(REVIEW ARTICLE)

Developing an AI-enabled inventory and procurement systems for optimizing operational efficiency in informal supply chains across Africa

Simbiat Atinuke Lawal [1], Abdullahi Isiyaku [2, *], Arinze Madueke [3] and Aniedi Effiong [4]

[1] University of Central Missouri, Warrensburg U.S.A.

[2] Raymond J. Harbets College of Business, Auburn University, Alabama, U.S.A.

[3] Arigo Technologies, Eti-Osa, Lekki, Lagos, Nigeria.

[4] Gary Anderson School of Management, University of California, Riverside, California, U.S.A.

Abstract

This comprehensive review examines the transformative potential of artificial intelligence in revolutionizing inventory management and procurement processes within Africa's informal supply chains. Through systematic analysis of existing literature, case studies, and technological implementations, we investigate how AI-driven systems can enhance operational efficiency, reduce costs, and improve supply chain resilience in challenging informal market environments. Our research methodology encompasses qualitative and quantitative analysis of implementation data, focusing on system performance, adoption barriers, and socioeconomic impacts. The research reveals that AI-enabled systems demonstrate significant potential for improving inventory optimization, demand forecasting, and procurement efficiency in informal supply chains through enhanced data analytics, predictive modeling, and automated decision-making capabilities. We address critical challenges including digital literacy gaps, infrastructure limitations, and cultural resistance to technological adoption, providing insights into effective implementation strategies and sustainable development approaches. The study presents a framework for AI integration in informal supply chains that considers both technological requirements and socioeconomic factors, incorporating emerging trends in mobile technology, blockchain integration, and collaborative platforms. This work contributes to the growing body of literature on digital transformation in developing economies by offering a comprehensive analysis of AI's role in creating more efficient, resilient, and inclusive supply chain systems across Africa.

Keywords: Artificial Intelligence; Inventory Management; Procurement Systems; Informal Supply Chains; Africa; Operational Efficiency; Digital Transformation; Supply Chain Optimization

1. Introduction

Africa's informal economy represents approximately 70% of total employment and contributes significantly to the continent's GDP, with informal supply chains serving as the backbone of economic activity for millions of small-scale traders, manufacturers, and service providers[1]. These supply chains, characterized by their flexibility, accessibility, and deep community roots, face numerous operational challenges including inefficient inventory management, unpredictable demand patterns, and fragmented procurement processes. The complexity of these systems is compounded by limited access to formal financial services, inadequate infrastructure, and the absence of standardized business processes.

Traditional inventory and procurement management approaches, designed primarily for formal sector operations, prove inadequate in addressing the unique characteristics of informal supply chains[2]. These systems typically operate with minimal documentation, rely heavily on personal relationships and trust networks, and function within resource-constrained environments where technological adoption has historically been limited. Research indicates that

* Corresponding author: Abdullahi Isiyaku

inefficient inventory management in informal markets leads to stockouts affecting 40-60% of small traders monthly, while poor procurement practices result in cost overruns of 15-25% across various African markets[3].

The emergence of artificial intelligence as a transformative technology presents unprecedented opportunities for modernizing inventory and procurement systems within informal supply chains[4]. AI-driven solutions offer the potential to address longstanding challenges through advanced analytics, predictive modeling, and automated decision-making capabilities that can operate effectively within the constraints of informal market environments. Recent developments in mobile technology, cloud computing, and machine learning algorithms have made sophisticated AI tools increasingly accessible to small-scale operators in developing economies[5].

The integration of AI technologies with existing informal supply chain infrastructure represents a paradigm shift toward more efficient, data-driven operations. Mobile-first AI solutions, designed specifically for resource-constrained environments, enable real-time inventory tracking, demand forecasting, and supplier optimization without requiring significant infrastructure investments[6]. These systems leverage existing mobile networks and simple interfaces to provide powerful analytical capabilities that were previously accessible only to large formal enterprises.

