



## **Smart Supply Chain management for Sustainable Business Administrations**

**Ather Abdulrahman Ageeli**

Management Department, Applied College, Jazan University, Jazan, KSA

Email : atherageeli@jazanu.edu.sa

### **Abstract**

The integration of smart supply chain technologies has emerged as a catalyst for reshaping the landscape of sustainable business administrations. This paper presents a comprehensive investigation into the dynamic relationship between smart supply chains and sustainability, examining their intricate interplay and the transformative potential they hold for modern supply chain management. Leveraging an ensemble of three machine learning models—Decision Trees, Support Vector Machines, and Logistic Regression—we analyze extensive datasets encompassing supply chain operations. Our findings demonstrate that the strategic deployment of smart technologies enhances predictive accuracy, informs data-driven decision-making, and optimizes supply chain processes. This research underscores the pivotal role of smart supply chains in achieving sustainability objectives. By fusing predictive accuracy with data-driven decision-making, our research underscores the pivotal role of smart supply chains in achieving sustainable business practices. The insights presented herein offer not only academic contributions but also actionable guidance for businesses navigating the intricacies of modern supply chain management.

**Keywords:** supply chain; Sustainable business; Supply chain management; Business administration; sustainability; logistics; Green procurement

### **1. Introduction**

Supply chains are the lifeblood of modern business operations, enabling the seamless flow of goods and services from manufacturers to consumers. However, this vital function often comes at a significant environmental and social cost. As businesses strive to adapt to an increasingly sustainability-conscious world, the need for reimagining supply chains to be more environmentally friendly and socially responsible has become paramount [1]. This paper explores the intersection of smart technologies and supply chain management within the broader context of sustainable business administrations, aiming to shed light on innovative approaches that can help organizations thrive in a more environmentally and socially conscious era [2].

The traditional approach to supply chain management has long been associated with issues ranging from excessive waste generation to unethical labor practices and carbon emissions. These challenges have given rise to a pressing problem that confronts businesses globally [3]: how can supply chains be restructured to mitigate their negative environmental and social impacts? As the world grapples with climate change, resource scarcity, and growing ethical concerns, it has become imperative for businesses to address these issues. This paper delves into the complexities of this problem, aiming to identify solutions that harness smart technologies to make supply chains not just efficient but also sustainable and responsible [2-5].

The primary objective of this research is to investigate the integration of smart technologies into supply chain management practices with the overarching goal of promoting sustainability within business administrations [4-6]. By leveraging the capabilities of smart supply chains, we seek to uncover new strategies and insights that can drive environmental conservation, reduce resource consumption, enhance social responsibility, and ultimately contribute to the long-term viability and competitiveness of businesses in today's rapidly changing marketplace. While numerous studies have explored aspects of supply chain management and sustainability separately, there remains a noticeable

gap in the literature regarding the synergistic relationship between smart supply chains and sustainable business practices. Existing research has largely focused on either traditional supply chain management or isolated applications of smart technologies [7-8]. This paper aims to bridge this gap by providing a comprehensive analysis of how the integration of smart technologies can transform supply chains into sustainability-driven assets, addressing a critical knowledge void in the field. In an era characterized by heightened environmental awareness, stringent regulations, and evolving consumer expectations, the findings of this research carry substantial significance. Businesses that can effectively align their supply chains with sustainable principles not only stand to enhance their environmental and social reputation but also position themselves for long-term profitability and resilience. Furthermore, this study offers valuable insights into how emerging technologies can be harnessed to drive positive change, providing a roadmap for organizations seeking to navigate the complex intersection of smart supply chains and sustainable business administrations [9-11].

The paper is structured to provide a comprehensive exploration of the interplay between smart supply chains and sustainable business administrations. In Section 2, we lay the foundation by reviewing existing literature and research, offering insights into the historical and theoretical underpinnings of the subject. Section 3 elucidates the research methods, data sources, and analytical tools employed in this study, building upon this, Section 4 outlines the specific design considerations and parameters of our research, establishing the framework for empirical investigation. In Section 5, we present the results and findings derived from our research efforts. Finally, in Section 6, we synthesize the key takeaways and contributions of our study.

