



GUIDE TO SUPPLY CHAIN COLLABORATION – WHAT, WHY AND HOW

- **Seamless supply chain collaboration is an essential component to effective supply chain management and a necessary piece in business resilience**
- **Supply chain collaboration is about different entities working together toward shared objectives**
- **It improves agility, reduces bullwhip effects and enables enterprises to orchestrate their supply chains more effectively**

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The complexity and interconnected nature of today's supply chains makes them more prone to severe impacts from disruptions – whether from minor incidents like shipping or weather delays to more serious interruptions like those from a pandemic, cyberattacks or natural disasters.

In response to disruptions, [supply chain resilience](#) has become a priority for enterprises. Supply chains need to be able to handle disruptive

events without breaking. To manage that feat, they need to get better at collaboration.

To resolve issues in the most efficient manner, supply chain teams should be able to share information with stakeholders and collaborate with the right people at the right time. To do that, they need the right tools and workflows in place to make that collaboration seamless across all parts of the supply chain.

What Is Supply Chain Collaboration?

Supply chain collaboration is about coordinating with internal departments and external partners to sustain an optimized flow through the supply chain in order to efficiently meet demand and ensure on-time, in-full delivery.

It means establishing real-time shared visibility and processes with supply chain partners to facilitate identification and resolution of issues.

Supply chain collaboration encompasses the full scope of supply chain functions, including [purchase order processes](#), forecasting, capacity planning and quality management.

Why Is Supply Chain Collaboration Important?

With the scale and amount of data, transactions and physical material flowing through today's global supply chains between suppliers, enterprises, contract manufacturers and logistics providers, it is easy to think that they must be tightly integrated systems in order to produce the results they do.

However, that is not the case.

Supply chains remain fragmented, with different departments operating on different systems, different KPIs and different versions of the truth.

Data from one department isn't necessarily shared with another. So, for instance, if inventory and [warehouse management systems](#) do not talk to each other, a company might have shipments waiting to go out or

containers that aren't packed optimally. The inefficiencies that arise cost enterprises time and money.

By leveraging supply chain collaboration tools to share data from a unified platform and adopting the right process and mindset, companies can address inefficiencies and orchestrate their supply chains to ensure a seamless flow of information, materials and goods.

How Collaboration Software Benefits Your Supply Chain

Enterprises can leverage specific [supply chain collaboration software](#) to integrate different functions, connect disparate systems and make it possible for businesses to connect the dots with regard to processes.

Exception management need not happen on an ad hoc basis. Modern supply chain collaboration software gives users the tools to coordinate responses to manage exceptions in a more dynamic and interconnected fashion.

How does a supply chain collaboration platform enable that capability?

Key Features Of Supply Chain Collaboration Software

Whether an enterprise is leveraging supply chain collaboration software for just one part of its supply chain process or for end-to-end management, the following features are important to have to ensure that collaboration is as seamless as possible:

- **Real-time data sharing:** For collaboration to be effective, all parties need access to the most up-to-date data. By connecting disparate data sources, supply chains can ensure they have the best foundation for making decisions around planning, execution and exception management.
- **End-to-end visibility:** [Visibility of the entire supply chain](#) is crucial for understanding what's happening at any given time – where a company's inventory is, any issues their suppliers are facing, and any potential mismatches in capacity or forecasting. Having visibility into the supply chain facilitates a company's ability to identify potential issues and respond before they get out of control.

- **Configurable workflows:** Every business is different, which means the software used to run that business needs to be adaptable in order to align with specific processes and workflows. Aligning systems and workflows enables supply chain teams to coordinate with partners more efficiently.
- **Advanced AI:** Artificial intelligence and machine learning built into supply chain collaboration software goes beyond data analytics. Next-gen AI allows for faster identification of threats and can provide recommendations on what to do about it, empowering users to make better, faster decisions in coordination with supply chain partners.
- **In-Context Messaging**– This provides users with the right information at their fingertips via a user-friendly interface. In-context messaging promotes collaboration by enabling users to communicate seamlessly in real time, without having to switch between systems.

