



Supply Chain 2030

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Who Is Lora?



Founder of Supply Chain Insights

“LinkedIn Influencer”, Guest blogger for Forbes, Author: Bricks Matter (2012), Supply Chain Metrics That Matter (2014), and Shaman’s Journal (2014-19)

2 years Partner at Altimeter Group (leader in open research)

8 years Gartner and AMR Research

8 years Experience in Marketing and Selling Supply Chain Software at Descartes Systems Group and Manugistics (now JDA/Blue Yonder)

15 Years Leading Teams in Manufacturing and Distribution for Clorox, Kraft/General Foods, Nestle/Dreyers Grand Ice Cream and Procter & Gamble.

SECTION 1

Changing Mental Models

A Pandemic Was not Believed to Be Likely for 2020

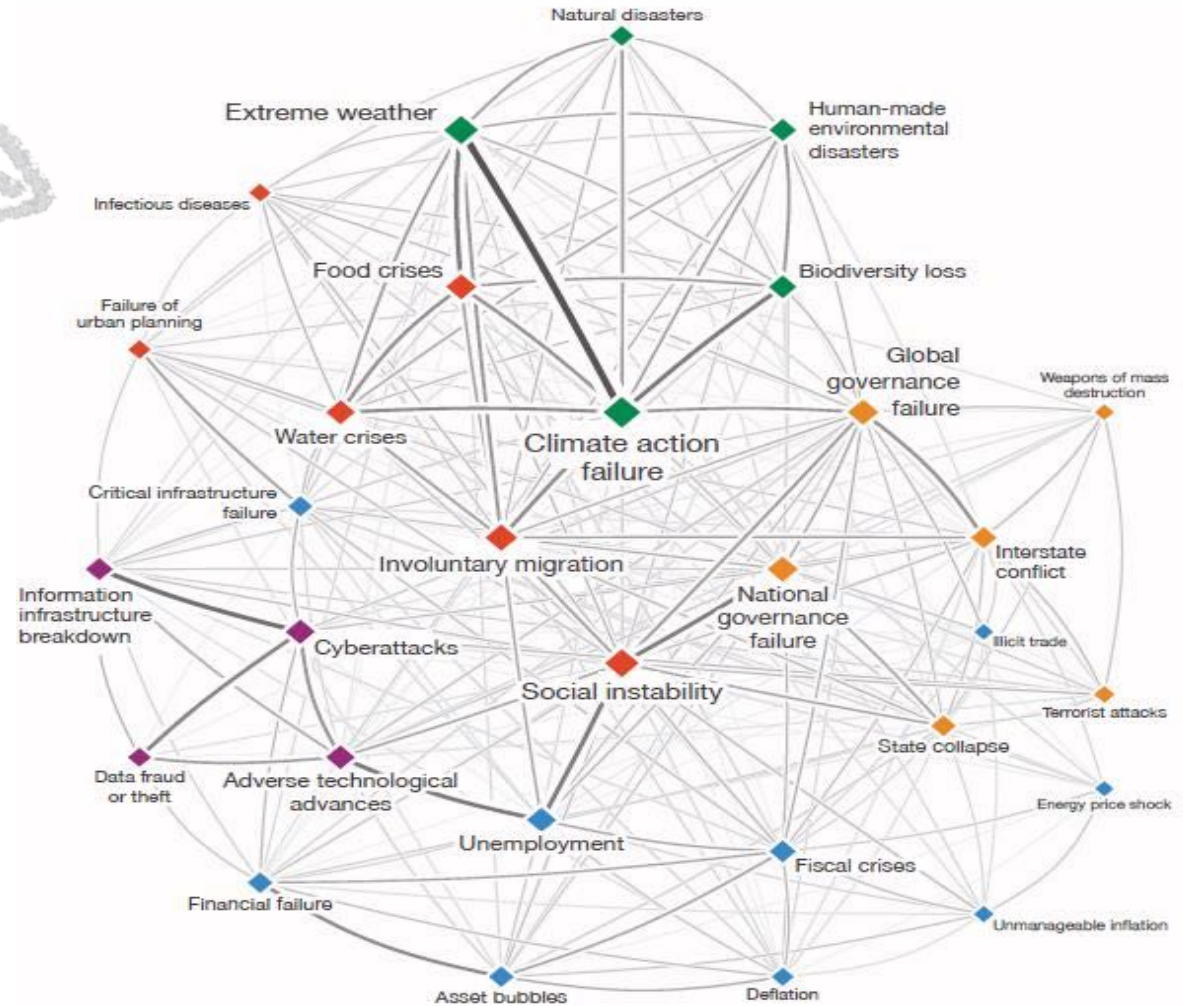
World Economic Forum Global Risk Perception Survey, response by 640 business leaders to the question, “On a global level, do you think that in 2020 the risks presented by the following issues will increase or decrease when compared to 2019?”