2. Overview of Informal Supply Chains in Africa

2.1. Structural Characteristics and Dynamics

Informal supply chains across Africa exhibit distinctive structural characteristics that differentiate them from formal supply networks[7]. These systems typically operate through networks of micro and small enterprises, street vendors, market traders, and intermediaries who facilitate the flow of goods from producers to consumers. The average informal trader manages inventory worth $200-500, operates with minimal working capital, and serves local communities through personal relationships and established trust networks[8].

The organizational structure of informal supply chains demonstrates remarkable adaptability and resilience, with participants often fulfilling multiple roles simultaneously as producers, distributors, and retailers[9]. This multi-functional approach enables rapid response to market changes but creates complexity in inventory management and procurement planning. The absence of formal contracts and standardized processes results in flexible arrangements that can quickly adapt to changing circumstances but lack the predictability necessary for optimal resource allocation[10].

Geographic distribution patterns in informal supply chains reflect the realities of African market structures, with high concentrations of activity in urban centers and gradual dispersion toward rural areas[11]. Transportation networks, often informal themselves, create complex logistical challenges that impact inventory availability and procurement costs. The seasonal nature of many African economies further complicates supply chain management, with agricultural cycles and weather patterns significantly influencing demand and supply dynamics[12].

2.2. Economic Impact and Scale

The economic significance of informal supply chains in Africa cannot be overstated, with these systems facilitating trade worth an estimated $300 billion annually across the continent[13]. In countries like Ghana, Nigeria, and Kenya, informal supply chains account for 50-80% of total trade volume, providing livelihoods for millions of participants while ensuring access to essential goods and services for urban and rural populations[14]. The employment generation capacity of these systems is particularly crucial, with informal supply chains providing income opportunities for individuals who might otherwise lack access to formal employment.

Women play a disproportionately important role in informal supply chains, representing 60-70% of participants in many African markets[15]. These systems provide crucial economic opportunities for women, enabling them to generate income while managing household responsibilities. The success of AI-enabled inventory and procurement systems will therefore have significant implications for women's economic empowerment and gender equality across the continent[16].

The multiplier effects of informal supply chains extend beyond direct participants to encompass supporting services, infrastructure providers, and financial intermediaries. Improvements in operational efficiency through AI-enabled systems can therefore generate broader economic benefits, including increased productivity, reduced transaction costs, and enhanced market access for small-scale producers and consumers[17].

2.3. Operational Challenges and Constraints

Informal supply chains face numerous operational challenges that limit their efficiency and growth potential. Inventory management difficulties stem from limited storage capacity, inadequate preservation techniques, and the absence of demand forecasting capabilities[18]. Many traders operate with minimal buffer stocks, making them vulnerable to supply disruptions and unable to capitalize on demand fluctuations[19]. The lack of standardized measurement systems and quality control mechanisms further complicates inventory management processes.

Procurement challenges in informal supply chains include fragmented supplier networks, limited access to quality products, and the absence of formal contract mechanisms[20]. Price volatility, often driven by seasonal factors and market speculation, creates uncertainty that makes procurement planning difficult. The reliance on cash transactions and limited access to credit facilities constrains purchasing power and limits the ability to take advantage of bulk purchasing opportunities[21].

Information asymmetries represent another significant challenge, with traders often lacking access to real-time market information, price data, and demand trends[22]. This information gap leads to suboptimal decision-making, missed opportunities, and inefficient resource allocation. The absence of standardized communication systems and data sharing mechanisms prevents the development of coordinated responses to market changes and supply disruptions[23].

3. AI-Enabled Inventory Management Systems

3.1. Technological Architecture and Components

Modern AI-enabled inventory management systems for informal supply chains are built on mobile-first architectures that leverage smartphones and basic feature phones as primary interfaces[24]. These systems integrate cloud-based processing capabilities with edge computing solutions to ensure reliable operation in environments with limited connectivity. The architecture incorporates lightweight machine learning models optimized for resource-constrained devices, enabling real-time inventory tracking and analysis without requiring high-end hardware[25].

Data collection mechanisms in these systems utilize multiple input methods including manual entry, barcode scanning, image recognition, and IoT sensors adapted for informal market environments[26]. Natural language processing capabilities enable voice-based interactions in local languages, overcoming literacy barriers that might otherwise limit system adoption. The integration of satellite imagery and geographic information systems provides additional context for inventory management decisions, particularly in rural and remote areas.

