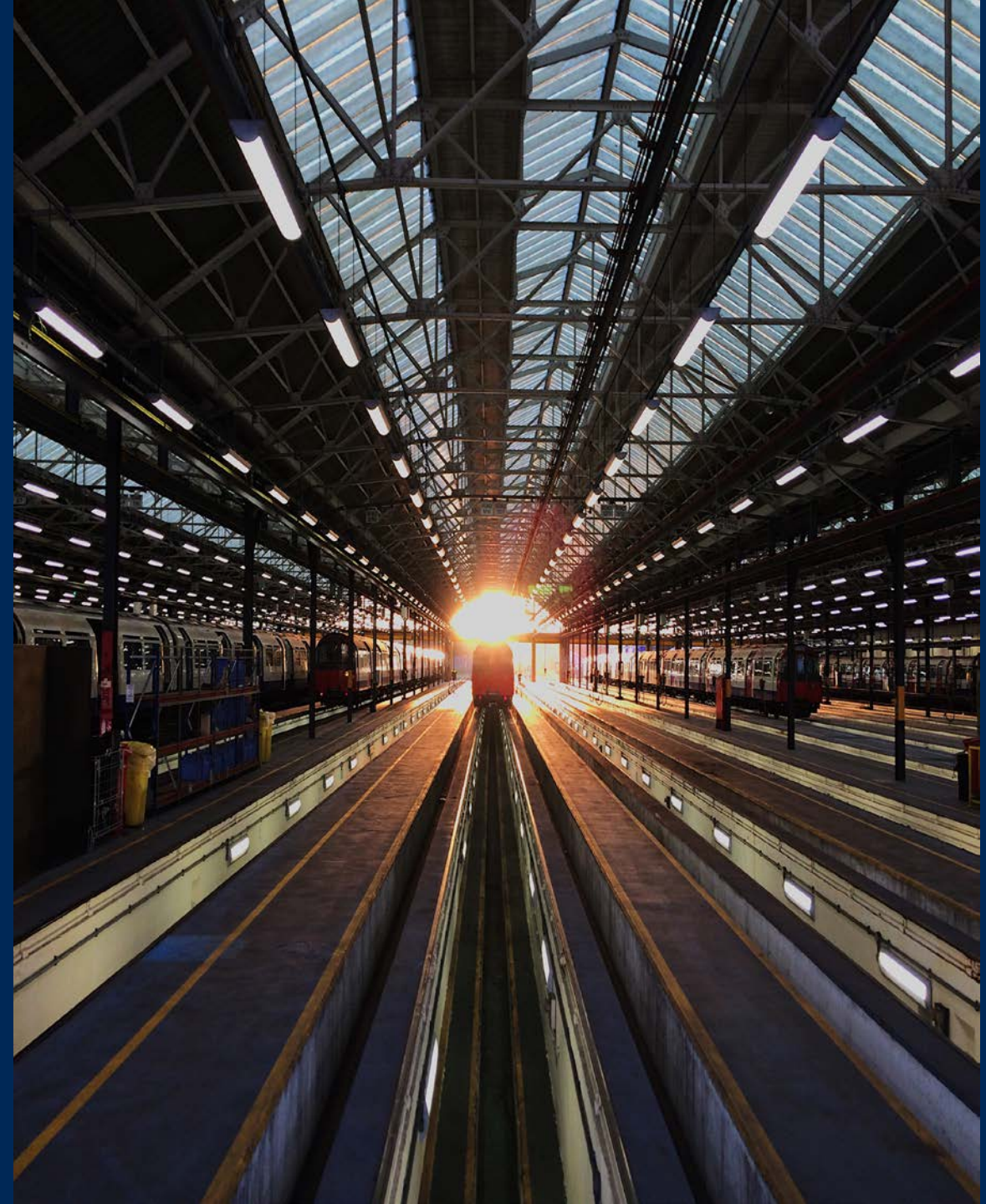


Innovate, Disrupt and Scale the Digital Supply Chain

Amber Salley
Sr Director Analyst, Gartner

Digital is the new way of doing business and supply chains must adapt






Earnings calls
referencing
“digital”



Earnings calls referencencing



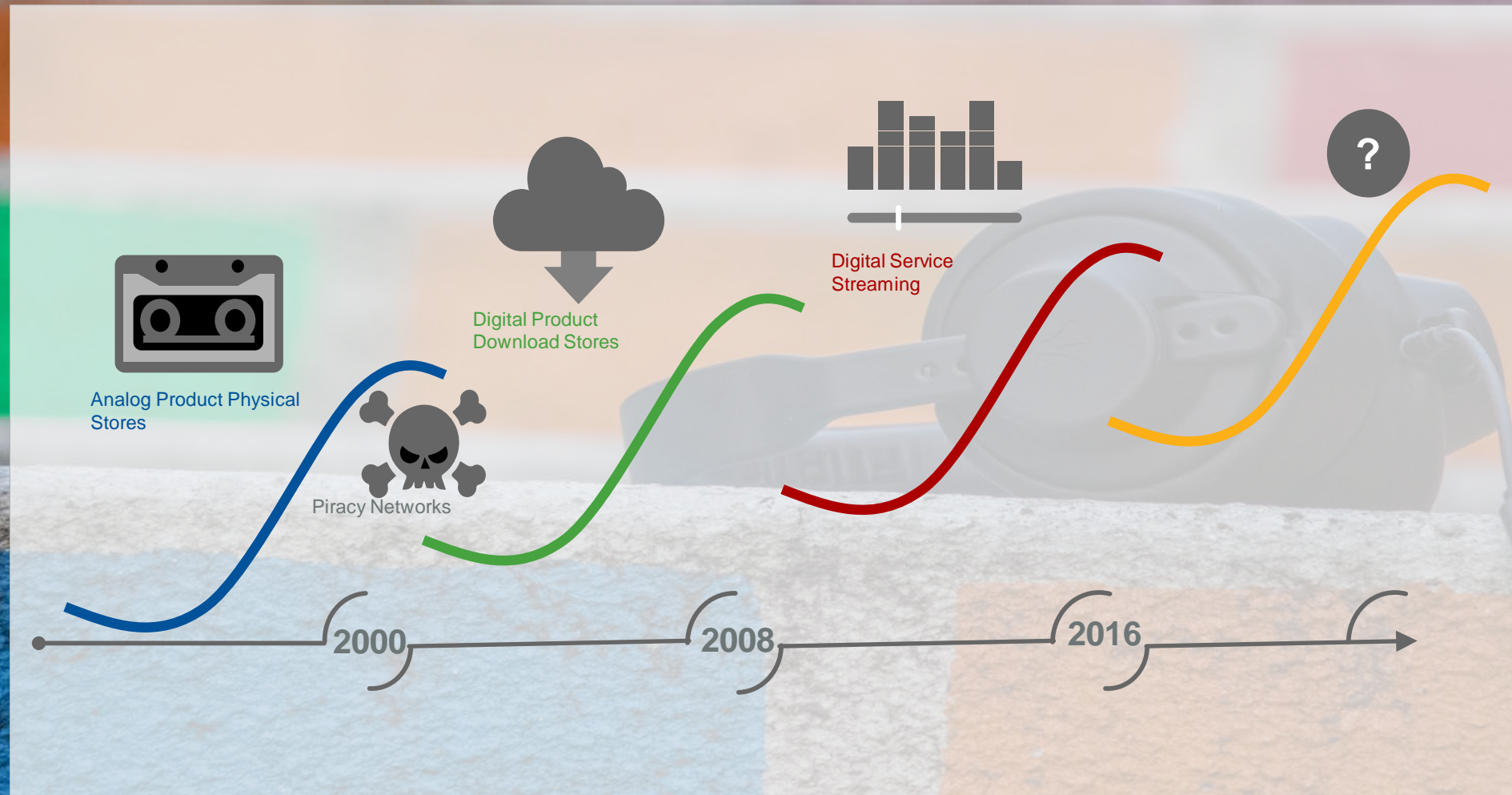
**BIG
DATA**



AI



Technology-Driven Transformation in the Music Industry





ContinuousNext

What does it mean to
be digital?