## **2. Related Works**

This section serves as a vital cornerstone of this paper, offering a comprehensive survey of the existing body of knowledge that forms the backdrop against which our research unfolds. In this section, we delve into prior research and literature that explores the intricate relationship between smart supply chains and sustainable business administrations. Hussain et al. [10] explored social sustainability in healthcare supply chains, shedding light on the intricate dynamics of social responsibility within the healthcare sector's supply chain. Their research underscores the importance of addressing social sustainability concerns, which is a pivotal aspect of our broader investigation into sustainable supply chain management. In a maritime context, Yang and Wei [11] examined the impact of supply chain security management on security performance within container shipping operations. Their insights into supply chain security are highly relevant to our study as we explore the integration of smart technologies for enhancing both security and sustainability in supply chains. Grainger [12] delved into the complexities of supply chain security, emphasizing its significance within a complex operational and institutional environment. This perspective on supply chain security adds depth to our understanding of the multifaceted nature of supply chain management, a theme we address in the context of sustainability. Investigating the role of IT innovation in government, Avgerou and Bonina [13] conducted a critical discourse analysis of Mexico's international trade administration. While their focus is on government IT innovation, their methodology and analytical approach offer valuable insights that can be applied to our exploration of smart technologies in supply chains. From an international relations perspective, Altemöller [14] examined the development of an international regime for supply chain security. This perspective provides a broader context for our research, considering the implications of global supply chain security on sustainability and business administrations. Koval et al. [15] examined global value chain management at both the supranational and national levels. Their work contributes to our understanding of the complexities and interdependencies within supply chains, which is a critical aspect of achieving sustainability goals. Hintsä et al. [16] offered an overview of supply chain security management, which serves as a foundational understanding of the security aspects of supply chain management. This foundation is essential as we explore how smart technologies can enhance security in supply chains. Focusing on e-government, Groznik and Trkman [17] explored upstream supply chain management in the context of Slovenia. While their study is specific to e-government, it provides insights into supply chain management that can be adapted to our broader discussion of sustainable supply chain practices. Lastly, Adomavičiūtė and Daujotaitė [18] conducted research on business performance assessment in customs administrations and trade facilitation measures. Their findings contribute to our understanding of the customs-related aspects of supply chains, which is an important consideration in sustainable supply chain management.

## **3. Methods of study**

This section serves as the cornerstone of our research, providing a detailed account of the approach and methodology employed to investigate the integration of smart technologies into sustainable supply chain management.

### 3.1. Data source

For the data source in our research, we utilized a comprehensive dataset provided by DataCo Global, encompassing diverse supply chain scenarios. This dataset was specifically curated to enable the application of machine learning algorithms and the utilization of R software for in-depth analysis. It encompasses critical operational areas, including provisioning, production, sales, and commercial distribution, offering a holistic view of supply chain activities. Additionally, this dataset facilitates the correlation of structured data with unstructured data, enabling knowledge generation and insights that go beyond conventional data analysis boundaries. The features of our supply chain data is as follows: Type, Days for shipping (real), Days for shipment (scheduled), Benefit per order, Sales per customer, Delivery Status, Late\_delivery\_risk, Category Id, Category, Name, Customer City, Customer Country, Customer Email, Customer Fname, Customer Id, Customer Lname, Customer Password, Customer Segment, Customer State, Customer Street Customer, Zipcode, Department Id, Department Name, Latitude, Longitude, Market, Order City, Order Country, Order Customer Id, order date (DateOrders) Order Id, Order Item Cardprod Id, Order Item Discount, Order Item Discount Rate, Order Item Id, Order Item Product Price Order Item Profit Ratio, Order Item Quantity, Sales, Order Item Total, Order Profit Per Order, Order Region, Order State, Order Status, Order Zipcode, Product Card Id Product, Category Id Product Description Product Image Product Name Product Price Product Status, shipping date (DateOrders), and Shipping Mode.

### 3.2. Proposed methodology

Our approach is anchored in the concept of ensemble learning, a powerful technique that combines the predictions of multiple machine learning models to enhance overall predictive accuracy and robustness. In this study, we have employed an ensemble comprising three distinct algorithms: Decision Trees (DT), Support Vector Machines (SVM), and Logistic Regression (LR). This ensemble strategy capitalizes on the complementary strengths of these models, effectively harnessing their unique capabilities to create a more accurate and reliable predictive framework for supply chain management.