Machine learning algorithms specifically designed for informal supply chains incorporate uncertainty quantification and robust optimization techniques to handle the inherent variability in these systems[27]. These algorithms adapt to local market conditions, learning from historical patterns while remaining responsive to sudden changes in demand or supply conditions. The use of federated learning approaches enables system improvement across multiple locations while maintaining data privacy and security[28].

3.2. Demand Forecasting and Predictive Analytics

AI-driven demand forecasting systems for informal supply chains utilize ensemble methods that combine multiple data sources and modeling approaches to generate accurate predictions[29]. These systems incorporate traditional sales data with external factors such as weather patterns, seasonal variations, local events, and economic indicators to create comprehensive demand models. The algorithms account for the high variability typical in informal markets while identifying underlying patterns that can inform inventory decisions[30].

Predictive analytics capabilities extend beyond simple demand forecasting to include supplier reliability assessment, price trend analysis, and risk prediction. These systems analyze historical supplier performance, market conditions, and external factors to predict potential supply disruptions and price fluctuations[31]. The integration of social media data and news feeds provides additional context for predictive models, enabling more accurate forecasting of market conditions and consumer behavior[32].

Real-time adjustment mechanisms allow the system to continuously refine predictions based on incoming data and changing conditions. This adaptive approach ensures that inventory recommendations remain relevant and accurate even in rapidly changing market environments[33]. The system provides confidence intervals and uncertainty

measures alongside predictions, helping traders make informed decisions about inventory levels and procurement timing.

3.3. Automated Inventory Optimization

Automated inventory optimization systems utilize multi-objective optimization algorithms that balance competing priorities such as stock availability, carrying costs, and working capital requirements[34]. These systems consider the unique constraints of informal supply chains, including limited storage capacity, cash flow restrictions, and the need for product diversity to meet varied customer demands. The optimization algorithms incorporate risk preferences and business objectives specific to individual traders while maintaining overall system efficiency[35].

Dynamic pricing recommendations based on inventory levels, demand patterns, and market conditions help traders maximize profitability while maintaining competitive positioning[36]. The system monitors competitor pricing, seasonal demand variations, and product lifecycle stages to suggest optimal pricing strategies. Integration with mobile money platforms enables automated pricing updates and promotional campaigns based on inventory optimization objectives.

Replenishment automation features generate procurement recommendations based on optimized inventory levels, supplier performance, and cash flow constraints[37]. The system identifies optimal order quantities, timing, and supplier selection while considering transportation costs, quality requirements, and payment terms. Safety stock calculations account for demand variability and supply uncertainty specific to informal market conditions.

4. AI-Enabled Procurement Systems

4.1. Supplier Discovery and Evaluation

AI-powered supplier discovery systems leverage network analysis and machine learning to identify potential suppliers within informal supply chains. These systems analyze transaction patterns, geographic proximity, and product availability to map supplier networks and identify new sourcing opportunities. Natural language processing capabilities enable the system to process unstructured information from various sources, including social media, market reports, and trader communications, to maintain comprehensive supplier databases[38].

Supplier evaluation algorithms assess performance across multiple dimensions including reliability, quality, pricing, and delivery performance[39]. These systems incorporate both quantitative metrics and qualitative assessments, using sentiment analysis of trader feedback and reviews to evaluate supplier reputation. The evaluation process accounts for the dynamic nature of informal supply chains, where supplier capabilities and performance can change rapidly based on external factors.

Risk assessment models evaluate supplier stability, geographic risk factors, and market concentration to help traders diversify their supply base effectively[40]. These systems identify potential supply chain vulnerabilities and suggest mitigation strategies, including backup supplier identification and supply base optimization. The integration of credit scoring and financial stability assessments provides additional insights into supplier reliability and long-term viability.

4.2. Demand-Supply Matching and Optimization

Advanced matching algorithms connect buyers and suppliers based on product requirements, location, timing, and other relevant criteria[41]. These systems utilize graph neural networks and collaborative filtering techniques to identify optimal matches while considering preferences, constraints, and historical relationships. The matching process accounts for the informal nature of many supplier relationships, incorporating trust scores and relationship quality metrics alongside traditional business factors.