Digital Business



- Creation of **New Business Designs** by Blurring the Digital and Physical Worlds.
- Connecting People, Businesses and Things to Drive Revenue and Efficiency.

There Are Two Dimensions of Digital Business

Digital Business Optimization

Improved Productivity & Existing Revenue

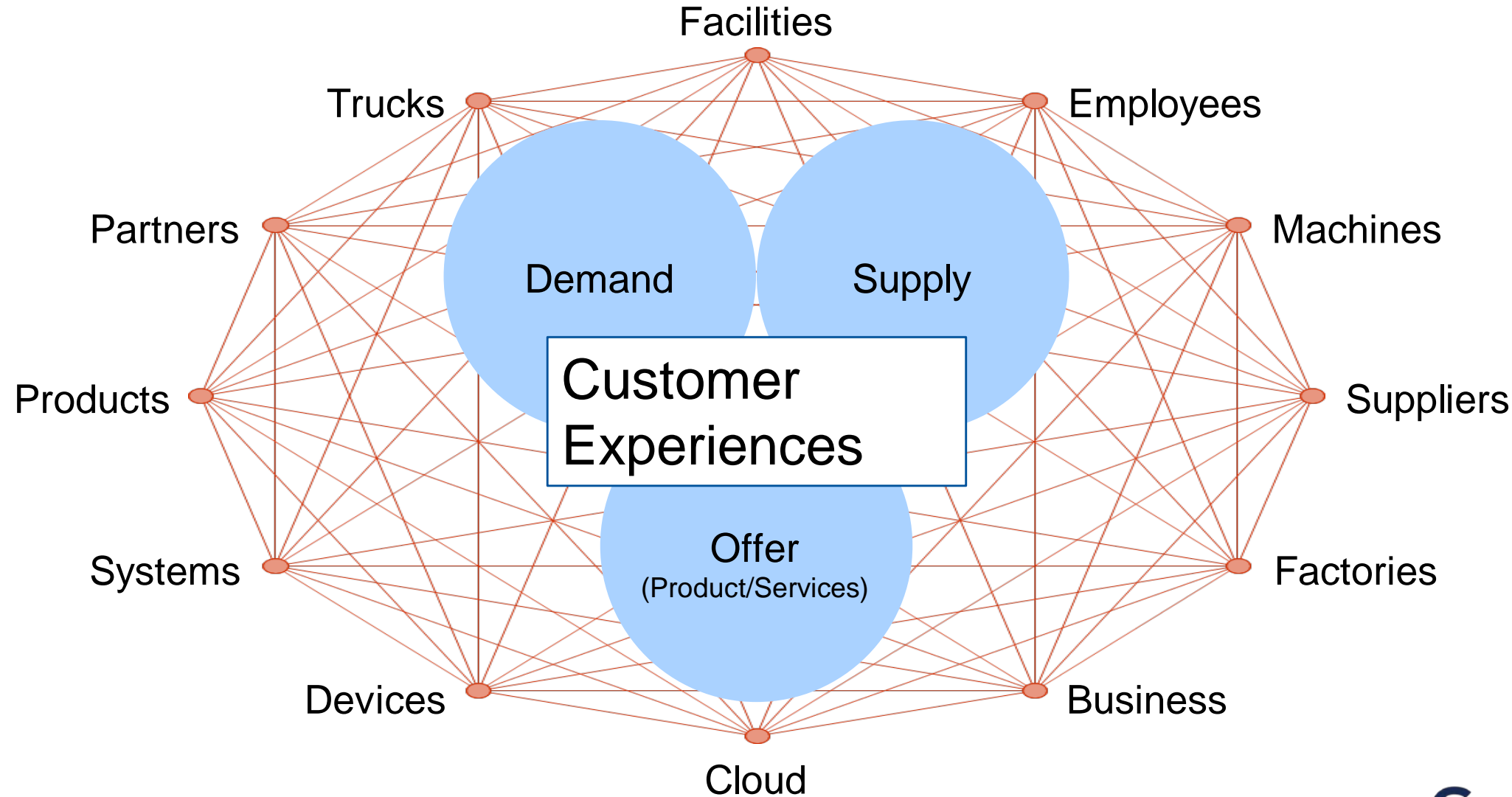
Better Customer Engagement

Digital Business Transformation

New Business Models

New Operating Models

Digital Business Ecosystem For Supply Chain



Disruptive Technologies Are the Enablers



Cloud



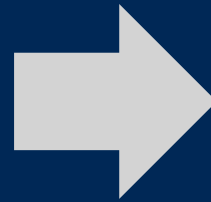
