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# LIDD INSIDER

News & Insights for Supply  
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## Business Insights

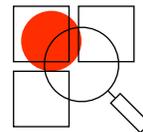
# Digital Transformation Advisory

As supply chain leaders navigate an increasingly complex global landscape, this quarter we focus on the fundamental pillars of digital transformation and operational resilience. Our featured insights dive deep into the concept of "Digital Maturity," moving beyond the hype of new software to explore how objective-driven infrastructure enables sustainable growth. We also examine the "hidden tax" of tribal knowledge, offering a strategic framework to de-risk your organization by centralizing critical expertise into documented, scalable systems.

Throughout this issue, you will find practical guidance on building a phased technology roadmap that aligns with your long-term business strategy. We also share a poignant success story, illustrating how a transition from fragmented, manual processes to a streamlined digital core can drive visibility and scalability. By addressing the symptoms of digital immaturity and implementing enterprise-grade solutions, these topics are designed to help you move your operations from reactive fire-fighting to proactive, data-driven leadership.

## Business Analytics

We are excited to announce the expansion of our services with the launch of LIDD's Business Analytics Practice. At its core, this new practice is about turning raw data into the meaningful understanding leaders need to make the right decisions at the right time. By bridging the gap between "having data" and "having answers," we are helping organizations build the robust data architecture and KPI modeling required for true strategic clarity. This evolution reinforces our commitment to providing powerful technical solutions that remain firmly grounded in today's operational reality.



