



Enterprise Resource Planning (ERP) / Electronic Data Interchange (EDI)  
 Supply Chain Vendor Compliance  
 Internal Controls / Fraud Detection & Reduction  
 Business Analysis / Data Analysis / Systems Analysis

Since January 1996

***Digitization on any scale can produce noticeable results.***

From an article in the May 2018 edition of Southeast Manufacturing News magazine, automobile makers are realizing significant production and financial gains from their investments in digitization. But before you say "That's great but how will it lower the cost of my next new car?", let's define what digitization is.

Digitization is the conversion of text, images, and audio into a digital format that can be processed by a computer.

For automakers, this means everything from design drawings to simulation testing to robotic manufacturing. Per the article, Maserati previously took 30 months to manufacture the Ghibli sports sedan from beginning to end, but after implementing a digital strategy the automaker reduced the timeline to 16 months and increased manufacturing productivity threefold.

While automobile manufacturers have the financial capacity beyond the means of many companies, digitization is not out of the reach of numerous much smaller organizations who struggle daily with mundane data entry tasks.

Digitization, which includes the conversion of text, includes technologies such as Electronic Data Interchange (EDI) and automatic identification (e.g. barcode labeling and scanning).

EDI is the exchange of business documents – purchase orders (which are converted to sales orders once they are imported into the business software system known generically as the Enterprise Resource Planning (ERP) system), invoices, ship notices – with a supply chain partner (typically a large customer). Usually this is a mandate based upon the customer's supply chain vendor compliance requirements.

Automatic identification is a very convenient way of counting inventory and reducing errors in physical inventory and the picking-and-packing process in the warehouse or distribution center. It also helps to improve the integrity in internal controls and reduce fraud.

As the automakers have discovered, the additional data being collected through a digitization strategy has the bonus benefits in being able to better analyze not just what has happened in order to make better future decisions, but in trying to predict what could happen before it does happen. While reactive examination is how information has been – and continues to be – traditionally used, predictive analysis is the new forefront of how and why data is now being collected and studied.

Both Electronic Data Interchange (EDI) and barcode labeling and scanning technologies have been around since the 1970s. Inasmuch as the science behind the technologies has improved, these tried-and-true technologies remain unchanged and still the backbones of various worldwide supply chains such as retail, grocery, pharmaceutical, medical products, automotive, and government (especially defense).

If your company wants to explore a supply chain digitization strategy, please get in contact with me to learn more. You won't need the bank account of an automaker, just the company commitment and vision to improve and be more competitive.

Thanks for reading.

**Norman Katz**, LSSBB, CFE, CFS, CCS

Katzscan Inc.

954-942-4141

<http://www.katzscan.com>

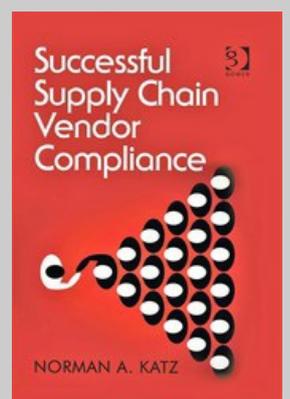
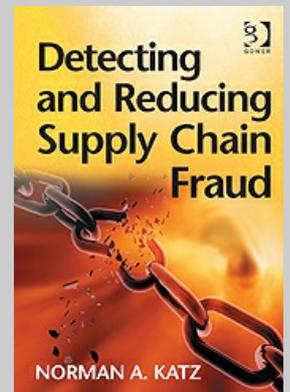


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