Social



Mobile



Information



IoT



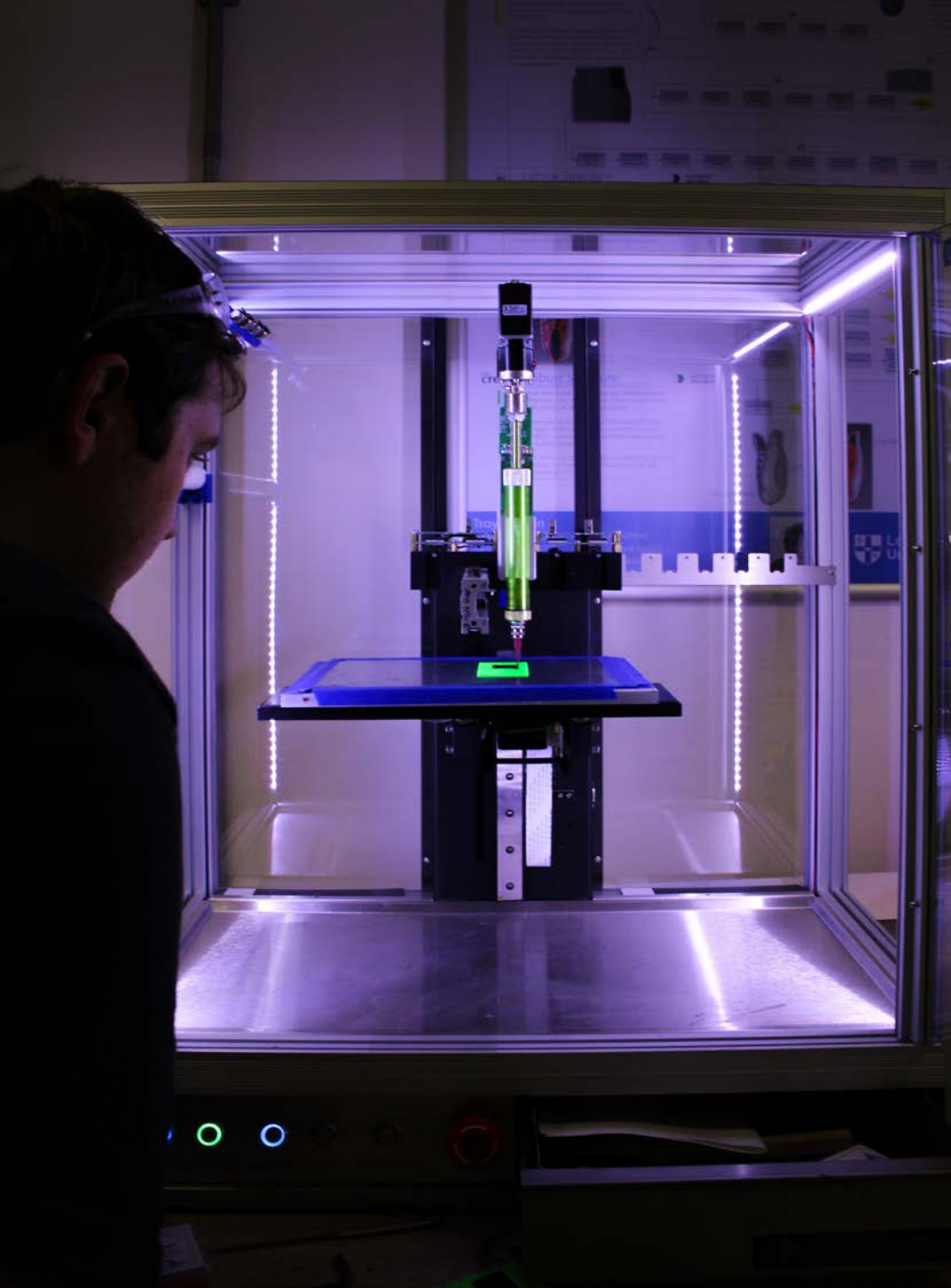
Artificial
Intelligence



Intelligent
Systems

Digitalized Offerings
and Products

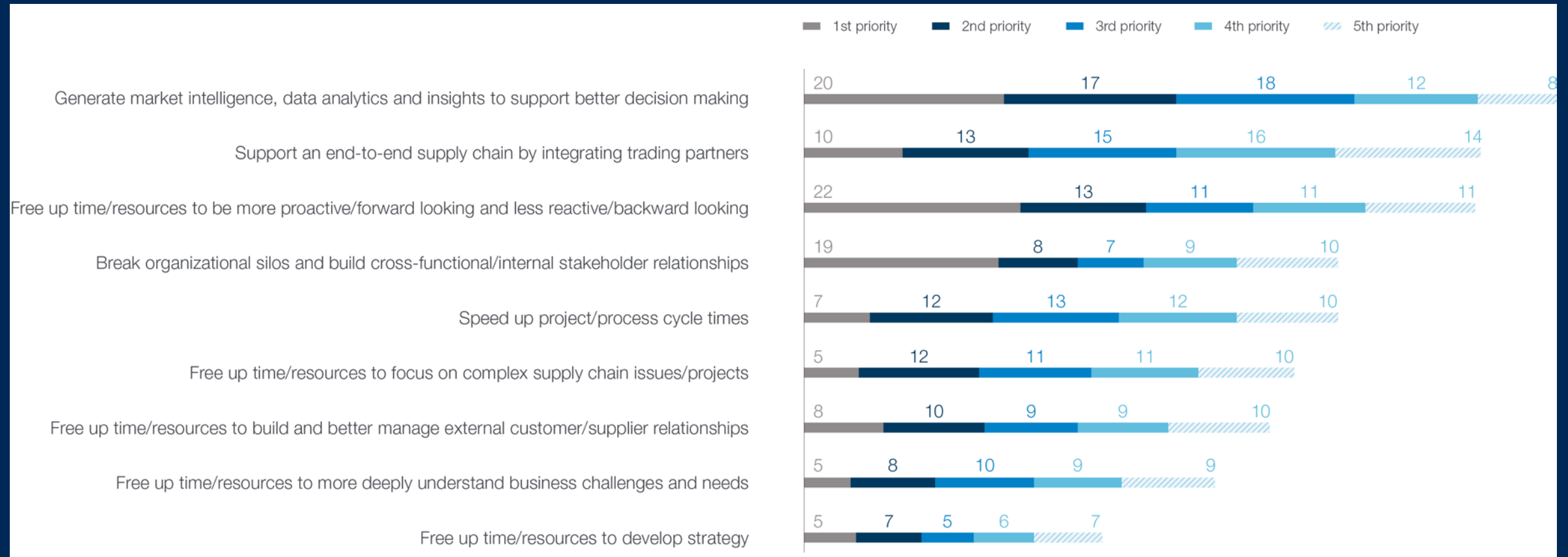




40% to 55%
of 2019 revenue
will be digital
business-driven

Why do you want to
be digital?

Improving Decision Making is the Most Significant Way Organizations Expect Technology and Automation to Make SC Organizations More Productive



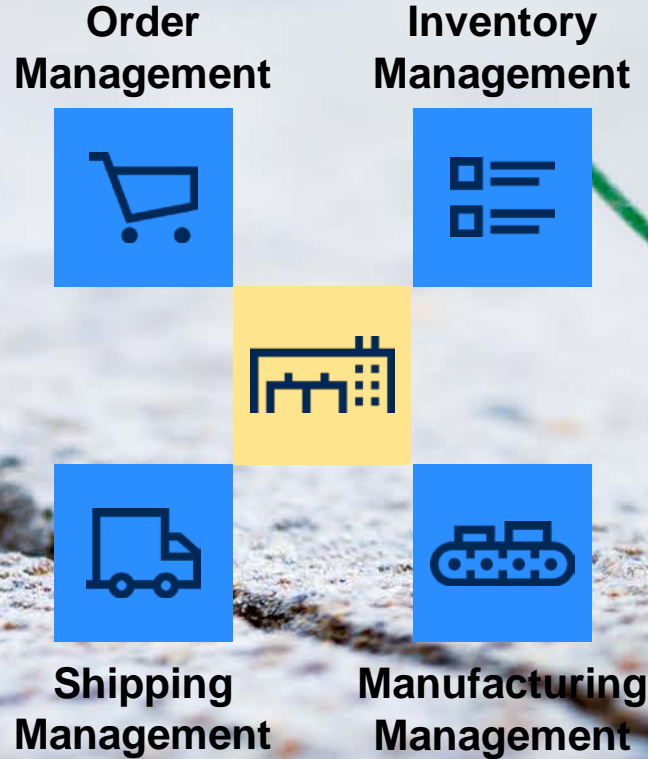
Source: SCM World's 2018 Future of Supply Chain Survey