### Business Insights

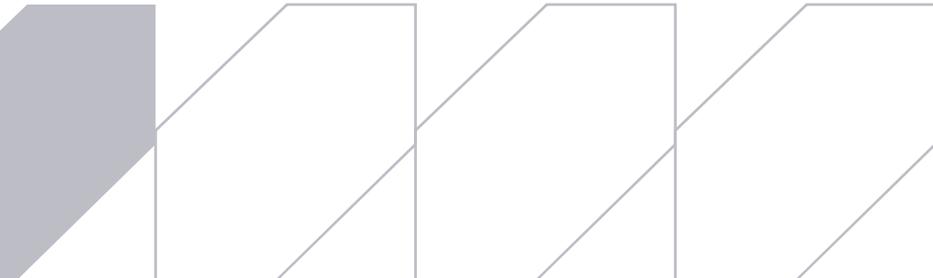
## Navigating Digital Maturity Model

### Thought Leadership

## The Cost of Tribal Knowledge

### Success Story

## Digital Transformation for Nuts.com



# Navigating Digital Maturity

## Why Your Transformation Isn't a Sprint

By Simon Dubuc, Managing Director

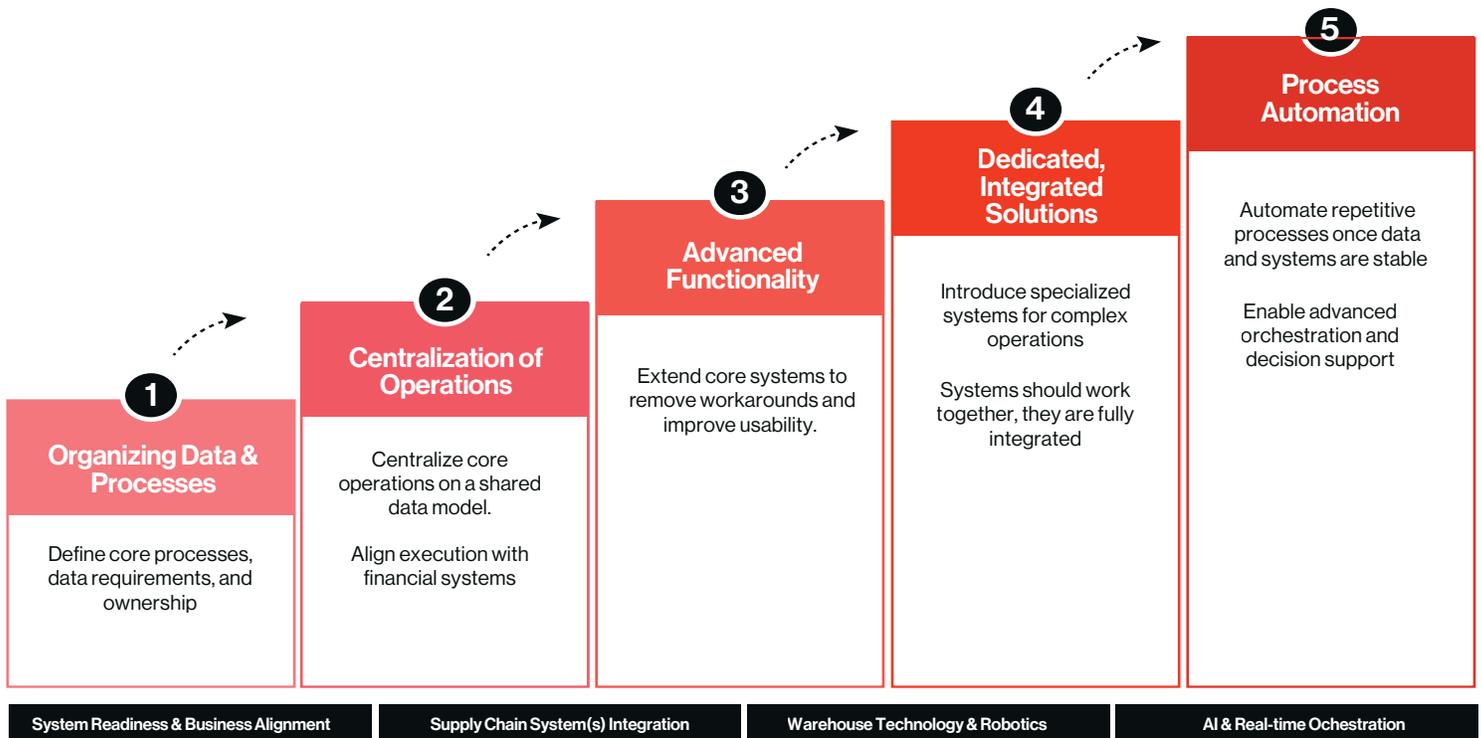
In the fast-paced world of supply chain management, "Digital Transformation" has become a ubiquitous term. We hear it in boardrooms, read about it in industry journals, and see it touted as the panacea for every operational headache. But at LIDD, we view digital transformation through a different lens. It isn't just about buying the latest software or jumping on the AI bandwagon; it's about building objective-driven infrastructure that enables your business to grow sustainably.

One of the most critical lessons we've learned through years of implementations is that digital transformation is not a sprint—it's a journey that must be taken piece by piece. To navigate this journey successfully, you must first understand your starting point. This is where the concept of Digital Maturity comes into play.

### Understanding Digital Maturity in a Supply Chain Context

Digital maturity reflects how well an organization's systems, processes, and data work together to support its operational and growth objectives. In the context of supply chain systems — such as ERP, WMS, and planning tools — maturity is not defined by a specific piece of software alone, but by how clearly data is organized, how well processes are defined, and how ownership is established across teams. These elements ultimately determine how effectively systems can be implemented, integrated, and scaled over time.

To help visualize this progression, we use a five-level Digital Maturity Model. It isn't a rigid framework or a checklist. Instead, it provides a practical way to understand where your organization is today and what must be addressed before moving forward. It shows the steps an organization takes as it evolves from fragmented workflows to increasingly automated operations.



## 1. Organizing Data & Processes

At this foundational stage, the focus is on addressing fragmented workflows and inconsistent data. Most companies at this level are struggling with a lack of structure and need to establish a baseline of "system readiness".

