The Internet of Things is a revolutionary technology of today. If implemented optimally, it can bring about immense benefits in different industries including transportation, retail, healthcare, finance, and supply chain management. For processes like forecasting, management, and oversight applications, IoT can assist fleet managers in improving the operational efficiency of distribution along with adding transparency to the decision-making process.

## IoT Applications in the Supply Chain Management Processes

IoT can play a vital role in improving the supply chain management, with its main applications in tracking and monitoring processes. Additionally, IoT can be applied to other processes in the supply chain such as:

### Tracking Location in Real-time

The IoT can help provide real-time data of a product’s location and its transportation environment. It can be tracked at all times and you can get real-time alerts if anything goes wrong during the transportation and can monitor the delivery of raw materials and ready goods.

### Monitoring the Storage Condition

With environmental sensors, the shipment can now be tracked for internal conditions such as the inside temperature of the vehicle, humidity, pressure and other factors that can potentially adversely affect the product.

### Forecasting Product Arrival

IoT devices help managers in making decisions about product arrivals and increasing delivery forecast precision. Not only does it help predict final delivery date, it also assists in mitigating risks before they can occur.

### Locating Goods in Warehouse

With real-time location trackers, warehouse employees can track exact aisle for specific parcels. When paired up with artificial intelligence, it also allows for automated vehicles to retrieve a particular package without any human supervision.

### Improving Contingency Planning

IoT devices also help plan and change routes by taking into account any accidents or delay-causing occurrence in the routine path. Thus, it allows for optimal path while developing contingency planning and getting to the cause of delays.

## IoT Benefits in Supply Chain Management

Now let’s have a look at how IoT benefits the Supply Chain Management of businesses in terms of increasing their operational efficiency and reducing operating costs.

### Higher Speed

Tools for planning routes paired with IoT SCM platforms exponentially increase the speed of supply chain efficiency. The IoT helps reduce feedback cycle, allows quick decision-making, mitigates risks and improves goods-locating efficiency in the warehouse.

### Better Flexibility

Connected platforms are easily accessible and faster than on-premise systems. With a cloud-based IoT system in place, supply chain managers can ensure that all concerned stakeholders can access important information. Furthermore, a connected IoT service can give insights for particular scenarios, thus helping the workers throughout the supply chain process.

### Increased Accuracy

IoT also gives detailed insight to supply chain managers on goods turnover. This assists the managers and retailers estimate how many units of each product they need for shelving. It also increases accuracy by avoiding human error and helping in the identification of packages, while also avoiding financial overheads that are otherwise incurred in the form of time and [money](cardzgroup.com/ContactLessSmartCard.html).

### Better Segmentation

IoT allows for sorting data and determining patterns to indicate potential reasons for improving or hindering the goods profitability. It helps supply chain managers and retailers segment the goods according to the target audience. Thus, businesses can better understand which product is preferred by which particular segment of customers.

### Higher Efficiency

IoT plays a vital role in improving the efficiency of supply chain operations. For instance, tools such as smart glasses assist the warehouse workers and ensure that they spend lesser time in completing their task. Furthermore, IoT gathers data which allows for continual improvement and increased efficiency as the process continues.

## Key Takeaways

Internet of Things finds its applications in many processes of the Supply Chain Management. Not only does it facilitate monitoring and tracking of goods, it also brings transparency to communication and increases precision and accuracy of future planning.

IoT plays a vital role in SCM of big as well as small businesses, provided they have clear goals of what they want the technology to achieve for them.