% of respondents | n = 1,506

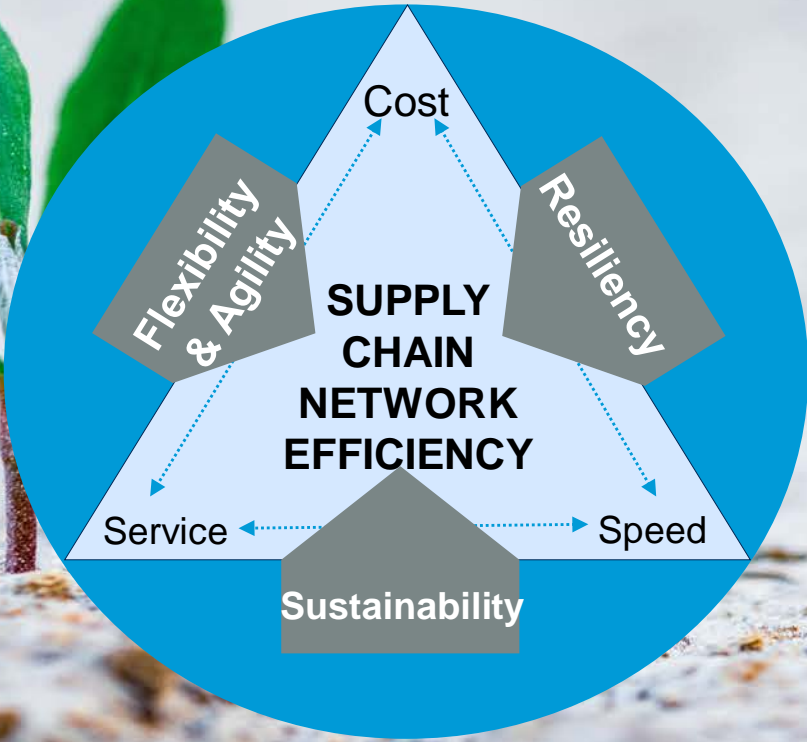
INTERNAL or RESTRICTED

Build a Resilient Supply Chain

Supply Chain Convergence



Network Efficiency

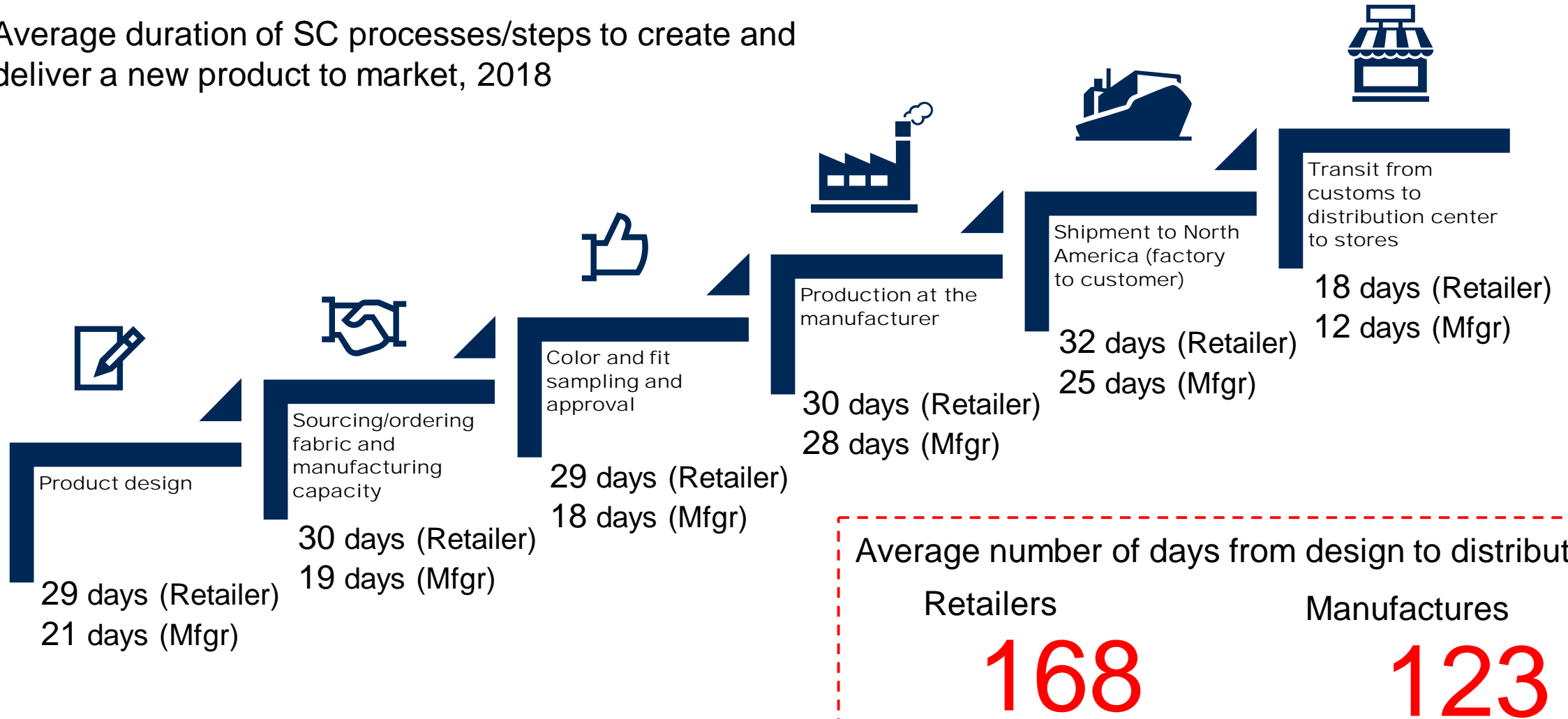


Manage Instability



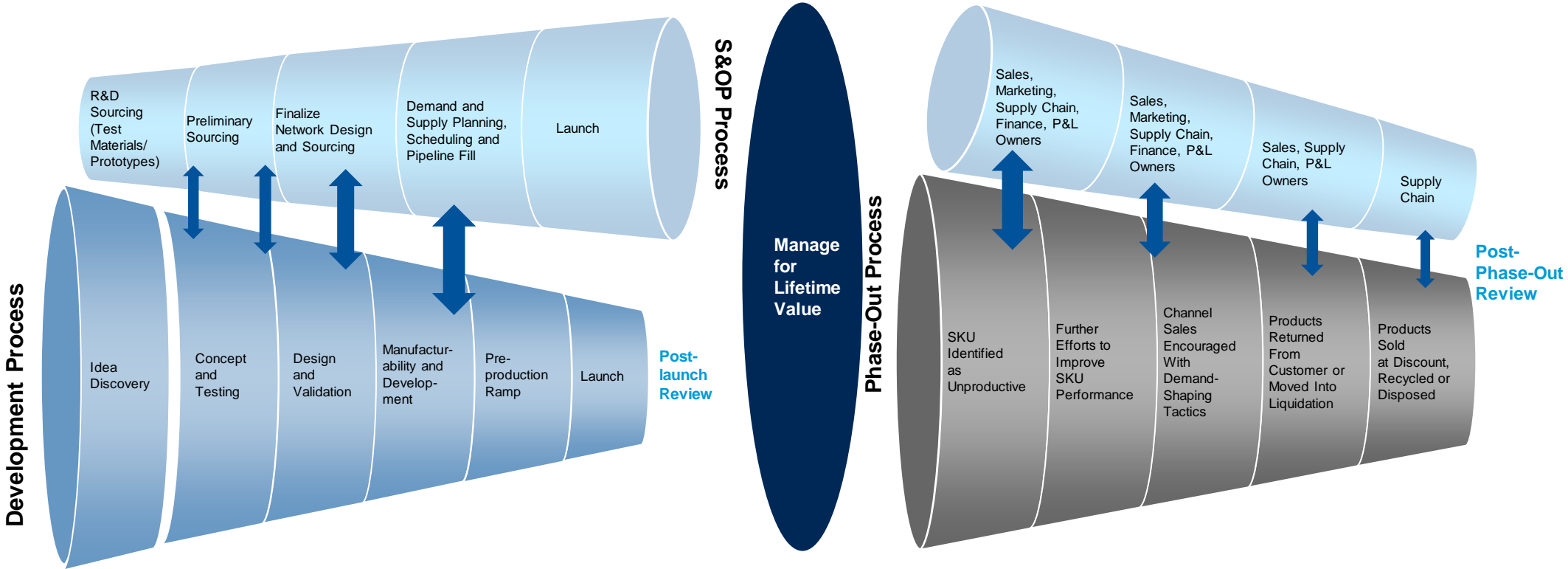
Integrate Product Design With SCP Readiness

Average duration of SC processes/steps to create and deliver a new product to market, 2018



Design Shared Visibility Between S&OP and Product Development

Model for Shared Visibility Between S&OP and Product Development



ID: 343640

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Integrate Physical and Digital SC



