

# YOUR SUPPLY CHAIN IS THE PRODUCT

**“THE SUPPLY CHAIN IS MORE THAN A MEANS FOR TRANSPORTING PRODUCTS; INSTEAD, IT IS A COMPLEX NETWORK OF PROCESSES, DECISIONS, AND TECHNOLOGIES THAT ACTS AS A MEDIUM, INFLUENCING CONSUMER PERCEPTION. IN ESSENCE, THE SUPPLY CHAIN IS THE PRODUCT ITSELF.”**





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The concept of redefining the roles of sellers and buyers, producers and consumers, is not new. Marshal McLuhan famously stated that the “medium is the message,” referring to the television industry in the 1960s. His theories on electronic communication highlighted the shift in power between producers and consumers, suggesting that the television audience was the content consumed by advertisers. This perspective, viewing users as the product rather than the customer, has been reinforced by legal decisions in the United States, such as a notable privacy case in 2013 where Judge Paul Grewal ruled in favor of Google, stating, “the users are the real product.” However, this arrangement, where users become the product, also benefits the users themselves. In McLuhan’s day, viewers could enjoy free access to television content, including news, movies, and shows. Similarly, in the case of Google, Judge Grewal highlighted that users implicitly choose to consent by using the various free services Google offers, like Gmail and Google Maps.

Advancements in communication and production have transformed our perception of customers and products, especially in supply chains. Traditionally, supply chains were viewed as a service sellers provide to get products to customers. However, these traditional views no longer hold universally.

Consider Amazon and its extensive range of products sold and distributed through its system. Is Amazon simply a



marketplace for selling products, or is its real product the promise of two-day shipping? The true value proposition of Amazon is the speedy delivery, making it the actual product. For organizations, where production is far from consumption, and seamless coordination is vital, constructing a robust supply chain becomes a key differentiator in the market. The supply chain itself becomes the product.

At its core, McLuhan’s theory posits that the medium through which a message is conveyed plays a pivotal role in shaping our understanding of the content itself. Similarly, the supply chain is more than a means for transporting products; instead, it is a complex network of processes, decisions, and technologies that acts as a medium, influencing consumer perception. In essence, the supply chain is the product itself.

### **EFFICIENCY AND RELIABILITY IS THE PRODUCT**

An efficient supply chain has long been a hallmark of successful businesses. It goes beyond moving products from A to B; it’s about doing so with precision and speed. A well-run supply chain shows reliability and excellence. When consumers receive their products promptly and in perfect condition, they get a great product due to streamlined supply chain operations.

Apple is renowned for its innovative devices and efficient supply chain. From iPhones to iPads and MacBooks, the journey from inception to the consumer epitomizes supply chain precision. When customers buy an Apple product, they’re not just getting a device; they’re stepping into an experience designed by Apple’s supply chain. This immersive





experience conveys a message of uncompromising quality, precision, and reliability. Apple's supply chain becomes integral to the product narrative, assuring consumers of excellence.

This principle applies universally. It's seen across various industries like automotive, retail, healthcare, etc. Companies that excel in delivering products or services through optimized supply chains gain a competitive edge by building trust with consumers. The supply chain is far more than logistics - it shapes consumer perceptions and communicates messages of reliability and excellence.

#### **SUSTAINABLE BUSINESS IS THE PRODUCT**

Companies that prioritize sustainability in their supply chains convey a strong commitment to environmental and social responsibility. Patagonia is a sustainability leader in its industry. By using recycled materials, minimizing water consumption, and reducing waste, Patagonia aligns seamlessly with the values of eco-conscious consumers. Its supply chain reflects ecological stewardship, reinforcing the brand's commitment to making a positive environmental impact.

Sustainability as a product extends beyond fashion and spans

sectors like agriculture, electronics, and consumer goods. Companies now integrate sustainable practices into their supply chain, responsibly sourcing raw materials, reducing energy consumption, and implementing ethical labor practices. This shift represents environmental and social responsibility, departing from profit-only business models. By prioritizing supply chain sustainability, organizations demonstrate their commitment to reducing their carbon footprint, conserving resources, and upholding ethical labor practices. This resonates with eco-conscious consumers, going beyond corporate branding.