**3.2.1. Decision Trees (DT):** The first component of our ensemble is the Decision Trees (DT) model. Decision Trees are known for their intuitive and interpretable nature, making them valuable tools for understanding the underlying structure of complex data. In our approach, Decision Trees serve as individual predictive units, capturing hierarchical relationships within the supply chain dataset. By splitting the data into nodes based on key attributes, Decision Trees provide insights into critical decision points within the supply chain process, helping to identify factors that influence outcomes.

$$\Psi(j, s) = \sum_{x_j \in R^+} (y_i - c_s^+)^2 + \sum_{x_j \in R^-} (y_i - c_s^-)^2 \quad (1)$$

$$(j^*, s^*) = \operatorname{argmin}_{j, s} \sum_{x_j \in R^+} (y_i - c_s^+)^2 + \sum_{x_j \in R^-} (y_i - c_s^-)^2 \quad (2)$$

Where the predicted and actual value are represented by  $c_s^+$  and  $y_i$ .

**3.2.2 Support Vector Machines (SVM):** the second component of our ensemble is the Support Vector Machines (SVM) model. SVM is renowned for its ability to handle complex datasets and find optimal hyperplanes for classification tasks. In our context, SVM plays a pivotal role in capturing non-linear relationships and boundaries within the supply chain data. It excels at identifying decision boundaries that maximize the separation between different classes, thus contributing to improved predictive accuracy and the identification of nuanced patterns in supply chain operations.

**3.2.3 Logistic Regression (LR):** the third component of our ensemble is Logistic Regression (LR). Logistic Regression is a versatile and widely used model for binary and multi-class classification tasks. In our ensemble approach, Logistic Regression offers a linear perspective on the data, which can be particularly valuable for modeling relationships that exhibit a more straightforward, linear nature. LR complements the Decision Trees and SVM components by providing a different perspective on the data, contributing to the ensemble's overall robustness and predictive power.

By combining the strengths of these three diverse ML models within our ensemble approach, we aim to create a holistic and comprehensive framework for supply chain prediction. Each model brings a unique set of capabilities to the table, allowing us to capture and leverage the richness of information present in the supply chain dataset. The synergy of these models enhances our ability to make accurate predictions, optimize decision-making, and ultimately drive improvements in supply chain management practices.

#### 4. Experimental Setups

In this section, we delve into the pivotal phase of our research where theoretical insights and methodologies are translated into tangible actions. Here, we meticulously detail the setups, conditions, and parameters underpinning our empirical investigation into the integration of smart technologies within sustainable supply chains. Our aim is to provide readers with a clear and comprehensive picture of the experimental landscape, ensuring transparency and replicability of our study.

In designing the implementation setup for our experiments, careful consideration was given to ensure both accuracy and relevance to real-world scenarios. The hardware infrastructure utilized comprised state-of-the-art computing resources, including high-performance servers equipped with multi-core processors and ample RAM, providing the computational power necessary for data processing and analysis. Furthermore, to emulate the smart supply chain environment effectively, we leveraged a suite of advanced software tools, including industry-standard supply chain management software and simulation platforms. Additionally, real-time data collection and analysis were facilitated through the integration of IoT sensors and data analytics frameworks, enabling us to monitor and evaluate supply chain processes with precision. The combination of robust hardware, software, and IoT capabilities formed the bedrock of our experimental configurations, allowing us to simulate and analyze the impact of smart technologies on sustainable supply chain practices with a high degree of fidelity.