New Distribution Channels

Examples –

- Amazon Locker Delivery
- Domino's Delivery Hotspots

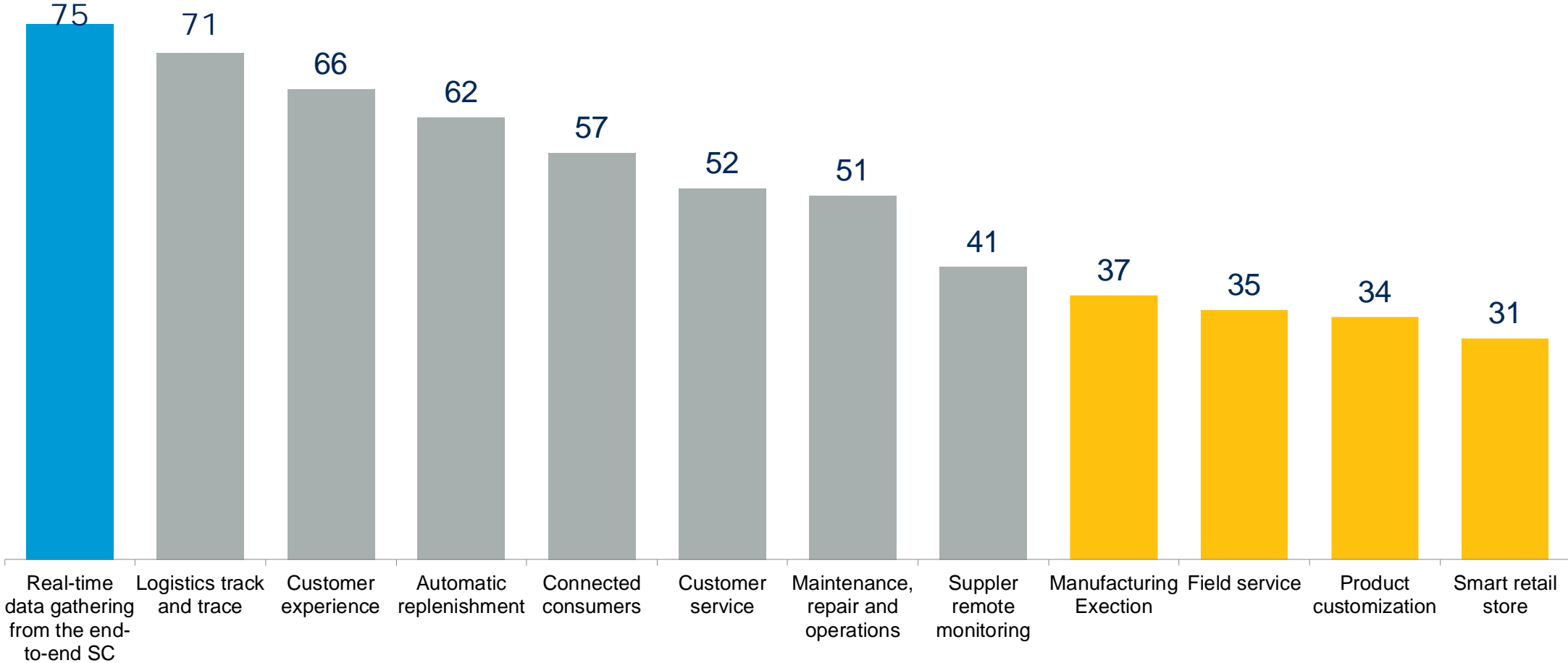


Integrated Signals

Examples –

- Coca-Cola Freestyle soda dispenser
- Michelin Tire Sensors

Real-time Data Gathering and Customer Experience are Expected to Provide Business Benefits from Connected Products



INTERNAL or RESTRICTED

What Does Digital Mean for Planning?

Digital Asks: What Is Your Ambition?

Digital Strategy

Digital Planning Optimization

The process of using digital technology to improve existing operating processes and/or business models.

1

Improved
Planner Productivity
and Plans

2

Better
Customer
Experience

e.g., no more spreadsheets,
improving service with lower costs,
better planner productivity

Digital Planning Transformation

The process of exploiting digital technologies and supporting capabilities to create a new, competitively robust, digital business model.

3

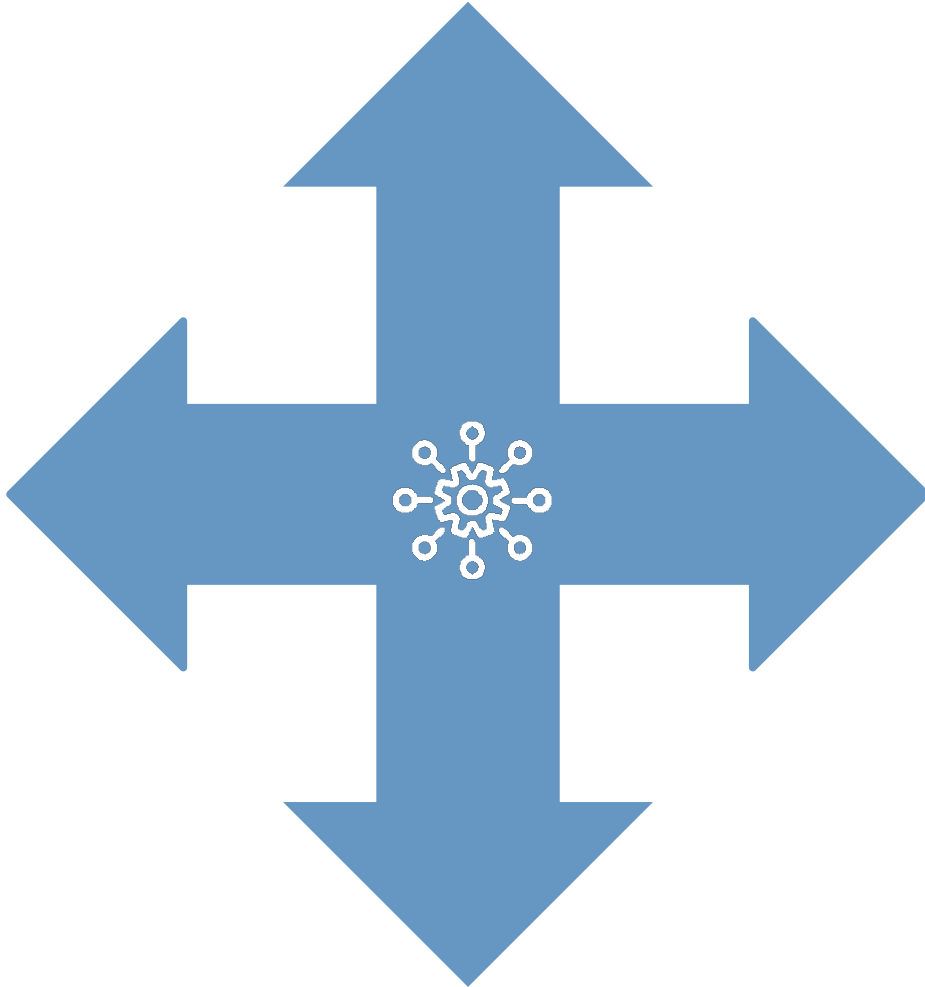
New
Data Sources

4

Support for New
Business
Models

e.g., predictive/prescriptive analytics
to create high-speed customized
product supply chain, using AI to
enable online business model

