

Why blockchain needs to be part of your supply chain strategy

 By [Jim Holland](#)

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One technology with enormous promise is blockchain. Surprised? Don't be - there's much more to blockchain than the world of cryptocurrency and finance. Blockchain has the ability to transform the supply chain discipline and the businesses that rely on it for the better. It has many other applications beyond Bitcoin.



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Imagine a simple head of lettuce on a supermarket shelf. What farm was it grown on? What methods were used in the growing? How far did it travel to the store? When a business deploys blockchain, consumers can track the lettuce from the time it was sown to when it reaches the store shelves.

Whether it's a head of lettuce grown on a farm or a server farm itself, everyone wants to know where their purchases came from. Blockchain will add visibility and trust to the supply chain – benefits that will help everyone.

How blockchain technology benefits supply chains

If the business is about creating customer value, then the supply chain is about delivering that value to the customer in the most efficient and effective manner.

Blockchain technology strengthens the supply chain by hardcoding that trust with security, bringing reliability with better asset management, and optimising manual work – by saving hours of labour spent on reconciling accounts and settling disputes.

Blockchain's security blanket

People want to know where their servers were built, understand what components are in those servers and how those components were manufactured. What blockchain does though is to wrap the information in a security blanket so that no one can hack, alter or destroy it. If a customer wants to check it after 20 years, the integrity of the information will be sound.

Optimising manual labor and efficiency

How much does the manual labour that goes into all the paperwork in supply chain operations cost a company? If you are talking multiple large deals, the paperwork will cost you hundreds of thousands of rands a year. Millions of rands can be saved by eliminating unnecessary paperwork by using blockchain.

There is also the perennial problem of reconciling accounts receivables and payables. The amount of time, human intelligence and intervention that goes into resolving disputes is considerable. With blockchain, you minimise the work and time that's wasted on these today.

These improvements that blockchain technology will bring to business operations will result in huge cost savings and positively impact the customer experience.

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