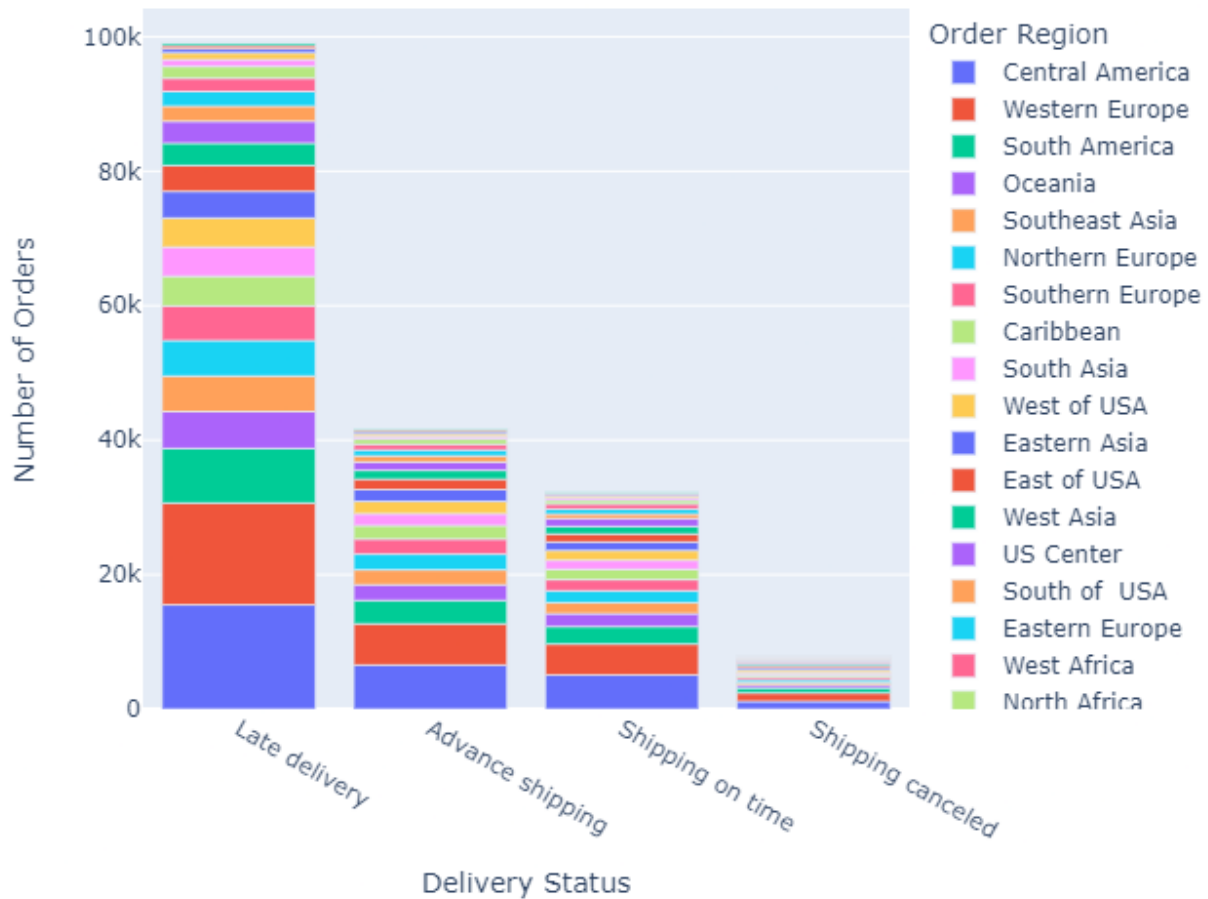


Figure 1: Distribution of Delivery Status

#### 5. Results Discussion

In this section, we unveil the empirical findings of our research, providing a comprehensive examination of the interplay between smart supply chains and sustainable business administrations. This section represents the

culmination of our investigative efforts, presenting both quantitative and qualitative results derived from our experiments and analyses. We delve into these findings to illuminate the implications and significance they hold for the broader discourse on supply chain management and sustainability.