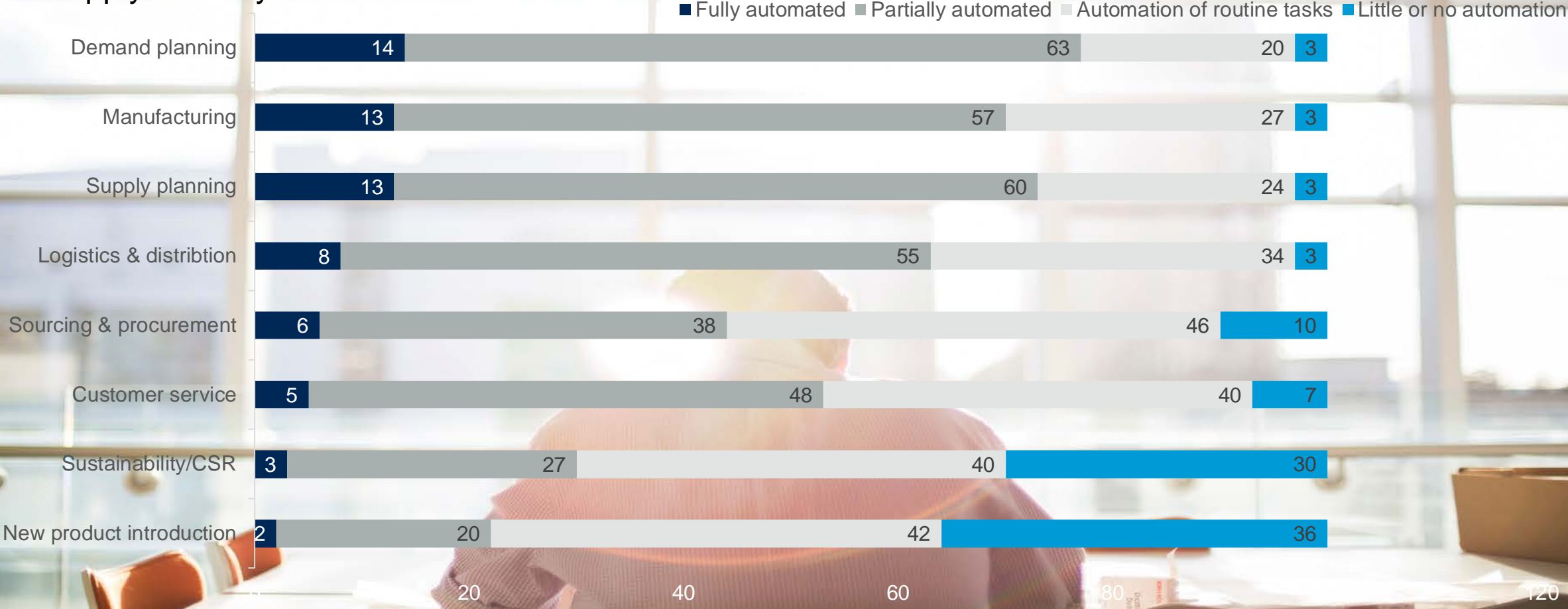
Digital Planning: Align and Automate



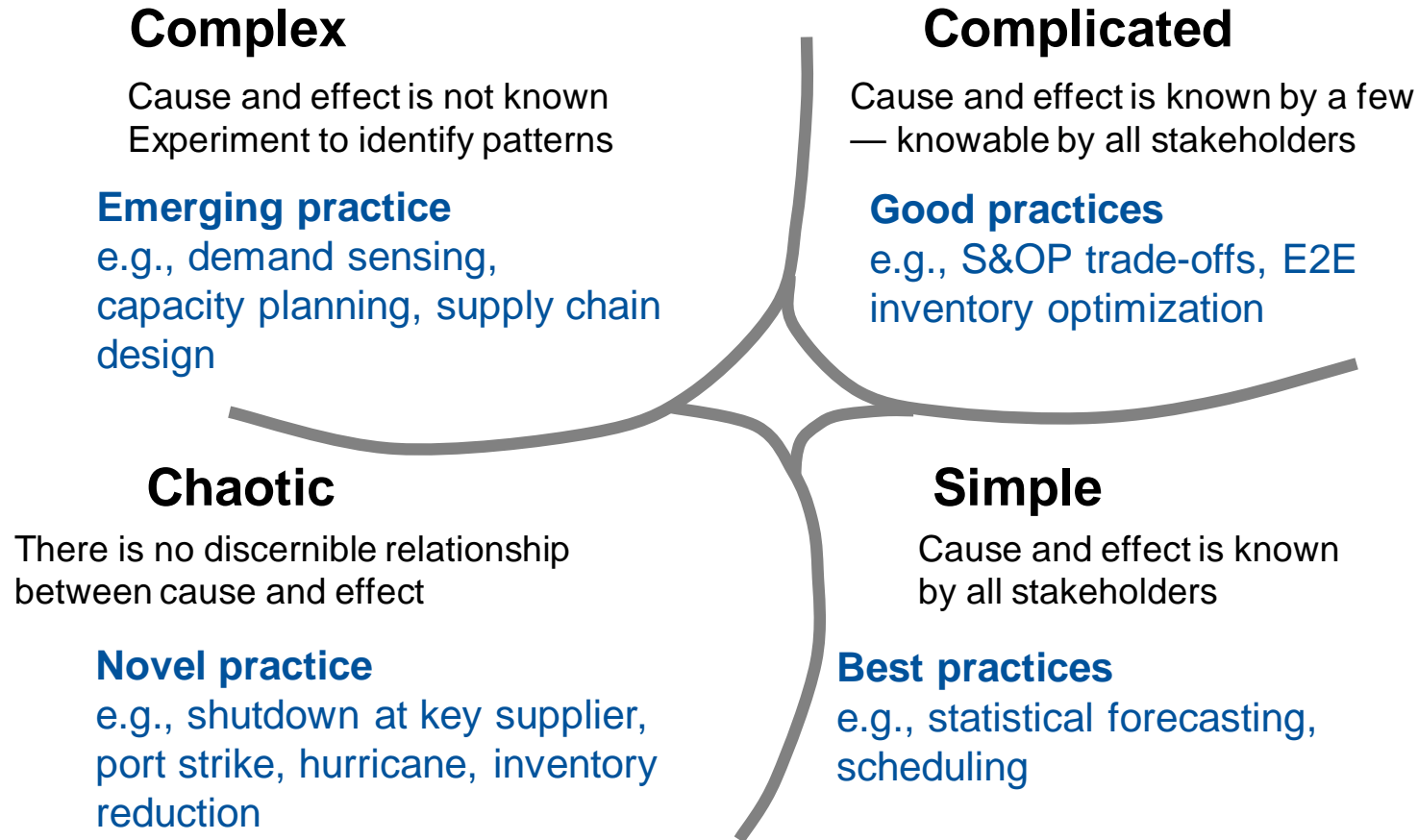
1. Horizontal alignment of planning decisions
2. Vertical alignment of planning decisions
3. Automation of planning decisions

Planning Workforce Will Evolve

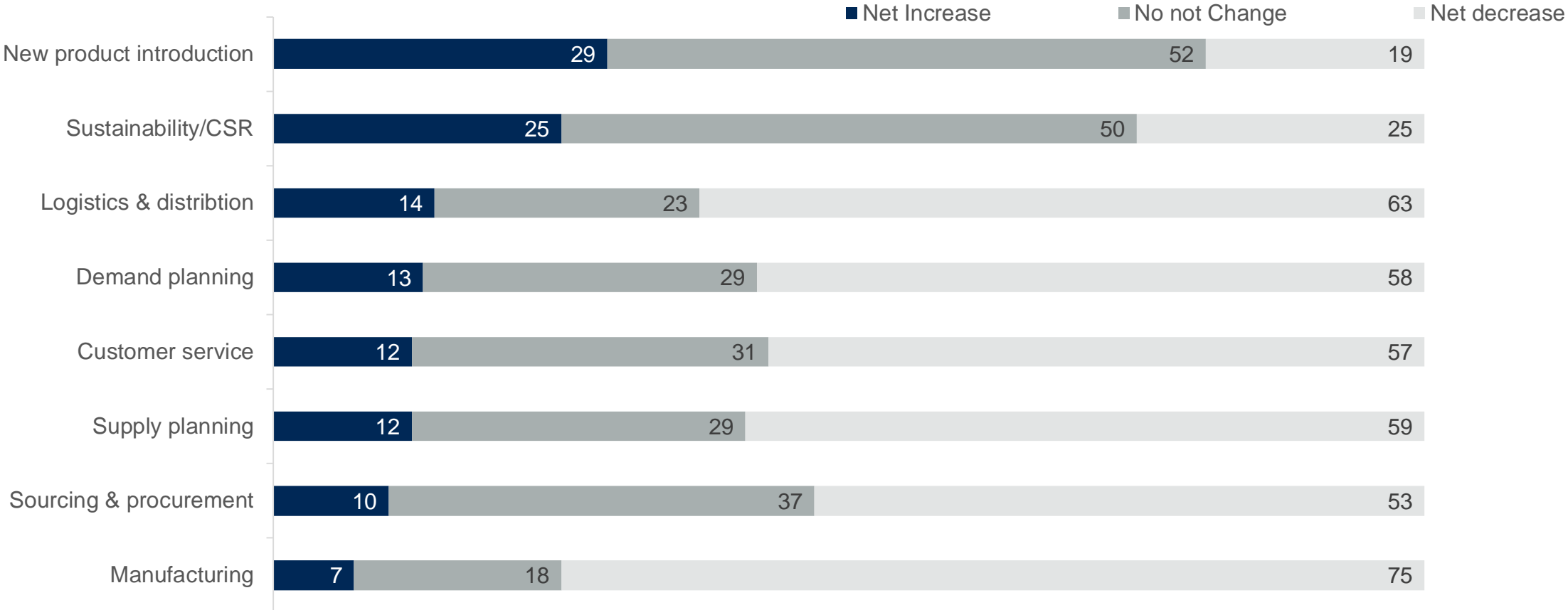
Anticipated degree of change to the functional workforce due to technology and automation driving in supply chain by 2025?



