



5 Reasons to Automate Your Supply Chain

Supply chain disruption, labor shortages and volatile demand are pushing companies to automate operations and replace legacy systems.

Supply chain, logistics and fulfillment automation is a hot topic right now as organizations work to make their global networks more efficient, responsive and effective. Key drivers include issues like tariff uncertainty, supply chain disruption and customer demands that are changing by the day. Geopolitical events, skilled labor shortages and other forces are also pushing more organizations to experiment with automation at different nodes in the supply chain.

Companies that still run their supply chains on legacy systems can benefit significantly from automation. “Legacy supply chains aren’t optimized for the digital landscape that we’re seeing today,” IBM says. “Oftentimes logistics employees are sourcing information from documents, spreadsheets, emails and other digital [assets] to perform essential processes. This can lead to human error and [disrupt] the entire supply chain.”

The challenges don’t end there. IBM says legacy IT systems are also bad at providing holistic pictures of global networks in a sector that’s faced consistent visibility challenges. When supply chain professionals can work from reliable data stored

in one place, it “simplifies business processes and makes it so all those involved in the supply chain are on the same page.”

Here are five more reasons companies are automating their global supply chains:

1) Lower costs and better efficiencies. Cost management is a persistent and top priority for today’s leaders and executives. NetSuite says automation cuts costs by reducing repetitive manual tasks that can be slow, costly and prone to error (e.g., data entry, inventory counting and order processing). “An automated warehouse using robotics can process orders much faster than manually gathering products, and it cuts back on labor costs and mistakes that can lead to lost sales or product returns,” the company says. In return, companies can handle larger order volumes with fewer resources, improving overall efficiency and profitability.

2) Improved production and delivery speeds. Automation can also accelerate production by using robotic assembly lines and software-enabled machinery to boost

output compared with manual processes. For example, some automotive manufacturers use robotic welding and painting systems to assemble vehicles more quickly and consistently. “[It also enhances] delivery speeds, using storage and retrieval systems to locate and gather items quickly to shorten fulfillment times, while transportation systems automatically optimize shipping routes based on real-time conditions to reduce transit times,” NetSuite points out. “This leads to faster deliveries and helps businesses keep pace with growing customer demand.”

3) Improved forecasting and inventory management. The electronics industry can be highly unpredictable, often influenced by rapid product cycles, emerging trends, and seasonal spikes. Supply chain automation helps address unpredictable demand with real-time analytics and predictive data to improve inventory forecasting and management. It also helps companies “address stringent electronics industry quality and standard requirements by automatically tracking quality metrics across channels,” Orbweaver says, “reducing the risk of recalls due to quality issues, helping ensure compliance with regulatory standards and more.”

4) Better risk management. Supply chain automation software drives more precise planning by leveraging real-time data and predictive analytics to support accurate demand forecasting and inventory planning. “These tools allow businesses in the electronics industry to make proactive, informed decisions about production schedules, procurement and distribution,” Orbweaver says. “This [leads to] minimized waste, reduced holding costs, and optimized order quantities while supporting better resource allocation and proactive risk management.”

5) Higher employee morale. Everyone has a work task they hate doing. And even if they love the task, doing the same thing over and over leads to burnout and stress. “Automation can take rote tasks off a person’s plate so they’re free to pursue creative, strategic or challenging tasks,” Appian says. “In this way, automation helps produce engaged workforces, team cohesion, and stronger employee retention.” As a starting point, consider automating routine tasks like data entry into order management systems, inventory updates across multiple platforms or the generation of standard shipping and compliance documents.

Legacy systems still power many supply chains, but they may not always be able to keep pace with the speed and complexity

of modern supply chains. Automation gives organizations a practical way to manage routine work, improve visibility and replace fragmented processes with systems that help keep operations running smoothly.