous improvement, for example.

But the fourth industrial revolution is about more than just software or process improvement.

Digital tools are an essential part of achieving the agility, visibility, and focus that define an intelligent enterprise in today's market.

Adding technologies like augmented reality, the industrial internet of things (IIoT), and ecosystem-based process management to your toolkit creates

opportunities to expand your current capabilities, improve your interactions and relationships with customers and vendors, and insulate yourself against the risks of business disruption by giving you the data you need to make better decisions today and effective predictions for what might be coming down the pike.

Smart Tech Choices Ease the Transition to Intelligent Enterprise

Even the biggest brain or the most bleeding-edge algorithm can't anticipate every potential risk to your company's bottom line, supply chain, or operations.

But if you take the steps to invest in digital transformation, embrace change as a virtue, and harness the potential of emerging technologies, you can build an intelligent enterprise today that's flexible, agile, and resilient enough to weather the challenges of tomorrow.

What's your goal today?

1. Use PLANERGY to manage purchasing and accounts payable

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