A critical part of this stage is defining data ownership and accountability. Organizations must understand what data they need, who is responsible for it, and how it is used across workflows. Many companies at this level still rely heavily on spreadsheets and manual tools — and that alone is not a blocker. In fact, organizations can be highly disciplined and well-prepared at this stage. What matters is whether processes are clearly defined and ownership is established, creating the foundation needed to centralize operations effectively later on.

## 2. Centralization of Operations

Here, we begin to centralize core business functions along with warehouse, manufacturing, and planning operations into a single source of truth. The goal is to ensure that different departments are no longer operating in isolated bubbles, but are working on the same dataset.

A typical objective at this stage is to tie your operational and execution systems back to your financial system. In a mature environment, these two worlds should not work in independent silos. This means ensuring that every time you execute a physical task like receiving a purchase order on the dock or shipping an order to a customer, your accounting teams can easily reconcile these transactions to financial documents.

## 3. Advanced Functionality

Once the core is stable, organizations can enable additional functionality within their systems to improve efficiency and usability. This stage focuses on centralizing processes that were previously managed outside the system, improving user experience, removing workarounds, and extending functionality based on real operational feedback. This may involve adding modules, extensions, or features such as warehouse scanning that bring the system closer to the point of activity and better support day-to-day operations.

## 4. Dedicated, Integrated Solutions

When core ERP capabilities are no longer enough to handle complex operations, specialized systems like a Warehouse Management System (WMS) or advanced supply chain planning tools are introduced. At this level, it is vital that all systems, although sometimes on different data models or infrastructure, work together cohesively to prevent new silos from forming.

## 5. Process Automation

This is the "North Star" for many: a state where systems are fully stabilized, allowing the focus to shift toward automating repetitive tasks. This includes leveraging advanced tools like AI, robotics, and advanced orchestration workflows to accelerate both decision-making and execution.

## Digital Maturity is Not Linear

In practice, very few organizations fit neatly into a single level. It's common to see elements of different maturity stages across the business. Even if certain parts of the organization appear to be operating at a more advanced level, unresolved gaps in data, process clarity, or ownership should always be addressed first. When symptoms of early-stage immaturity exist, the priority should be to return to the foundation before moving forward.

## Identifying the Symptoms: Where Are You Today?

Before you can decide where you're going, you must be honest about where you are. Often, companies don't truly understand their current state until they begin to see symptoms of digital immaturity. These symptoms are the red flags that tell you there is a gap in your technology or processes.

### Some of the most common indicators we see include:

- **Low Trust in Data:** If your team doesn't trust the information coming out of your system, they will revert to manual workarounds, further degrading the system's value.
- **High Dependency on Tribal Knowledge:** If your operation relies on specific knowledge trapped in the heads of one or two key employees, you are at risk. This "tribal knowledge" makes training new staff nearly impossible.
- **Reliance on External Tools:** Are you running your multi-million-dollar business on a "house of cards" made of Excel spreadsheets and paper notes? While Excel is a great tool, it is not a sustainable way to run a company.
- **Siloed Systems:** Your procurement team's software doesn't talk to your warehouse software, leading to manual data replication, a high headcount just to move information, and inevitably, data errors.
- **An Inability to Scale:** You want to add a new business process or handle more volume, but your current systems simply won't support it.

# The Power of Brutal Honesty and Change Management

Assessing your current state isn't something to take lightly. It means getting into the weeds of how the operation really runs. This usually happens through discovery sessions where process owners — from procurement through to sales — walk through their day-to-day work, the tools they rely on, and the pain points they deal with.

In these conversations, it's not unusual to hear leaders say, *"I didn't know we did it that way,"* or *"I didn't know we used that spreadsheet"*, which is often the first real signal that gaps exist between how the business is assumed to operate and how it actually does.

That level of visibility comes from surveying the teams and people executing the work. It's the most reliable way to identify real business requirements. You don't want to simply reimplement a bad process in a new system; you want the system to support a more efficient way of working.