Dynamic pricing mechanisms facilitate negotiations between buyers and suppliers by providing real-time market information and fair price recommendations. The system analyzes historical transactions, market conditions, and product characteristics to suggest pricing ranges that benefit both parties. Automated negotiation features enable preliminary agreements while maintaining human oversight for final decisions[42].

Bulk purchasing coordination features aggregate demand across multiple small traders to achieve better pricing and terms from suppliers[43]. The system identifies opportunities for collaborative procurement while managing logistics and payment coordination. This approach enables small traders to access benefits typically available only to larger buyers while maintaining their independence and flexibility.

4.3. Payment and Financial Integration

Integrated payment systems connect with mobile money platforms and digital financial services to facilitate secure and efficient transactions. These systems support various payment methods including mobile money, bank transfers, and digital wallets while maintaining transaction records for accounting and audit purposes. The integration with microfinance institutions and alternative lending platforms provides access to credit for inventory purchases and working capital needs[44].

Smart contract capabilities, implemented through blockchain technology, automate payment processing and ensure contract compliance[45]. These systems reduce transaction costs and eliminate the need for intermediaries while providing transparency and security. The contracts can include quality assurance requirements, delivery terms, and dispute resolution mechanisms tailored to informal supply chain environments.

Credit scoring and risk assessment features evaluate trader creditworthiness and payment capacity to enable access to trade finance and supplier credit[46]. These systems analyze transaction history, business performance, and external data sources to generate credit profiles that support financial inclusion. The integration with insurance products provides additional protection for both buyers and suppliers against payment defaults and delivery failures.

5. Benefits and Opportunities

5.1. Operational Efficiency Improvements

The implementation of AI-enabled inventory and procurement systems generates substantial improvements in operational efficiency across informal supply chains. Automated demand forecasting reduces stockouts by 30-50% while simultaneously decreasing excess inventory by 20-40%, enabling traders to optimize their working capital utilization[47]. Real-time inventory tracking eliminates the need for manual stock counts and reduces inventory discrepancies by up to 80%, freeing up valuable time for customer service and business development activities[48].

Procurement optimization features generate cost savings of 10-25% through better supplier selection, bulk purchasing coordination, and improved negotiation outcomes[49]. The systems enable traders to access new suppliers and products while maintaining quality standards and delivery reliability. Automated procurement processes reduce the time spent on sourcing activities by 40-60%, allowing traders to focus on higher-value activities such as customer relationship management and business expansion[50].

Supply chain visibility improvements enable better coordination between different levels of the supply chain, reducing waste and improving responsiveness to market changes. The systems provide early warning capabilities for potential supply disruptions, enabling proactive mitigation measures. Integration with transportation and logistics services optimizes delivery routes and reduces transportation costs by 15-30%[51].

5.2. Financial and Economic Impact

AI-enabled systems generate significant financial benefits for informal supply chain participants through improved cash flow management and reduced working capital requirements[52]. Optimized inventory levels free up cash that can be invested in business growth or diversification opportunities. The systems enable better financial planning and budgeting through accurate demand forecasting and cost prediction capabilities.

Access to digital financial services through integrated payment systems reduces transaction costs and improves financial inclusion[53]. The systems enable micro-entrepreneurs to build credit histories and access formal financial services for the first time. Integration with insurance products provides protection against inventory losses and supply disruptions, reducing financial risk and enabling more confident business expansion.

The aggregation of demand and supply information creates market intelligence that benefits all participants in the supply chain[54]. This information reduces information asymmetries and enables more efficient price discovery mechanisms. The systems support the development of new financial products and services tailored to the needs of informal supply chain participants.

5.3. Social and Development Impact

The implementation of AI-enabled inventory and procurement systems contributes to broader social and development objectives across Africa. Improved supply chain efficiency reduces food waste and improves access to essential goods

and services, particularly in rural and underserved areas[55]. The systems enable small-scale producers to access wider markets and achieve better prices for their products, contributing to rural development and poverty reduction.

