Accelerating Supply Chain Digital Transformation With GenAI

Today's supply chain

Digitally transforming the supply chain — through technologies such as Internet of Things (IoT), machine learning, AI (including generative AI) and robotics — is the top priority of today's chief supply chain officers. Digital transformation requires a clear technology roadmap, but also a strategy that ensures these technologies don't just exist for their own sake. The digital roadmap must show it can deliver increased revenue, improve the customer and supplier experience, reduce costs and improve efficiency.

GenAI challenges and solutions

While GenAI can positively impact digital transformation, it also introduces new risks.

Overreliance on GenAI for insights: Because the technology is so easy to use, users' proficiency for arriving at insights from reports or dashboards is sure to suffer.

Solution proliferation: GenAI can lower the barrier to building supply chain analytics solutions. With code generation and synthetic data, technical talent might build analytical solutions that do not align with supply chain priorities and business needs.

Greater data and IP exposure: Currently, the more common deployment model of GenAI platforms is to leverage third-party platforms from third-party vendors, directly or through an application programming interface (API). This increases potential access points to the organization's sensitive data and intellectual property.

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Supply chain leaders can mitigate these GenAI-driven risks by:

Creating a mixed methods technology culture: Identify a set of users that are expected to maintain their proficiency in engaging with technology in a more traditional manner — e.g., navigating dashboards, data visualization. This also provides a counterbalance to only GenAI insights.

Identifying a GenAI-enabled solution portfolio manager: This individual will closely track the use of solutions supported by GenAI, throughout their life cycle.

Conducting small pilots: This can help determine if the benefit of early adoption outweighs the inherent risks associated with GenAI. Choose a deployment model that minimizes the risk of data and IP exposure.

Seize the GenAI opportunity

GenAI can significantly expedite the development of digital solutions with direct impact on the speed and success of the supply chain digital transformation. Users also favor the text-based Q&A interfaces and natural language guides/training, which improves supply chain technology adoption.

Gartner is here to help supply chain leaders understand and implement GenAI and stay ahead of emerging trends. Visit the Generative AI topic center on gartner.com to learn about GenAI applications, deployment models, major tech providers and more.

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