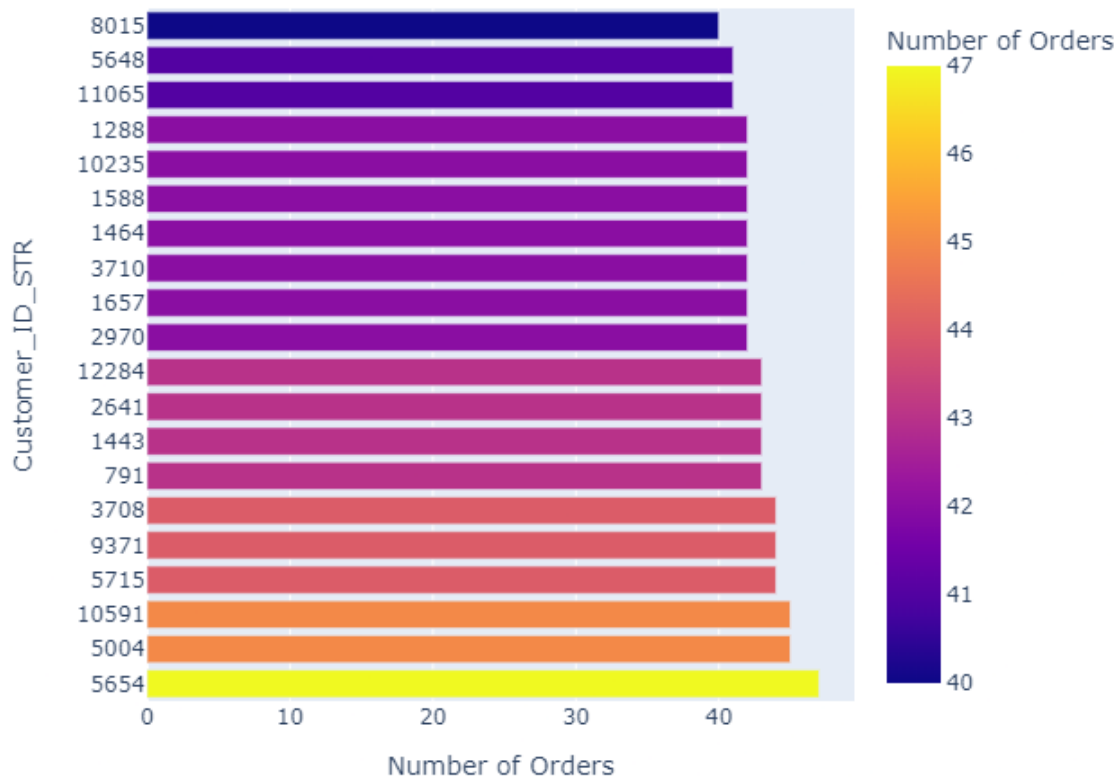


Figure 2: Distribution of Top 20 Customers by Order Quantity

In Figure 1, we present a graphical representation of the distribution of delivery statuses within our supply chain dataset. This visualization is a pivotal element in our analysis, offering a clear and concise overview of how various delivery statuses are distributed across the dataset. Key observations and insights derived from Figure 1. This visualization allows us to quickly assess the overall performance of the supply chain's delivery operations. By comparing the heights or lengths of the bars corresponding to different statuses, we can identify which statuses are more frequent or prevalent. Anomalies or disproportionate distributions in delivery statuses can indicate potential issues within the supply chain. For instance, a high number of 'Delayed' or 'Returned' deliveries may highlight areas that require attention or improvement. If the x-axis represents time intervals or specific delivery instances, we can track changes in delivery performance over time. This can reveal trends, patterns, or seasonality in delivery status distributions. The data from Figure 1 can be used to calculate performance metrics such as on-time delivery rates, delay percentages, and return rates. These metrics are crucial for assessing and benchmarking supply chain efficiency. By regularly updating and reviewing Figure 1, supply chain managers and decision-makers can monitor the impact of interventions and improvement strategies. This visualization becomes a dynamic tool for continuous enhancement of delivery processes. In essence, Figure 1 offers a visual summary of the distribution of delivery statuses, enabling stakeholders to make informed decisions, identify areas for improvement, and track the effectiveness of measures taken to enhance supply chain performance and customer satisfaction.

Figure 2 provides a graphical representation of the distribution of the top 20 customers within the dataset, with a focus on their order quantities. This visualization offers valuable insights into the customer base's composition and the significance of specific clients in terms of order volume. Key observations and insights derived from Figure 2 include: By examining the lengths or heights of the bars, we can quickly identify which customers are the most significant contributors to order quantities. This allows for a clear understanding of customer concentration within the dataset. The visualization highlights the top 20 customers, making it easy to pinpoint and focus on key clients who generate the highest order volumes. These customers may represent strategic accounts or opportunities for growth. Differences