PANDEMIC

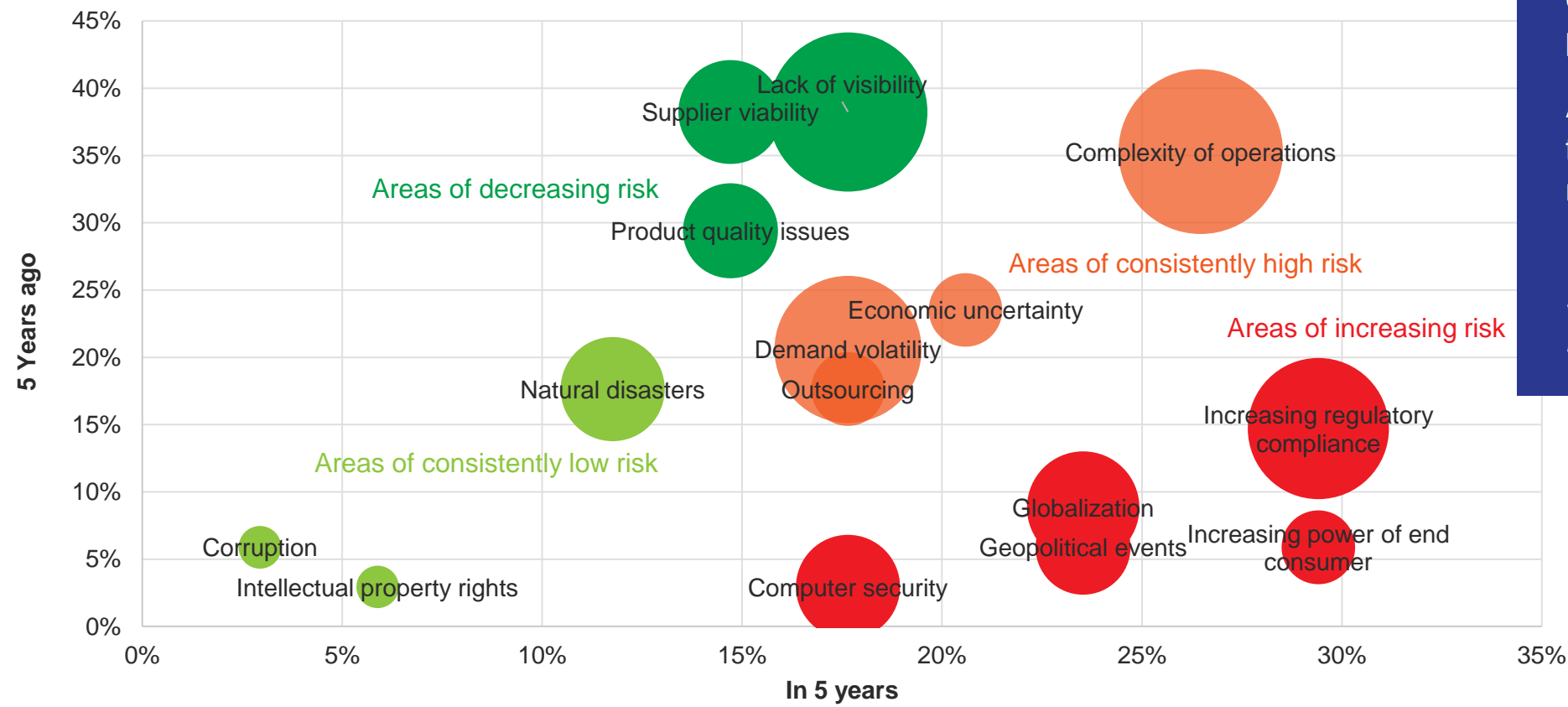
Risk Map 2020: Global Economic Forum

From less Likely (left) to more Likely (right)



Risk Drivers: Supply Chain Leaders 2019

Top Three Supply Chain Risk Drivers: In 5 Years vs. 5 Years Ago



Global Risk:

