

Digitalisation – the key to efficient sourcing?

A case study at Axis Communications AB of digitalisation opportunities within the sourcing department.

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Supply chains are currently facing challenges such as globalisation, scarcity of resources and a need for flexibility. A crucial part in managing these challenges is innovative and strategic sourcing. One approach to realise this is the digitalisation of business processes.

To increase efficiency, reduce human errors and decrease non-value adding work, digitalisation opportunities at Axis Communications ABs sourcing department were identified. Processes that would benefit from digitalisation were identified through interviews and a survey. Relevant digitalisation technologies and systems were determined through an extensive literature review and empirical data.

The information gathered on both current processes and digitalisation technologies were compiled, see Figure 1. A sourcing suite is a e-procurement system that supports several of the activities within the sourcing process. Some of these activities also exist as independent systems. Robotic process automation (RPA) is a software tool for automation of simple and repetitive tasks. The product lifecycle management tool is an internal system which keeps track of a products lifecycle. The

processes under further investigation would have a high impact, however when investigated it was concluded that the projects were outside the time frame of the study. Nevertheless, these processes should be investigated more thoroughly due to their high impact. Because of their low impact and the time frame of the study, no digitalisation technologies were explored for the non-investigated processes.

Each process and the suitable technology were divided into projects, which were analysed on impact and ease of implementation. Based on the analysis the projects were categorised into quick wins, implementation projects and strategic projects. From this categorisation a course of action for further investigation was recommended. Quick wins could be implemented directly, strategic projects are long-term projects and implementation projects are somewhere in between.

The solution is customised to Axis needs and requirements. However, the research method could be utilised by other companies to identify their digitalisation opportunities. The full study is published in the report “*Digitalisation of sourcing process - A case study at Axis Communications AB*” at the Faculty of Engineering – LTH, Lund University.

Sourcing suite	Independent systems	RPA	Product lifecycle management tool	Further investigation	Non investigated
<ul style="list-style-type: none"> • Sharing of documents • Supplier document management • Agreements and contracts • Supplier performance management report • Scorecard • Market analysis 	<ul style="list-style-type: none"> • Market analysis 	<ul style="list-style-type: none"> • Critical components • Update the article status list • Price changes 	<ul style="list-style-type: none"> • Product lifecycle management 	<ul style="list-style-type: none"> • Additional supplier list • Interface between systems 	<ul style="list-style-type: none"> • Stock at EMS • New projects in spend tool • Environmental requirements • Automatic forecast to suppliers

Figure 1. The identified processes sorted under the relevant digitalisation technology.