**“SUSTAINABILITY AS A PRODUCT EXTENDS BEYOND FASHION AND SPANS SECTORS LIKE AGRICULTURE, ELECTRONICS, AND CONSUMER GOODS. COMPANIES NOW INTEGRATE SUSTAINABLE PRACTICES INTO THEIR SUPPLY CHAIN, RESPONSIBLY SOURCING RAW MATERIALS, REDUCING ENERGY CONSUMPTION, AND IMPLEMENTING ETHICAL LABOR PRACTICES.”**

The importance of supply chains in delivering sustainable products is crucial. These chains cover every aspect of a product's journey, from sourcing materials to manufacturing, transportation, and distribution. Each stage presents an opportunity to make eco-conscious choices, leading to a more sustainable end product. By understanding the significance of supply chains, companies can minimize their environmental impact and uphold social responsibility, aligning with the values of conscientious consumers.

### **FAIRNESS AND ETHICAL TREATMENT IS THE PRODUCT**

Ethical supply chains prioritize fairness, social responsibility and environmental stewardship. They aim to make a positive impact on society beyond profit. Fair labor practices are crucial, ensuring workers are treated with respect, paid fairly, and provided with safe working conditions. Ethical supply chains value the well-being and dignity of their workforce. Responsible sourcing and production processes ensure that raw materials are obtained without

causing harm to the environment or exploiting communities.

Companies demonstrate their commitment to social and environmental responsibility through responsible sourcing and production. Transparency and certification programs like Fair Trade, Organic, and Forest Stewardship Council (FSC) provide consumers with verifiable information about a company's ethical and environmental business practices.

Starbucks embraces ethical supply chain practices. They source fair-trade coffee beans from around the world, supporting fair wages and humane conditions for coffee farmers. By enjoying Starbucks coffee, customers are not just savoring the taste; the product supports ethical labor practices and the economic well-being of coffee-growing communities.

### **TRANSPARENCY IS THE PRODUCT**

Technology has revolutionized supply chains, bringing increased transparency and accountability. Consumers want to understand the origins and journey of the products

they buy. For example, Walmart's use of blockchain allows customers to trace a product's journey from the farm to the store shelf with a QR code. This transparency reassures consumers about product quality and safety and builds trust.

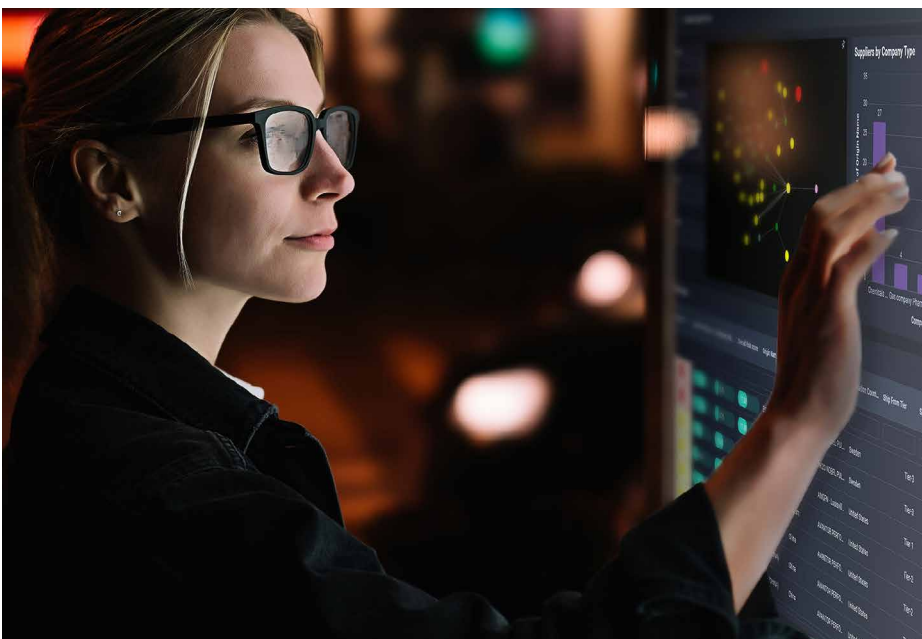
The world's supply chain become increasingly complex, interconnected, and opaque. Sourcing raw materials from one region, manufacturing in another, and distributing products to consumers across the globe introduces complexities that can disrupt operations. Innovative supply chain managers use real-time visibility and analytics to inform decisions, optimize inventory management, and streamline logistics. Through technologies like artificial intelligence (AI), the Internet of Things (IoT), and robotics, they can enhance transparency, operational efficiency, inventory management, and customer service to navigate the world's most opaque and complex global supply chains.