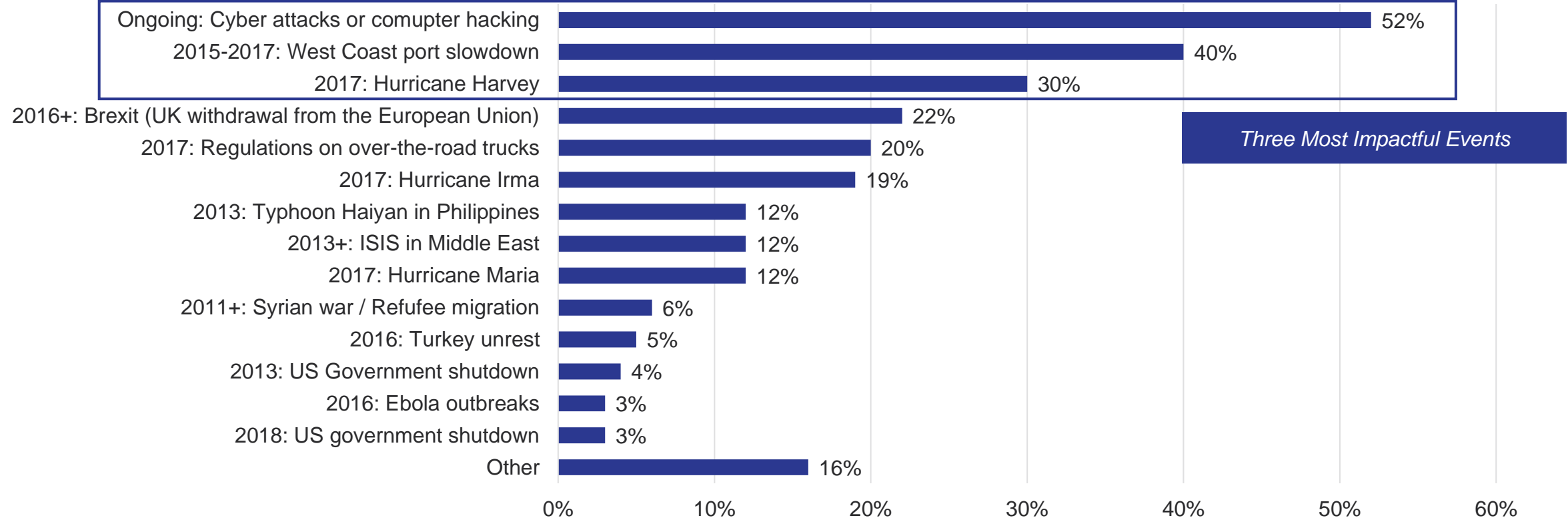
Demand volatility and an increase in global complexity greatest perceived risks.

Assumption that border friction and logistics are not a constraint.

**Today's level of risk is shown by relative size of bubble*

Prior Risk Events: Always a New Normal

Top Three Events to Impact Supply Chains from 2013-2018 (Users / Vendors / Others)





The Hammer and the Dance.

No New Normal.