Women's economic empowerment is enhanced through systems that improve the efficiency and profitability of trading activities. The technology reduces the physical burden of inventory management and procurement activities while providing access to information and services that were previously unavailable[56]. Digital literacy improvements through system use create additional opportunities for economic participation and advancement.

The systems support the formalization of informal supply chains by providing transaction records, business analytics, and compliance support. This formalization enables access to formal financial services, government programs, and international markets while maintaining the flexibility and accessibility that make informal supply chains attractive to participants[57].

6. Implementation Challenges

6.1. Technological and Infrastructure Barriers

The successful implementation of AI-enabled inventory and procurement systems faces significant technological and infrastructure challenges across Africa[58]. Limited internet connectivity and unreliable power supply in many areas constrain system accessibility and reliability. The systems must be designed to function effectively with intermittent connectivity while maintaining data integrity and security. Edge computing capabilities and offline functionality are essential features that enable continued operation during connectivity disruptions.

Device compatibility represents another significant challenge, with many potential users operating basic smartphones or feature phones with limited processing power and storage capacity. System design must prioritize simplicity and efficiency while maintaining functionality[59]. The use of progressive web applications and lightweight mobile applications helps address these constraints while ensuring broad accessibility.

Data quality and standardization issues complicate system implementation, with informal supply chains often lacking consistent product codes, measurement standards, and quality metrics[60]. The systems must incorporate data validation and cleaning mechanisms while providing tools for gradual standardization. Natural language processing capabilities help address language barriers and inconsistent terminology across different regions and market segments.

6.2. Socioeconomic and Cultural Factors

Cultural resistance to technological adoption represents a significant barrier to system implementation, particularly among older traders and those with limited formal education. Trust-building measures and gradual introduction strategies are essential for successful adoption[61]. The systems must demonstrate clear value propositions and provide tangible benefits from the initial implementation phase to overcome skepticism and encourage adoption.

Digital literacy gaps limit the ability of many potential users to effectively utilize AI-enabled systems[62]. Comprehensive training programs and user support services are essential components of successful implementation. The systems must incorporate intuitive interfaces and provide multilingual support to accommodate diverse user populations. Peer-to-peer learning approaches and community-based training programs can help address these challenges effectively.

Gender-specific barriers may limit women's access to and use of AI-enabled systems[63]. These barriers include limited access to smartphones, time constraints due to household responsibilities, and cultural restrictions on technology use. System design must consider these factors and provide solutions that address women's specific needs and constraints. This may include features such as voice-based interfaces, flexible scheduling options, and community-based support systems.

6.3. Regulatory and Policy Challenges

Regulatory frameworks in many African countries have not kept pace with technological developments, creating uncertainty around data privacy, digital payments, and cross-border transactions. The systems must navigate complex regulatory environments while ensuring compliance with existing laws and regulations. Collaboration with regulatory authorities and policy makers is essential for creating supportive regulatory frameworks that enable innovation while protecting user rights and interests[64].

Data governance and privacy concerns require careful attention to ensure user trust and regulatory compliance. The systems must implement robust security measures and transparent data usage policies. Users must have control over their data and understand how it is being used. Compliance with emerging data protection regulations such as the African Union's Data Protection Guidelines requires ongoing attention and system updates[65].

Cross-border trade facilitation through AI-enabled systems may face regulatory barriers and tax implications[66]. The systems must incorporate compliance features and provide support for regulatory reporting requirements. Integration with government systems and trade facilitation platforms can help address these challenges while improving overall efficiency.

7. Risk Mitigation and Management Strategies

7.1. Technology Risk Management

Comprehensive technology risk management strategies are essential for ensuring the reliability and security of AI-enabled inventory and procurement systems[67]. System redundancy and backup mechanisms protect against hardware failures and data loss while ensuring continuous operation during technical difficulties. Regular security audits and penetration testing identify vulnerabilities and ensure ongoing system security. The implementation of blockchain technology for critical transactions provides additional security and transparency[68].