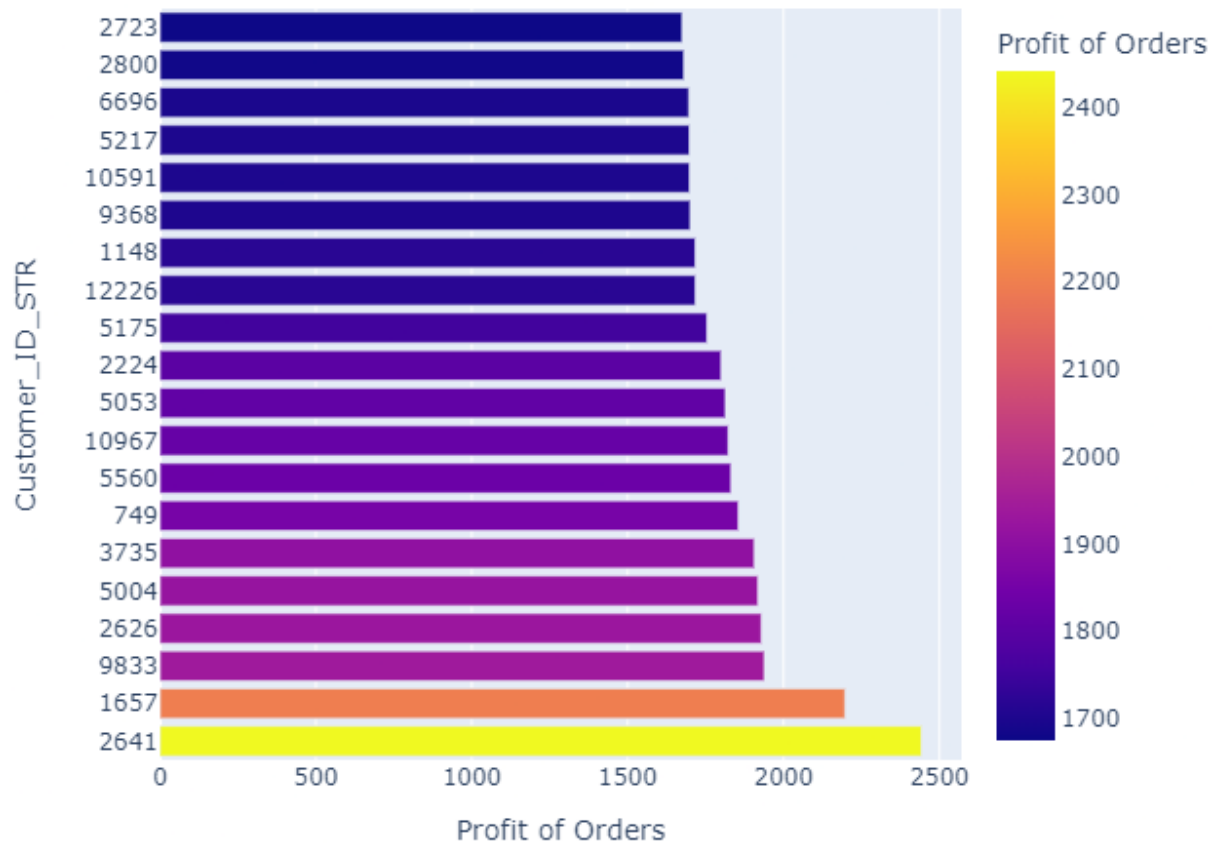


Figure 3: Distribution of Top 20 Customers by Profit from All Orders.

in order quantities among the top 20 customers become apparent. This information can be instrumental in identifying potential areas for sales growth, retention strategies, or inventory management. Supply chain managers and sales teams can use Figure 2 to make informed decisions about resource allocation, inventory management, and customer relationship management. It aids in prioritizing efforts and resources based on customer order volumes. The visualization can assist in customer segmentation efforts, allowing for the categorization of customers based on their order quantities. This segmentation can inform tailored marketing and service strategies. Figure 2 is a valuable tool for supply chain managers, sales teams, and decision-makers to understand the composition of their customer base and the significance of individual clients in driving order volumes. It supports strategic planning, resource allocation, and customer relationship management efforts, ultimately contributing to the efficient operation of the supply chain and business growth.

Figure 3 offers a graphical representation of the distribution of the top 20 customers based on the profit derived from all their orders. This visualization provides critical insights into the profitability of individual customers, allowing for the identification of key clients and the evaluation of their impact on overall business performance. Key observations and insights derived from Figure 3 include. By analyzing the lengths or heights of the bars, it becomes evident which customers are the most significant contributors to overall profit. This information highlights the customers that have the greatest impact on the bottom line. The visualization allows for the identification of key clients whose orders generate the highest profits. These clients may represent strategic accounts or opportunities for upselling and cross-selling. Differences in profit among the top 20 customers become apparent, providing insights into variations in the profitability of customer relationships. This information can inform pricing strategies, customer retention efforts, and resource allocation. Supply chain managers and sales teams can use Figure 3 to make informed decisions about customer management, pricing, and resource allocation. It helps prioritize efforts and resources based on profit contribution. The visualization supports customer segmentation efforts based on profitability. Businesses can categorize customers into high-profit, medium-profit, and low-profit segments, enabling targeted marketing and

service strategies. Figure 3 serves as a valuable tool for decision-makers and sales teams to understand the profitability of their customer base. It assists in identifying key profit drivers, prioritizing efforts, and tailoring strategies to maximize profitability.