Reflection



A Need to
Redefine Risk
Management



Companies Need
Value Networks.
They Do Not Exist
Today

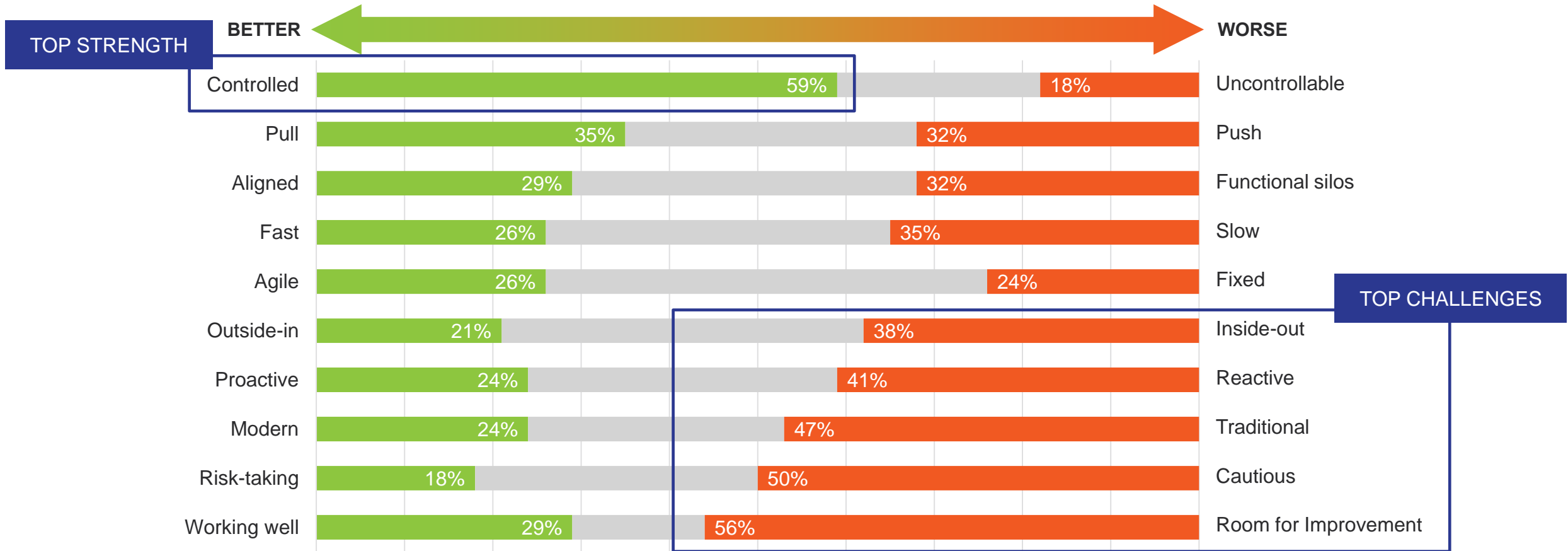


The Efficient
Enterprise is Not An
Effective Supply Chain
Strategy

SECTION 2

The Pandemic

2020

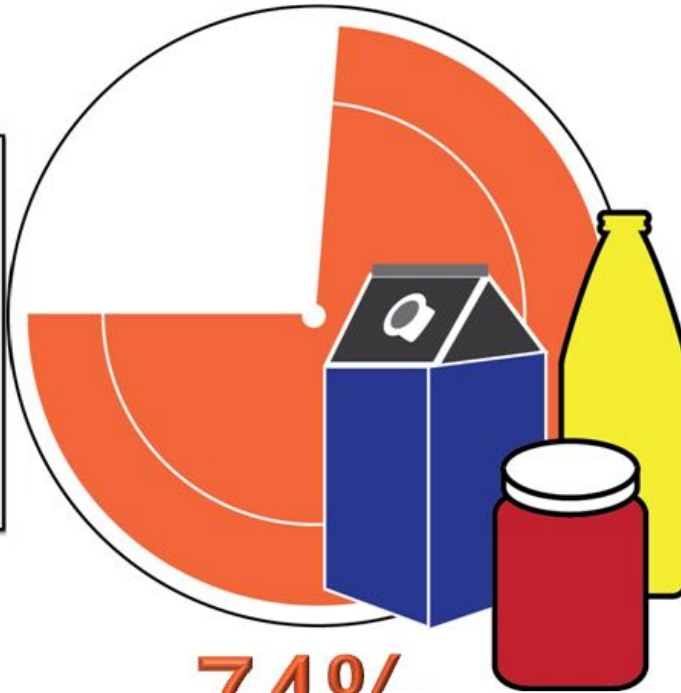


The State of the Green Supply Chain



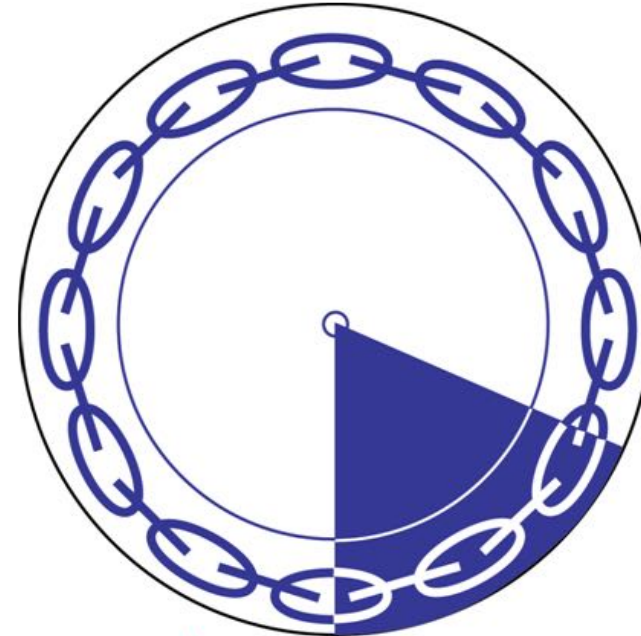
92%

publicly share their sustainability goals



74%

make sustainability brand promises



BUT ONLY

20%

apply sustainability goals to their entire value network



Supply Chain Insights™

www.supplychaininsights.com

Source: Supply Chain Insights LLC, Green Supply Chain Study (Jan-Feb 2013); Base: Manufacturers, Retailers, Wholesalers / Distributors / Co-operatives with sustainability goals (n=66)

Industries Struggle with Inventory

| Days of Inventory by Industry: Comparison Across Time Periods | | | | | |
|---|---------------|---------------|---------------|---------------|---|
| Industries | Years | | | | Difference (2014 - 2019 vs. 2004 - 2006) Periods |
| | (2004 - 2006) | (2007 - 2008) | (2009 - 2013) | (2014 - 2019) | |
| Beverage | 108 | 115 | 133 | 184 | 76 |
| Pharmaceuticals | 151 | 164 | 173 | 202 | 51 |
| Medical Device | 107 | 123 | 142 | 152 | 45 |
| Semiconductor | 60 | 69 | 79 | 92 | 32 |
| Beauty | 117 | 127 | 132 | 141 | 24 |