This leads to a critical point: Change Management. Jumping multiple levels at a time, for example, going from pen-and-paper directly to full automation, can be incredibly risky and can often have the opposite effect of what you intend. Transformations require change in people, processes, and technology. Taking incremental steps allows your organization to absorb these changes without breaking the business.

## Building Your Roadmap: Aligning Strategy with Technology

Once you've identified your symptoms and acknowledged your maturity level, the next step is to define a phased technology implementation. This roadmap should align your technology with your overall business strategy.

The roadmap should focus on timing and readiness — not just which tools to implement. Shiny new technologies only deliver value when the underlying data and processes are ready to support them. The goal is to make the right investments at the right time, without overwhelming your people or systems.

### Ask yourself:

- How can we improve customer experience?
- How can we increase warehouse productivity?
- How can we enable our team to make data-driven decisions?

## When Is It Worth the Upgrade?

A digital transformation is an investment, not just of money, but of significant time and resources. You must correlate your new plan to your roadmap and ensure the result justifies the effort. An upgrade should result in higher efficiency and visibility, but you must be prepared for the fact that it will place an additional load on your current resources to implement and maintain.

Not every company needs to be at Level 5. The goal of the Digital Maturity Model is to help you understand where you are and—crucially—if you are ready to move to the next level. If your current systems support your objectives and allow the business to operate and grow effectively, staying the course may be the right decision. If not, that's your signal that it's time to invest.

## Final Thoughts

Digital maturity is not about reaching a specific level or implementing the most advanced tools available. It starts with understanding how the business actually operates today and being willing to address the fundamentals before layering on complexity. Organizations that approach maturity this way invest when it matters, fix the right problems in the right order, and build systems that reflect how the business needs to operate, not how it operated in the past.

The objective is to build a roadmap that fits the business, applies the right amount of pressure on teams, and supports sustainable growth. When maturity is approached this way, technology becomes an enabler rather than a source of rework.

# The High Cost of Tribal Knowledge

## Why Your “Hero’s” Knowledge Can Become a Growth Bottleneck

By Simon Dubuc, Managing Director

In almost every supply chain operation we visit, we encounter a recurring character. Let’s call them “the hero.” They’re the person who has been with the company for twenty years, knows every quirk of the legacy system, remembers every vendor’s personal cell phone number, and can tell you exactly where an obscure SKU is hidden in the back of the warehouse without looking at a screen.

At first glance, this person seems like the company’s greatest asset. They are the fixer who keeps the wheels from falling off. This “hero” remains an essential contributor to the operation; the risk isn’t the individual themselves, but the fact that so much critical knowledge lives solely in their head, rather than being shared, documented, or supported by the right systems. This is the phenomenon of Tribal Knowledge, and while it feels like a safety net, it is actually a silent tax on your ability to scale, innovate, and compete.

### What is Tribal Knowledge?

Tribal knowledge is any unwritten information that is not commonly known by others within the organization. It isn’t just about knowing where the keys are; it’s the “logic” behind decisions. In supply chain planning, it’s rampant. It’s the planner who knows to order 20% more of a specific item in October because “that’s just what we do,” even though the system says otherwise.

The problem is that when knowledge lives only in someone’s head, it cannot be audited, improved, or replicated. It creates a “black box” operation where the business is entirely dependent on the presence and memory of a few individuals.

### The True Cost of Replacement

The most immediate danger of tribal knowledge is what we call the “Cost of Replacement.” We’ve seen this play out in real-time: a key IT manager or a lead purchaser leaves the company, and the operation descends into immediate chaos.

If your processes aren’t documented and your logic isn’t in a system, you are one resignation letter away from being unable to operate. When “the hero” walks out the door, they take the company’s operating manual with them. The cost isn’t just the salary of a new hire; it’s the weeks or months of lost productivity, the errors made by people trying to guess the old way of working, and the potential loss of customers during the transition.