Data validation and quality assurance processes prevent errors and inconsistencies that could lead to poor decision-making[69]. The systems incorporate multiple validation layers and cross-checking mechanisms to ensure data accuracy. Machine learning models include uncertainty quantification and confidence intervals to help users understand the reliability of predictions and recommendations. Regular model retraining and validation ensure continued accuracy and relevance.

Cybersecurity measures protect against various threats including data breaches, fraud, and system manipulation[70]. The systems implement multi-factor authentication, encryption, and secure communication protocols. User education and awareness programs help prevent security breaches caused by human error. Incident response procedures ensure rapid response to security threats and minimize potential damage.

7.2. Financial Risk Management

Financial risk management strategies protect both system operators and users from various financial risks associated with AI-enabled inventory and procurement systems. Credit risk assessment and management help prevent defaults and payment failures[71]. The systems implement risk-based pricing and credit limits based on user profiles and transaction history. Integration with insurance products provides additional protection against financial losses.

Market risk management features help users navigate price volatility and market fluctuations[72]. The systems provide early warning capabilities for significant price changes and market disruptions. Diversification recommendations help users reduce concentration risk in their supplier base and product portfolio. Hedging strategies and financial instruments can provide additional protection against market risks.

Operational risk management addresses risks associated with system failures, human errors, and external disruptions[73]. The systems implement robust backup and recovery procedures to ensure business continuity. Training programs and user support services help prevent errors and ensure proper system use. Clear policies and procedures govern system operation and user responsibilities.

7.3. Stakeholder Engagement and Communication

Effective stakeholder engagement strategies ensure that all participants in the supply chain understand and support the implementation of AI-enabled systems[74]. Regular communication with traders, suppliers, and other stakeholders helps address concerns and build support for system adoption. Feedback mechanisms enable continuous improvement and ensure that the systems meet user needs and expectations.

Community engagement programs build local support and facilitate system adoption[75]. These programs work with local leaders, trade associations, and community organizations to promote understanding and acceptance of the technology. Cultural sensitivity and local adaptation ensure that the systems respect local customs and practices while delivering benefits to users.

Government and regulatory engagement helps create supportive policy environments and ensures compliance with regulatory requirements[76]. Regular dialogue with government officials and regulatory authorities helps address concerns and identify opportunities for policy improvements. Collaboration with development partners and international organizations can provide additional support and resources for system implementation.

8. Future Directions and Emerging Trends

8.1. Technological Advancements

The future of AI-enabled inventory and procurement systems in African informal supply chains will be shaped by several emerging technological trends. Advances in edge computing and 5G networks will enable more sophisticated real-time processing capabilities while reducing latency and improving system responsiveness[77]. The development of more efficient machine learning algorithms specifically designed for resource-constrained environments will enhance system performance without requiring significant hardware upgrades.

Internet of Things (IoT) integration will expand beyond basic inventory tracking to include environmental monitoring, quality assessment, and supply chain visibility[78]. Low-cost sensors and smart packaging will provide real-time information about product condition, location, and handling throughout the supply chain. The integration of satellite imagery and remote sensing technologies will provide additional context for inventory management and demand forecasting.

Blockchain technology adoption will accelerate as infrastructure develops and costs decrease. Smart contracts will automate more aspects of procurement and payment processes while providing transparency and security[79]. The development of blockchain-based identity systems will enable better supplier verification and credit assessment. Cryptocurrency adoption may provide alternatives to traditional payment systems, particularly for cross-border transactions.

8.2. Market Evolution and Expansion

The expansion of AI-enabled inventory and procurement systems will drive significant changes in African informal supply chains. Increased system adoption will create network effects that benefit all participants through improved information sharing and coordination. The development of regional platforms and interoperability standards will enable cross-border integration and expand market access for small-scale traders[80].

Financial services integration will deepen as digital financial infrastructure develops. The systems will provide access to more sophisticated financial products including trade finance, inventory financing, and insurance products. The development of alternative credit scoring methods based on supply chain data will improve financial inclusion and enable access to formal financial services[81].

The emergence of platform-based business models will create new opportunities for service provision and value creation. These platforms will connect multiple stakeholders and provide integrated services including inventory management, procurement, logistics, and financial services. The development of data monetization strategies will create new revenue streams while providing valuable market intelligence[82].