| Automotive Parts | 47 | 52 | 61 | 67 | 20 |
| Chemical | 63 | 62 | 67 | 81 | 18 |
| Household Products | 56 | 53 | 57 | 74 | 18 |
| Aerospace & Defense | 94 | 89 | 99 | 107 | 13 |
| Automotive | 45 | 51 | 53 | 55 | 10 |
| Food | 50 | 51 | 59 | 60 | 10 |
| Broadline Retail | 71 | 76 | 74 | 79 | 8 |
| Apparel Retail | 74 | 77 | 77 | 81 | 7 |

Unprecedented Demand Uncertainty



Demand was like an elevator.

Quickly, it either went to the top or bottom floor.

Manufacturers turned off their conventional planning solutions and turned to spreadsheets and descriptive analytics.

Unprecedented Supply Uncertainty

Supply lead time and logistics constraints increased in-transit inventories and decreased reliability.

TOP 5 ELEMENTS OF BUSINESS PAIN



Source: Supply Chain Insights LLC, Pandemic Research (Sept-Oct, 2020)

Base: All Respondents -- (N=118)

Q22: When it comes to doing your job during the pandemic, which of the following are your top 5 elements of business pain?

Definitions



Agility. An organization's ability to have the same cost, quality and customer service given levels of demand and supply variability.



Responsiveness. A short-cycle supply chain. A process that responds quickly.



Proactivity. An organization that senses market and operational shifts quickly and guides the organization for a better response.