Advantages Of Supply Chain Collaboration Software

By connecting the different parts of a supply chain to each other and providing a unified foundation for data, supply chain collaboration software enables enterprises to work with multiple tiers of suppliers to specify requirements and ensure that suppliers can meet those requirements.

In the event of potential disruptions, it enables a quicker, more optimal resolution.

Supply chain collaboration software equips enterprises to:

- Enhance the agility with which they respond to demand changes and disruptions, leading to better and faster decisions.
- Improve the accuracy of forecasts and capacity plans by incorporating real-time data and bi-directional input from suppliers.
- Reduce bullwhip effects throughout the supply chain by coordinating responses more effectively.
- Create a single source of truth to serve as a foundation for [supply chain orchestration](#).
- Develop closer relationships with suppliers and partners.

Successful supply chain collaboration involves bi-directional communication and decision-making.

Supply chain collaboration is a critical capability for enterprises to manage risk and resolve disruptions efficiently. And modern supply chain collaboration software enables them to respond with agility to changing conditions in order to create more accurate forecasts, develop and share capacity plans and monitor and manage quality concerns.

At the same time, software is one piece of the equation – the mindset, culture and process around collaboration also need to be in place to enable supply chain teams to take full advantage of the latest technology.

Supply chain collaboration involves, in part, letting suppliers and partners make the right decisions to help the business. For many companies, getting to that level of supply chain maturity involves a change in mindset, not just a change in technology.

Rather than taking a top-down approach to collaboration and dictating terms to suppliers, enterprises need to ensure that information and input is flowing both ways through their supply chains.

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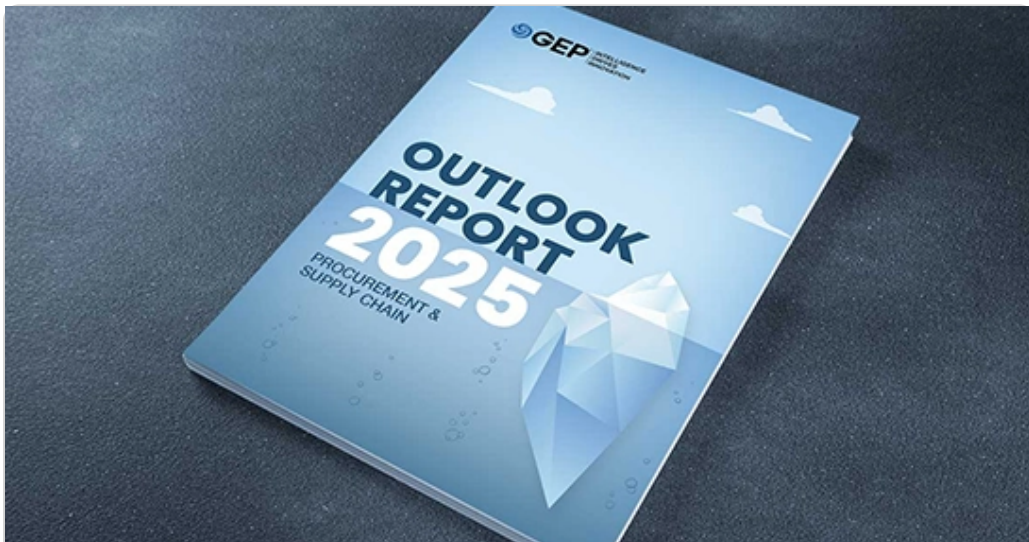
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Alex has more than 20 years of practical experience in supply chain operations and has advised many Fortune 500 companies on their digital transformation. At GEP, he leads product marketing for the company's AI-enabled supply chain solution. He is passionate about the role technologies play in driving supply chain excellence and business growth.

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