Digital Planning: Change the Type of Decisions



Net Impact of Technology and Automation on SC Roles



■ % of respondents | n = 1,454
Gartner

Supply Chains are Investing in Developing Skills for the Future

Top areas for significant investment



Digital Businesses Must...

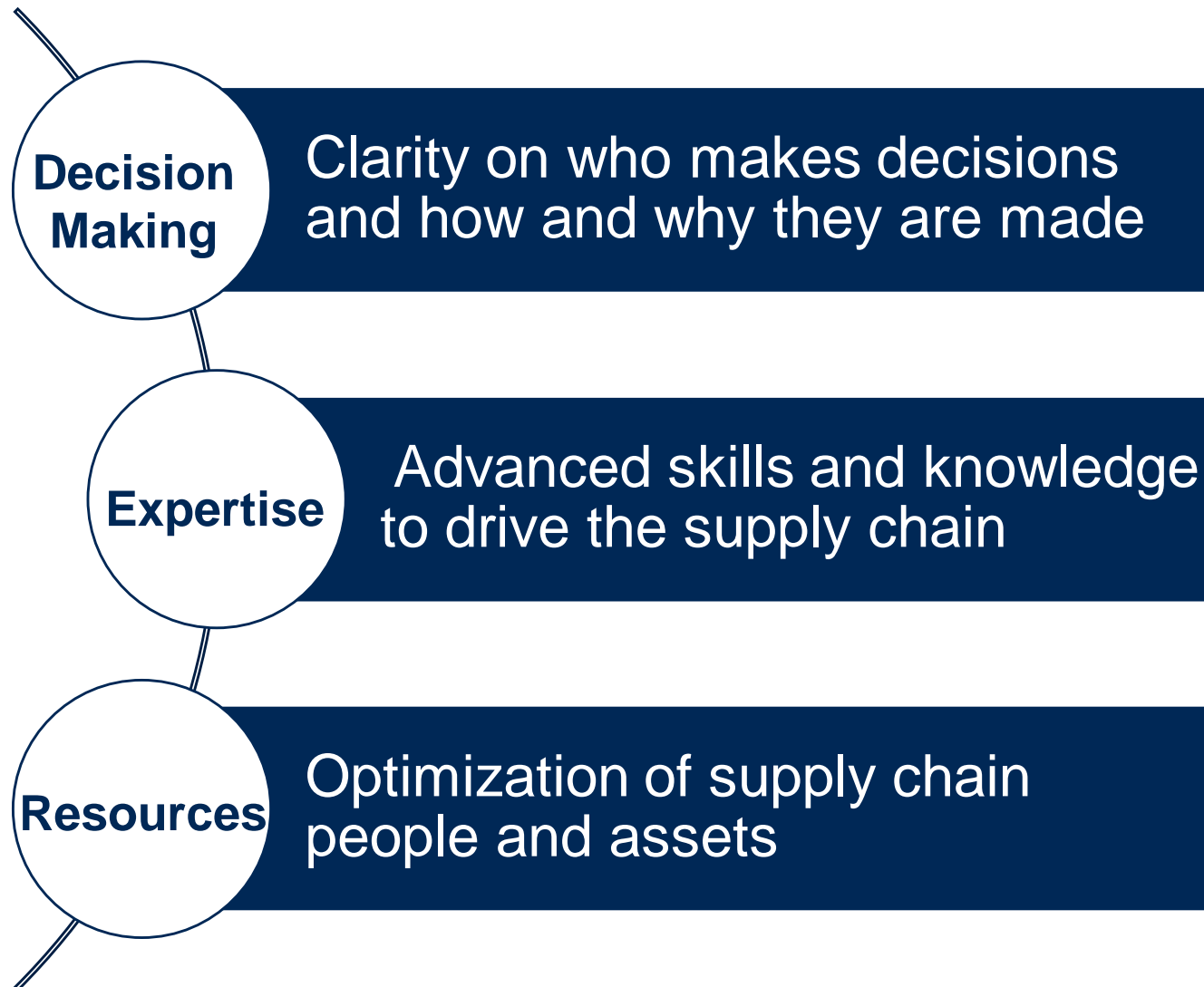


Make Fast, Data
Driven Decisions

Adapt Quickly

What next?

Three Drivers to Improve Decision Making



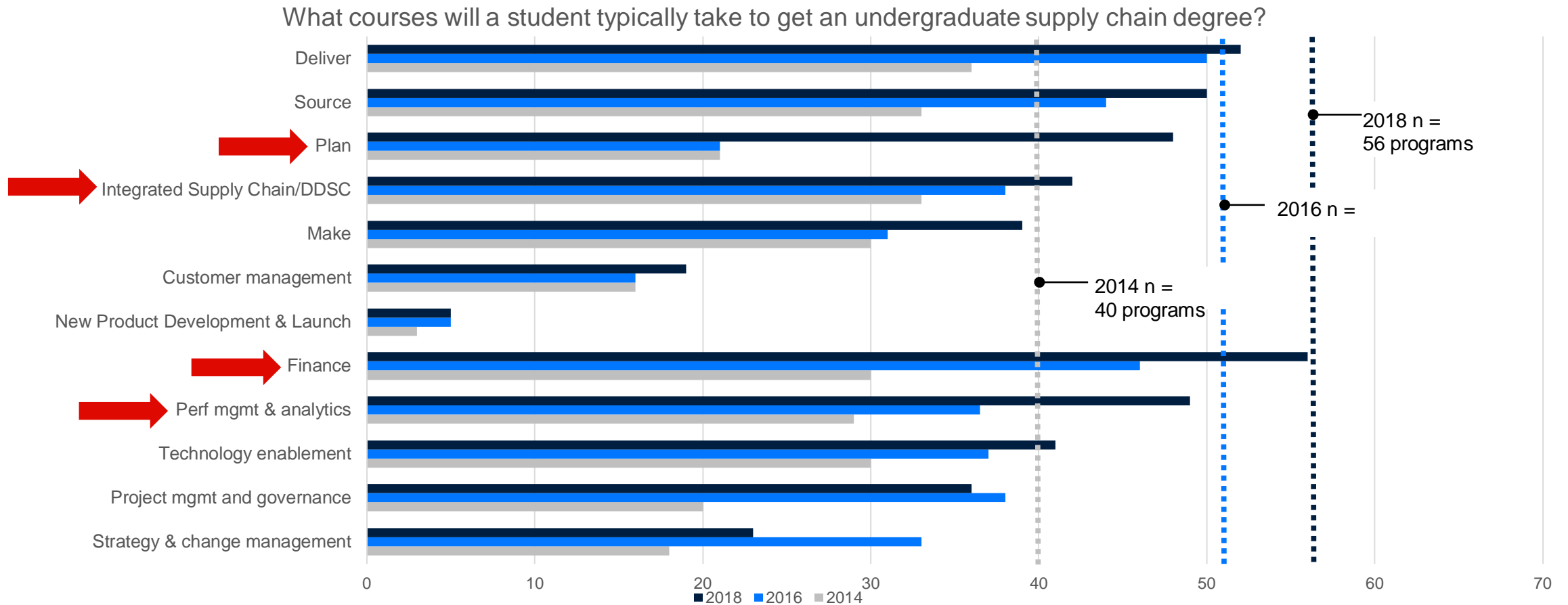
- Implement a global logistics team to drive decision-making with shared, global logistics providers.
- Align demand planners as a “direct report” to shift how they filter decisions related to the plan.
- Launch a COE to develop and embed SC best practices.
- Formalize plant-level planning roles, and have them indirectly report to global function to drive higher skills and discipline standards.
- Install a regional planning team to control how plant capacity and inventory are managed.
- Set up a customer service shared services team to leverage technology and scale FTEs.