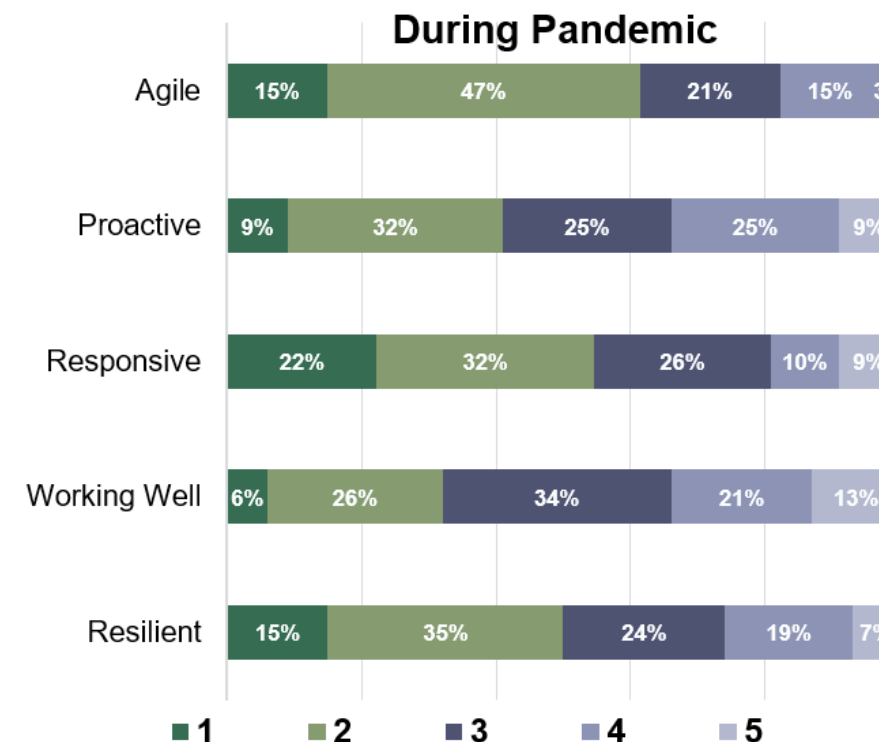
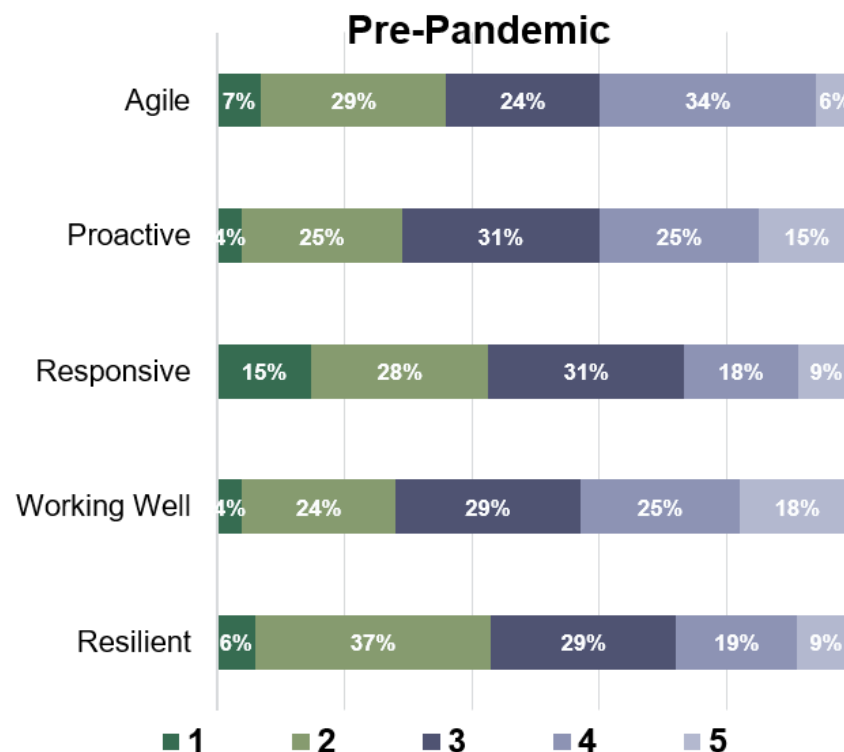


Resilient. The ability of an organization to produce consistent balance sheet results year-over-year.



Working Well. An organizational assessment of the group on the effectiveness of the supply chain.

The Response



Source: Supply Chain Insights LLC, Pandemic Study (Sept-Oct, 2020)