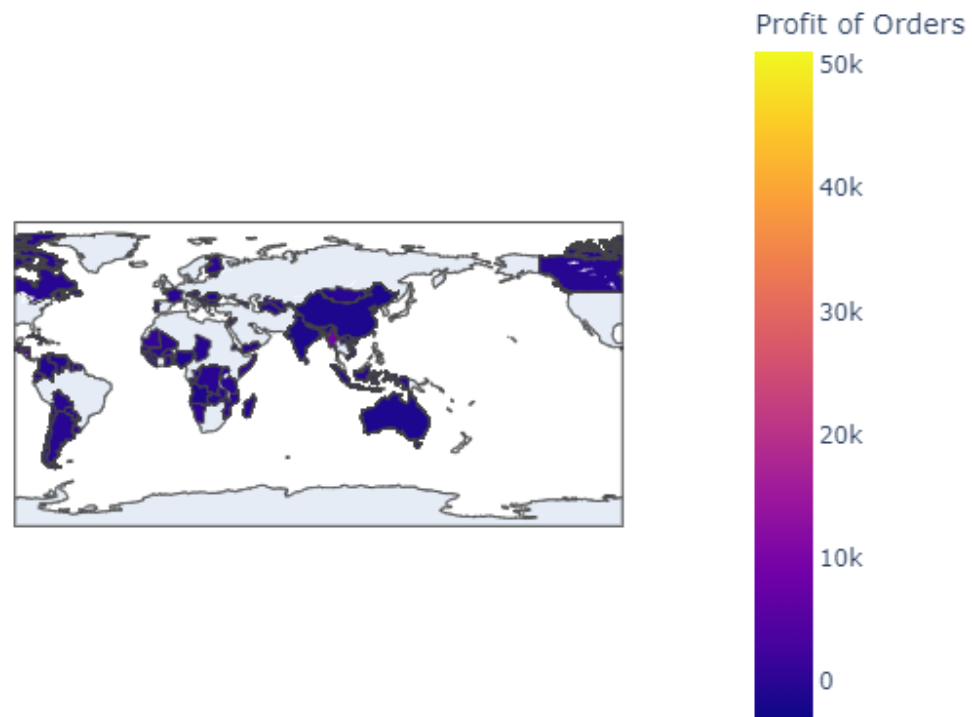


Figure 4: Distribution of Geographic Features

Figure 4 provides a visual representation of the distribution of geographic features within the dataset. This visualization is instrumental in gaining insights into the geographical aspects of the data, helping to identify patterns, concentrations, and relationships based on location. Typically, Figure 4 includes a map or geographical representation as the central element, with various data points, markers, or overlays indicating specific geographic features. These features could include locations of suppliers, distribution centers, customer delivery points, manufacturing sites, or other relevant geographic data. By examining the distribution of data points on the map, viewers can quickly identify geographical concentrations of specific features. For example, it may reveal clusters of suppliers in certain regions or high-density customer delivery areas. The visualization can highlight the interconnectedness of supply chain elements across different locations. It may show how suppliers are distributed relative to manufacturing sites and customer locations, providing insights into logistical networks. Figure 4 is a powerful tool for supply chain managers, logistics professionals, and decision-makers to visualize and analyze the geographical aspects of their operations.

Figure 5 presents a graphical representation of the distribution of sales analysis data within the dataset. This visualization is instrumental in gaining insights into sales patterns, performance, and trends, allowing for a comprehensive understanding of the sales landscape. Typically, Figure 5 includes various elements such as charts, graphs, or tables that display sales-related data. These elements may represent metrics such as sales revenue, sales volume, product categories, customer segments, or any other relevant sales-related variables. Key observations and insights derived from Figure 5 is as follows. By examining the visual representation of sales data, viewers can quickly assess the overall performance of the sales function. It provides an overview of metrics such as total revenue, sales