8.3. Policy and Regulatory Development

Future policy and regulatory developments will shape the implementation and impact of AI-enabled inventory and procurement systems. The development of supportive regulatory frameworks will address current barriers while providing clear guidelines for system operation. Data protection regulations will evolve to address the specific needs of informal supply chains while protecting user privacy and rights[83].

Cross-border trade facilitation initiatives will reduce barriers to regional integration and expand market access. The development of common standards and protocols will enable interoperability between different systems and countries[84]. Digital identity systems will improve verification processes and enable access to a wider range of services.

The integration of AI-enabled systems with government programs and initiatives will create additional opportunities for development impact. These systems can support tax collection, regulatory compliance, and social program delivery while improving overall efficiency. The development of public-private partnerships will leverage government resources and private sector innovation to maximize system benefits[85].

9. Conclusion

The integration of AI-enabled inventory and procurement systems represents a transformative opportunity for African informal supply chains, offering unprecedented potential for improving operational efficiency, reducing costs, and enhancing supply chain resilience. Through comprehensive analysis of technological capabilities, implementation challenges, and development impacts, this review demonstrates that these systems can address many of the fundamental challenges facing informal supply chains while creating new opportunities for growth and development.

The successful implementation of these systems requires careful consideration of technological, social, and economic factors. While significant challenges exist, including infrastructure limitations, digital literacy gaps, and regulatory barriers, the potential benefits justify continued investment and development efforts. The mobile-first approach and emphasis on user-friendly interfaces make these systems accessible to a broad range of users, while the focus on local adaptation ensures relevance and effectiveness in diverse market environments.

The transformative potential of AI-enabled inventory and procurement systems extends beyond operational efficiency improvements to encompass broader development objectives including financial inclusion, women's economic empowerment, and poverty reduction. The systems provide pathways for informal supply chain participants to access formal financial services, expand their market reach, and improve their livelihoods while maintaining the flexibility and accessibility that make informal supply chains attractive.

Future success depends on continued technological innovation, supportive policy development, and effective stakeholder engagement. The evolution toward more sophisticated systems with enhanced capabilities will create additional opportunities for value creation and development impact. The development of regional platforms and interoperability standards will enable broader integration and expansion of benefits across the continent.

Recommendations

Organizations and stakeholders involved in developing and implementing AI-enabled inventory and procurement systems for African informal supply chains should adopt a comprehensive approach that addresses technological, social, and economic considerations. Implementation strategies should prioritize user needs and local contexts while ensuring system reliability, security, and scalability. The development of partnerships between technology providers, development organizations, and local stakeholders will be essential for successful implementation and sustainable impact.

Technology development should focus on creating systems that are specifically designed for informal supply chain environments, with emphasis on simplicity, reliability, and affordability. The use of mobile-first architectures and offline capabilities will ensure accessibility in challenging infrastructure environments. The integration of local languages and cultural considerations will improve user adoption and system effectiveness.

Capacity building and training programs should be comprehensive and culturally appropriate, addressing both technological skills and business management capabilities. The development of peer-to-peer learning networks and community-based support systems will enhance training effectiveness while building local ownership. Ongoing user support and system maintenance will be essential for long-term success.

Policy makers and regulatory authorities should develop supportive frameworks that enable innovation while protecting user rights and interests. The development of data protection regulations, digital payment systems, and cross-border trade facilitation measures will create enabling environments for system implementation. Collaboration between government, private sector, and development partners will be essential for creating comprehensive policy frameworks.

Financial institutions and development partners should provide targeted support for system implementation and user adoption. The development of appropriate financial products and services will enhance system benefits while improving financial inclusion. Risk mitigation mechanisms and insurance products will provide additional protection and encourage adoption.

Research and development efforts should continue to focus on addressing the specific needs and challenges of informal supply chains in Africa. The development of more sophisticated algorithms, better user interfaces, and enhanced functionality will improve system performance and user satisfaction. Ongoing evaluation and impact assessment will provide insights for continuous improvement and optimization.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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