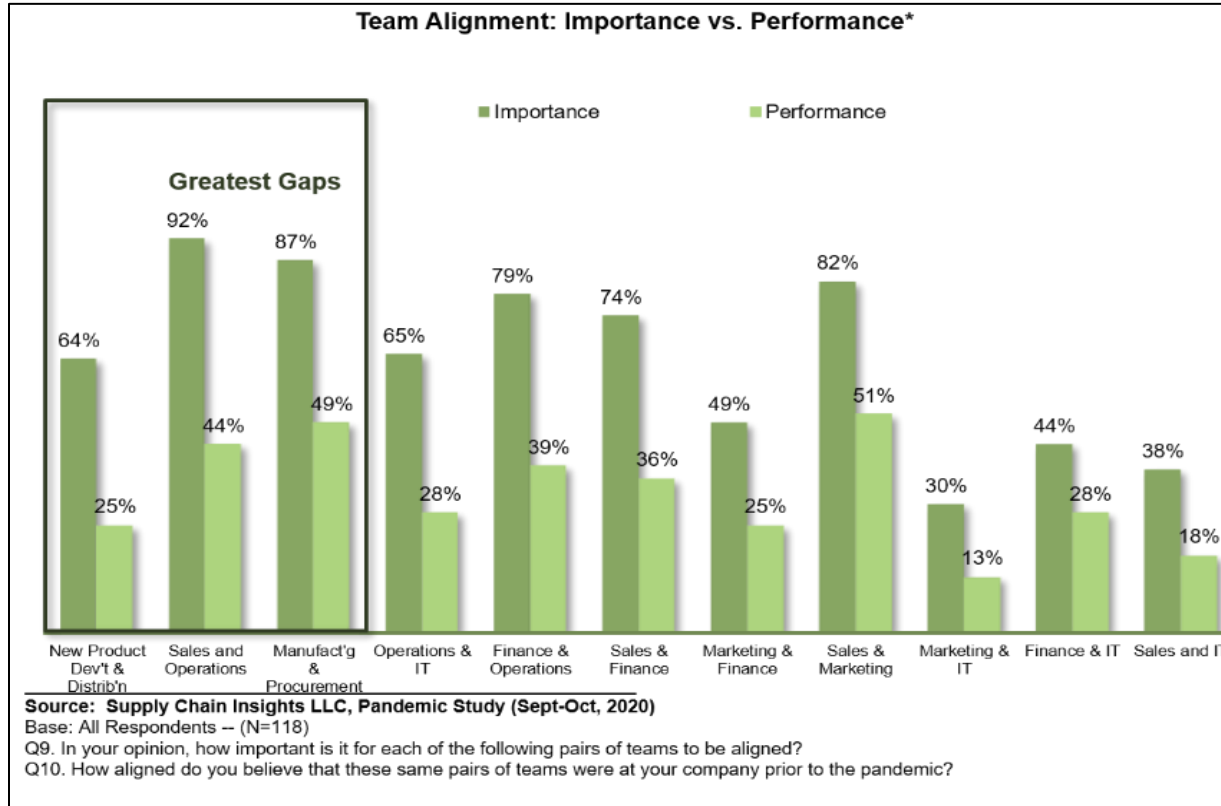
Base: All Respondents -- (N=118)

Q8: Which set of descriptors best describes your supply chain / your typical client's supply chain (for technologist/consultant) as you work through disruption??

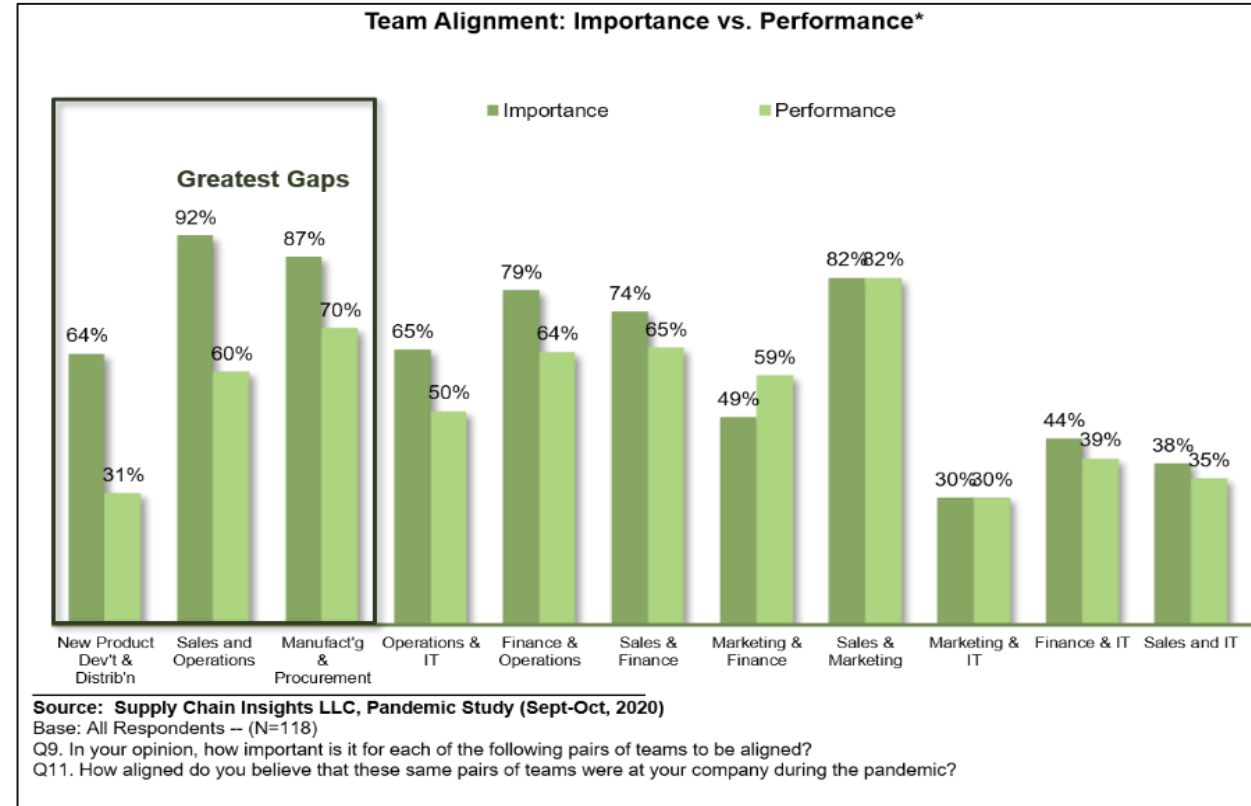
Key: 5 strong capability while 1 is a weak trait.