### The Psychology of the Knowledge Hoarder

To solve this, we have to address the human element — and it’s important to acknowledge that people rarely *want* to keep knowledge to themselves. In many cases, they simply don’t have the tools, documentation structures, or systems that allow their knowledge to be captured, transferred, or stored in a reliable way. When someone becomes the “only one who knows,” it often happens by accident, not intention. Without a clear process for documentation or a system designed to hold operational logic, their expertise naturally becomes siloed. The real issue isn’t the individual — it’s the environment that forces critical knowledge to live in their head rather than in a place where the whole organization can benefit from it.

As leaders, we must shift this narrative. We need to make our teams believe that documentation doesn’t threaten them—it empowers them. When a process is standardized, it leads to better collaboration. It moves the expert from a “firefighter” role to a “strategic” role. Instead of spending their day answering basic questions, they can spend their time improving the process.



## From "Creativity" to Rules and Control

One of the biggest challenges we see when moving a team from manual tools like Excel into a centralized ERP is the perception that they're losing flexibility. People often rely on spreadsheets not because they want to "own" knowledge, but because the current systems don't give them a structured place to apply their judgment or capture the logic behind their decisions. What feels like "creativity" is usually a workaround for gaps in process, documentation, or system design. The goal isn't to restrict that expertise — it's to bring it into the system in a consistent, controlled way so the entire organization can benefit from it.

Transitioning to a system requires a fundamental shift in mentality. We aren't just trying to do the same thing in a new tool; we are trying to improve the process. To grow, an organization needs rules and control. Consider a CEO who personally handles all Purchase Orders. He knows what to buy and when because he's been doing it for years. But because his logic isn't documented, no one else can help him. He becomes a bottleneck for his own company's growth. By documenting that logic and building it into a system—core features, modules, or extensions—the process becomes data-driven and replicable.

## How to De-Risk Your Organization

Breaking the cycle of tribal knowledge requires a proactive approach. You cannot wait for someone to leave to start thinking about documentation. Here is the LIDD framework for centralizing knowledge:

- 1 Identify the Risks**  
Who are your "heroes"? What information exists only in their heads? Identify the "risk level" of each department and target the most critical areas first.
- 2 Document, Document, Document**  
This goes beyond simple notes. You need Standard Operating Procedures (SOPs) and user guides. These should explain not just how a piece of software works, but why specific steps are relevant to your business.
- 3 Implement into Systems:**  
Whenever possible, move logic out of heads and into software. If there's a rule of thumb your team uses, can it be automated in your ERP or WMS?
- 4 Encourage Collaborative Decision-Making**  
Move away from "gut feelings" and toward data-driven decisions. When the data is visible to everyone, the entire team can participate in solving problems.

## Reaching New Heights

Ultimately, the goal of eliminating tribal knowledge is to allow your company to prosper and reach new objectives. A system-driven company is a scalable company. When your processes are documented and your logic is centralized, you can hire and train people faster, you can expand into new markets with confidence, and you can focus on innovation rather than just survival.

**Don't let your "heroes" hold you back. By embracing documentation and system controls, you aren't losing the human touch; you are giving your people the tools they need to lead the company to the next level of maturity.**



# Announcing LIDD's Business Analytics Practice

## Unifying Data Across Systems

Technology can accelerate the first step of any project, but experience, judgment, and context are still required for the final mile. Whether it is finance, operations, sales, or executive leadership, every function asks different questions of the same data.

**At its core, this strategic decision is about accessing, transforming and applying the right data to enable leaders with faster and more accurate decision making.**

## Why We Are Strengthening Our Business Analytics Practice

As part of our growth strategy, we are significantly expanding our Business Analytics capabilities. This evolution reinforces a shared belief across our firm: strong BI foundations are no longer optional; they are essential for survival in a complex global supply chain.

