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3 Ways to Ensure the ROI of Your End-to-End Supply Chain Digitalization Initiative



Organizations across the life sciences and healthcare supply chain want to digitalize relationships with customers and suppliers to improve service levels, reduce costs, and boost operational efficiency. But achieving these goals means taking time to build the right technological foundation and always keeping customer needs in mind, according to Arun Giddu, Director of Supply Chain at Thermo Fisher Scientific.

Giddu shared his thoughts in a recent episode of Orchestrating Outcomes, a new series from TraceLink featuring interviews with life sciences industry leaders driving digitalization across the end-to-end supply chain. Take a look at three key strategies from Giddu for ensuring a return on investment (ROI) from supply chain digitalization, then [watch the complete interview](#) for more insights.

1. Establish a strong ERP and master data foundation

A well-implemented ERP and a robust layer of master data are the critical firsts step toward a successful supply chain digitalization initiative, according to Giddu. Without these two key components, organizations struggle to automate key business processes and integrate seamlessly with downstream customers and upstream suppliers.

Supply chain digitalization efforts often fail to deliver ROI because organizations implement ERP merely as a system of record instead of a system of execution. As a result, processes happen manually, limiting efficiency and automation. Giddu explained that a system of execution, driven by accurate master data, enables processes to start automatically, ensuring repeatability and reducing errors. Additionally, a failed or sub-optimal ERP implementation can leave organizations questioning the tangible benefits of digital integration and its potential to drive meaningful results.

"Digitalization is just using computer automation for your processes. Supply chain digitalization means adding this process automation to your interactions with your customers and suppliers," Giddu explained. "The ERP implementation has to be right for all of this to happen."

2. Aim for 'Lights-Out Manufacturing' and focus on the customer

When planning and executing a **supply chain digitalization** project, it's important to make the needs of the customer the top priority, while also keeping long-term goals and aspirations in mind.

Giddu highlights "Lights-Out Manufacturing" as the ultimate aspiration in supply chain digitalization, where processes are so automated that operations could theoretically run in total darkness, without human intervention. While achieving this may be decades or even lifetimes away, Giddu emphasizes that having this bold aspiration drives meaningful progress. By striving for full automation, companies are naturally guided toward decisions that improve efficiency, reduce errors, and make processes more predictable.

By prioritizing customer needs—such as ensuring on-time deliveries, maintaining transparency about delays or disruptions, and providing quality products—organizations can increase efficiency, build trust, and improve performance. When companies align their aspirations with customer-focused outcomes, they create a self-guided path to successful digitalization and achieve

stronger ROI.

"If [full automation] is your aspiration and you are customer-focused, then you'll be self-guided at every fork in the intersection," Giddu said. "You will make the right decisions because you are asking only two questions: Will this be helpful to my customer? And will this help me towards Lights-Out Manufacturing?"

3. Measure results to ensure continuous improvement

Measuring the results of supply chain digitalization is critical to driving continuous improvement. By tracking both internal and customer-facing key performance indicators, organizations can identify areas where digitalization efforts are succeeding and pinpoint where adjustments are needed. This data-driven approach allows teams to refine processes, address gaps, and prioritize future investments in technologies that deliver the most value.

A good place to start is by looking at your service level to the customer before and after digitalization was implemented. For example, if on-time, in-full product delivery is improving and backorder dollars are down, the supply chain digitalization effort is likely heading in the right direction.

"The first thing I would see is customer-facing metrics. Are they improving? And then your internal metrics of efficiency. How are they getting better?" Giddu explained. "If they are getting better, then you would assume that your customers are happy, you are spending less on making the same amount of output, and you should be in a good position."

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