66%

By 2023, 66% of supply chain planning roles will shift from focusing on functional excellence to support end-to-end supply chain goals and objectives

Planning Has Become a Common Course in Supply Chain Programs



Future-Proof Your Planning Talent Strategy

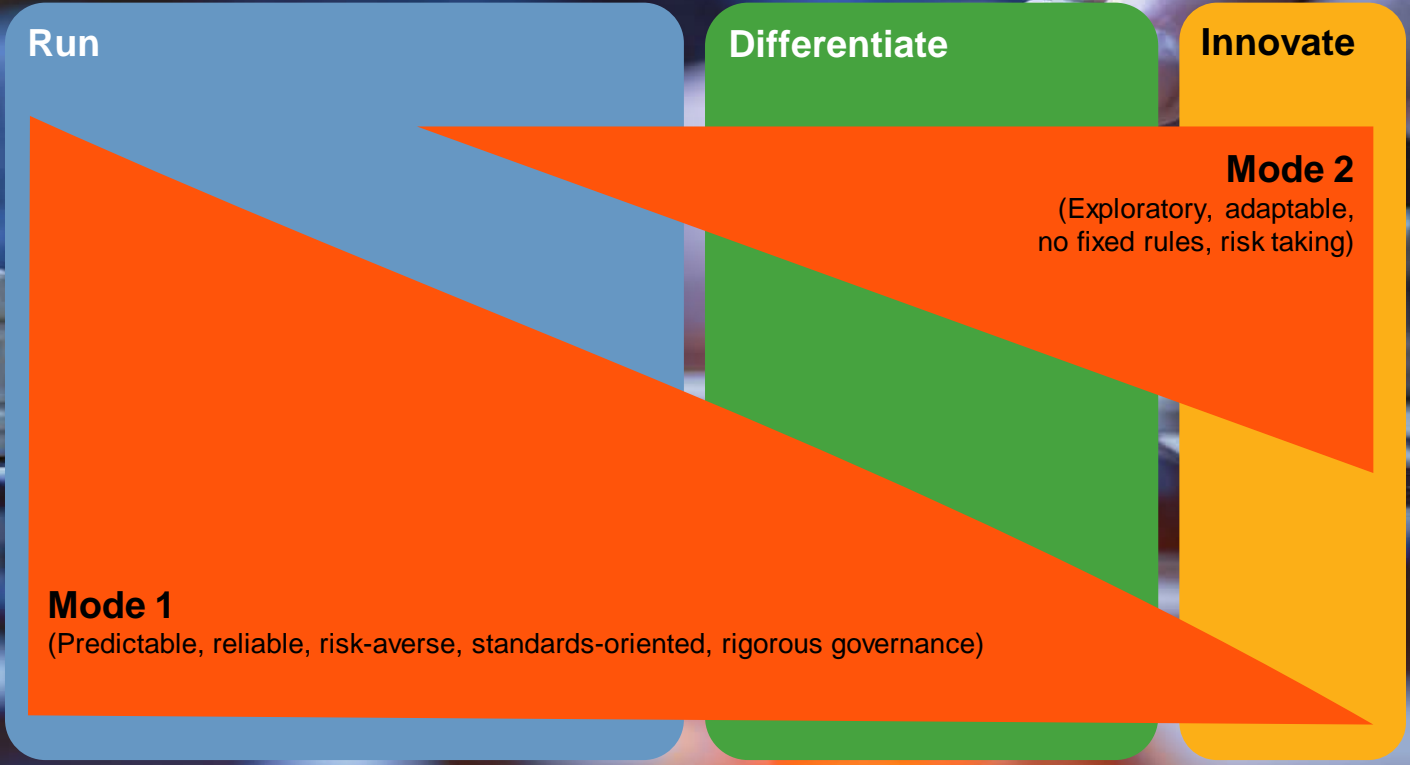
Redesign role profiles

Design planning career paths

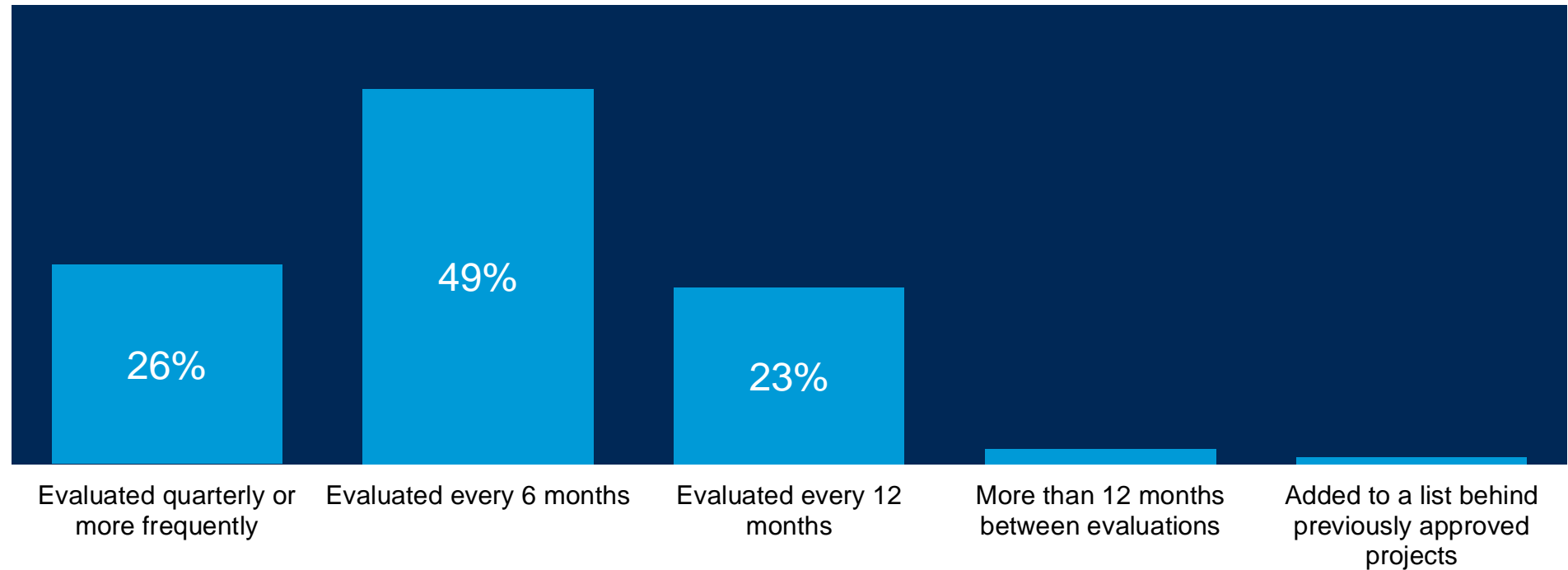
Build a brand around planning

Be Strategic with Your Technology Approach

Apply Bimodal Practices



A Majority of Supply Chains Evaluate Innovation at Least Twice Each Year



Base: Total Respondents, Excludes DK, n=374

Q16. How often are new experimental innovations evaluated, in order to be added to the current roadmap if proven valuable?

How Schneider Governs and Balances Between Mode 1 and Mode 2



What Will Be Your Digital Story?