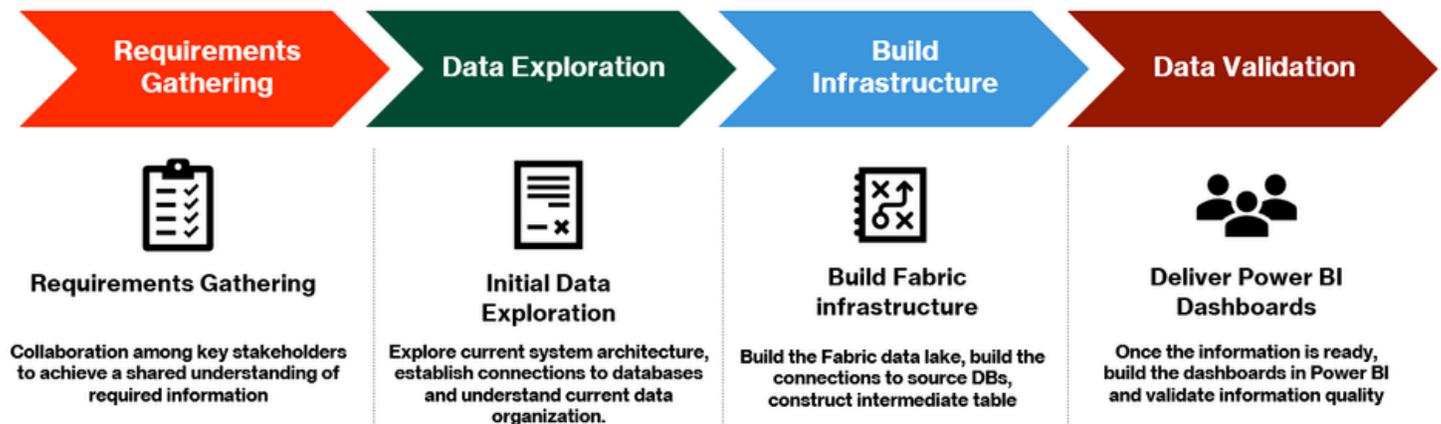
By integrating deeper expertise in data modeling and financial analytics directly into our service portfolio, we are bridging the gap between "having data" and "having answers." We've made this move to ensure that our technical solutions aren't just powerful, but are grounded in the operational reality LIDD is known for.

## What This Means

Our strengthened practice focuses on the pillars required to move an organization from reactive to proactive:

<b>Robust Data Architecture</b> Building the "plumbing" and warehousing that ensures data is clean and accessible.	<b>Meaningful KPI Modeling</b> Moving beyond vanity metrics to analytics that actually track performance.	<b>Strategy Alignment</b> Ensuring your data, operations, and long-term strategy are speaking the same language.	<b>AI Readiness</b> Building the solid foundation that makes AI reliable, relevant, and impactful.	<b>Executive-Ready Dashboards</b> Creating tools that support high-stakes decisions with clarity and confidence.
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## Business Analytics In Practice



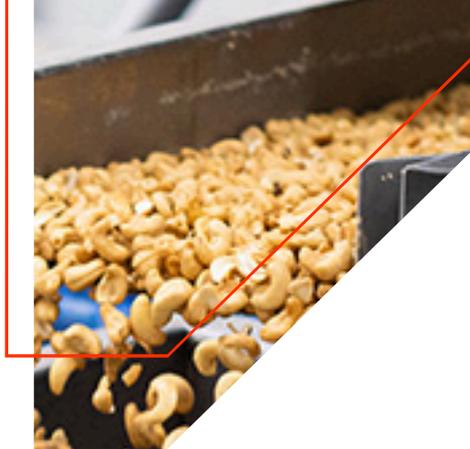
## Strategic Objective

By integrating deep expertise in data modeling and financial analytics directly into LIDD's service offerings, technical solutions are more effectively grounded in operational reality.

At its core, this capability is about accessing, transforming, and applying the right data to enable faster and more accurate decision-making. While technology handles the initial processing, LIDD's approach ensures that the resulting insights provide the context and strategic clarity required for the final mile of leadership.