### **RESILIENCE IS THE PRODUCT**

Global supply chains face various risks, from geopolitical conflict, natural disasters, economic downturns, and resource constraints. These disruptions can have widespread consequences for the production and distribution of goods and services worldwide. Companies that use risk management technologies to inform planning and supplier strategies are better equipped to manage risk before impact.

Toyota's response to Japan's 2011 earthquake and tsunami exemplifies how a resilient and agile supply chain can overcome unexpected shocks. By diversifying suppliers, maintaining safety stock, and implementing contingency plans, Toyota minimized disruptions and continued serving consumers.

Using predictive analytics and supply chain technologies to forecast and monitor for risk and disruptions is the cornerstone







of proactive strategies such as resilience assessments, scenario planning, and supplier diversification. Regular risk assessments help companies identify vulnerabilities and weaknesses in their supply chains, guiding investments in critical areas. Scenario planning involves simulating various disruptive events to understand their potential impact and develop response strategies accordingly. Supplier diversification involves sourcing materials or components from multiple suppliers or regions, reducing over-reliance on a single source.

By adopting technology-enabled proactive risk management strategies, companies can enhance supply chain resilience and adaptability, ensuring business continuity and minimizing disruptions in an increasingly interconnected world.

### **YOUR SUPPLY CHAIN IS THE PRODUCT**

Supply chains have evolved beyond traditional logistical processes to become dynamic mediums that are themselves, consumer products. Companies must embrace consumer-centricity and tailor their supply chains to

meet changing expectations. This includes offering personalized, sustainable, and efficient solutions to consumers and businesses.

The future of supply chains will be characterized by continuous transformation driven by emerging trends and technologies such as automation, artificial intelligence, sustainability practices, and digitalization. Businesses must embrace these changes to stay competitive and relevant in the evolving supply chain landscape.

Looking ahead, supply chains will continue to transform through innovation, agility, and the adoption of cutting-edge technologies. Resilience in the face of geopolitical factors and unforeseen disruptions will remain a key message. Companies must remain vigilant, adaptable, and forward-thinking to convey messages of resilience and adaptability to consumers.

In this ever-evolving landscape, supply chains are not just a means to an end; they are the product itself. They serve as a conduit of values, quality, and trust that shape the modern consumer experience. Companies must recognize the importance of their supply chains and leverage them as a strategic asset to thrive in today's fast-paced business environment.

### **ABOUT THE AUTHOR:**

Louis Beaubien, VP of BlueNode at Everstream Analytics, helps clients optimize operations and reduce carbon footprint using intermodal data insights. He is a certified accountant with a PhD in accounting information systems, and active research and serves as the academic lead for Creative Destruction Lab – Atlantic.

### **ABOUT THE COMPANY:**

Everstream Analytics delivers the AI-powered predictive insights and risk analytics businesses need for a smarter, more autonomous and sustainable supply chain. Everstream's proven solution integrates with procurement, logistics and business continuity platforms generating the complete information, sharper analysis, and accurate predictions required to turn the supply chain into a business asset.

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