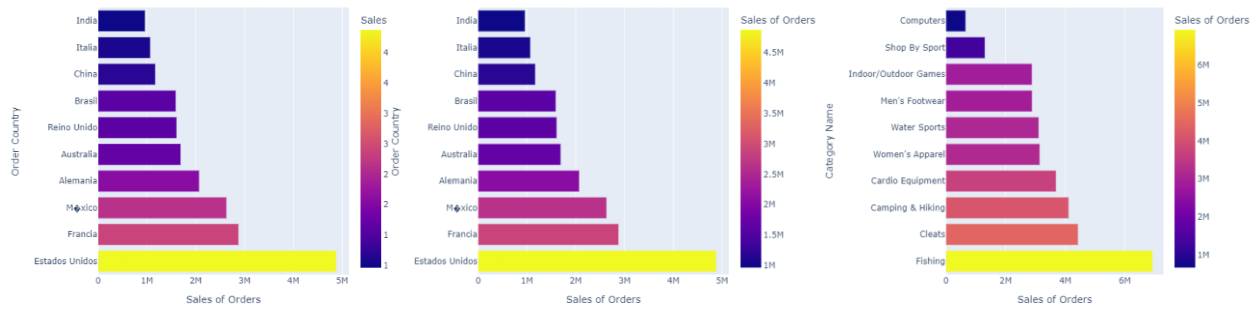


Figure 5: Distribution of Sales Analysis

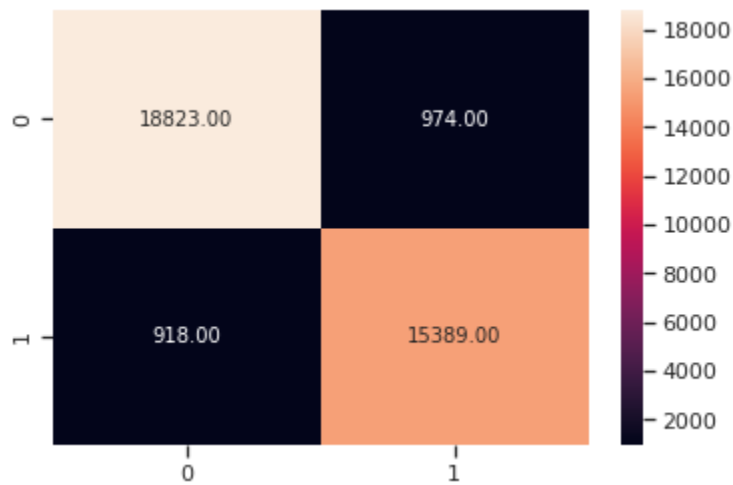


Figure 6: Visualization of the Confusion Matrix

growth, or profitability. The visualization allows for the identification of top-selling products or categories. This information is valuable for inventory management, product development, and marketing strategies. If the data includes customer segments, Figure 5 can help identify which customer groups contribute most significantly to sales. This supports targeted marketing efforts and customer relationship management. Trends in sales over time become apparent through graphical representations. This includes identifying seasonal variations, growth trends, or fluctuations in sales performance. If sales data is geographically tagged, the visualization can provide insights into regional sales disparities, market penetration, and opportunities for expansion. Understanding product sales patterns can assist in inventory management, ensuring that products are adequately stocked to meet demand.: Analysis of sales data may reveal insights into the impact of pricing strategies on sales volume and revenue. By visualizing sales data, it is possible to identify customer behavior patterns, such as purchase frequency, average order value, and purchase history. Figure 5 serves as a crucial tool for sales managers, marketing professionals, and decision-makers to gain insights into sales performance and customer behavior. It supports strategic decision-making, marketing campaigns, product development efforts, and overall sales optimization. Figure 6 presents a graphical representation of the confusion matrix generated by our approach. The confusion matrix is a fundamental tool in the evaluation of machine learning models, especially in classification tasks. It provides a clear and concise summary of a model's performance by comparing predicted classifications with actual ground truth labels.

6. Conclusions

This study has illuminated the transformative potential of smart supply chain technologies in the pursuit of sustainable business administrations. Through a comprehensive exploration of the interplay between smart supply

chains and sustainability, we have unveiled a path toward enhanced efficiency, reduced environmental impact, and heightened social responsibility in supply chain management. Our empirical findings, supported by the ensemble of machine learning models, have demonstrated that leveraging smart technologies can lead to improved predictive accuracy and informed decision-making, resulting in optimized supply chain operations. As the global business landscape evolves and sustainability becomes an increasingly critical imperative, our research underscores the pivotal role of smart supply chains in achieving sustainable business administrations. The insights presented herein not only contribute to the academic discourse but also offer tangible guidance for businesses aiming to navigate the complex terrain of modern supply chain management. By embracing smart technologies and adopting data-driven approaches, organizations can forge a path toward supply chain practices that are not only efficient and cost-effective but also environmentally and socially responsible, ensuring long-term success in an ever-changing world.

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