# Digital Transformation & Roadmap for Nuts.com



Industry	Services	Benefits
Food Manufacturing	Digital Transformation	Scale & Visibility

## Context

Nuts.com is a leading provider of fresh nuts, snacks, and pantry staples for both DTC and B2B customers. As the business grew, its custom-built systems struggled to keep up. LIDD stepped in to assess the digital setup and create a multi-year roadmap to move the company from manual, disconnected processes to a modern, streamlined operation.

## Key Challenges

- > Information was scattered across QuickBooks, Shopify, and various Excel sheets, leading to a "single source of truth" deficiency.
- > Demand and supply planning were largely manual, relying on execution-level data rather than predictive insights.
- > The lack of a formalized WMS and MES created gaps in inventory visibility and production tracking.
- > While their proprietary software was highly customized, it had become a monolith that handled too many disparate functions, making it difficult to upgrade or integrate with modern tools.

## Approach

LIDD's methodology centered on a rigorous discovery process involving over 25 hours of stakeholder sessions to map current process flows and identify gaps. To transition Nuts.com to a scalable future state, the roadmap began with a comprehensive gap analysis and the creation of a Business Requirements Document to bridge the divide between manual workarounds and automated functionality. This strategy centered on "leaning out" existing proprietary software to align with enterprise standards while implementing a three-pillar architecture consisting of an ERP core, integrated WMS/MES for floor operations, and automated planning tools for forecasting.

## Proposed Solution

**1 ERP Foundation**  
Deploy NetSuite, integrate it with Shopify and a leaner version of existing software, and centralize ordering and financial data to eliminate manual reconciliation.

**2 Planning Integration**  
Implement a standalone Planning Tool and replace manual spreadsheets with automated demand and supply suggestions.

**3 WMS/MES Assessment**  
Re-evaluate existing management systems. If operational needs outpace its capabilities, transition to an enterprise-grade WMS/MES to automate suggested order workflows and floor execution.

## Results



**Increased Fill Rates**  
Better planning tools directly correlate to improved inventory availability.



**Reduced Manual Labor**  
Automation of order workflows and planning reduces the administrative burden on operations teams.



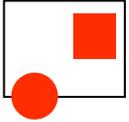
**Scalability**  
A modular architecture allows them to swap or upgrade components without collapsing the entire system.



**Enhanced Visibility**  
Real-time data flow between Shopify, ERP, and warehouse provides management with insights needed to drive growth.

# LIDD Supply Chain Consulting

LIDD is a full service, global operations and supply-chain consulting firm. Our industry leading team of design, strategy, and technology experts optimize operations, enhance productivity, and build intelligent infrastructure for sustainable business growth.



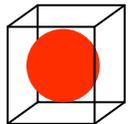
## Supply Chain Strategy Consulting

We carefully consider your entire organizational structure. Our data-driven solutions are tailored to your specific business challenges, change management requirements, and future needs.



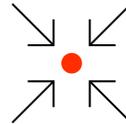
## Supply Chain Technology

We select, implement, integrate, and support business management and supply chain execution software.



## Distribution Center Design

Whether you're running out of space, operating inefficiently, or struggling with labour costs, we can help you reconfigure or automate your location to drive efficiencies.



## Facility Implementation

Build ready-to-use facilities on time and on budget. We handle the entire transition process from RFP to equipment selection and implementation.



# About LIDD

LIDD's office serves as a hub of supply chain expertise, delivering innovative solutions to businesses across North America. This quarter's newsletter was created through the concerted efforts of some members of LIDD's Digital Transformation Advisory team.



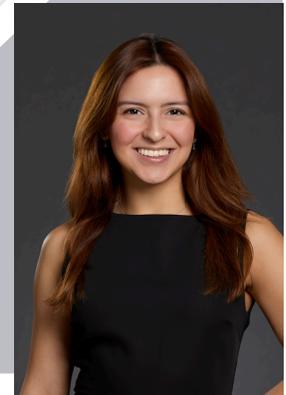
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