Organizational Alignment

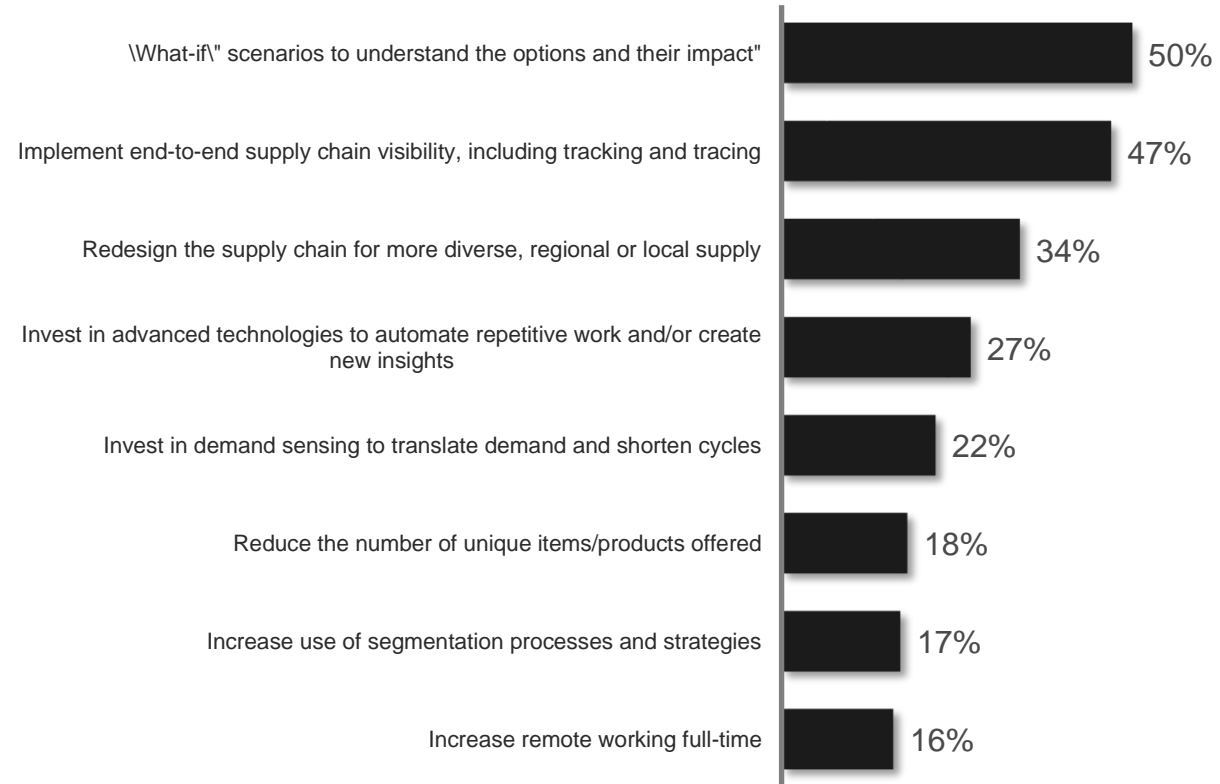
Pre-Pandemic Alignment



Alignment During the Pandemic



Next Steps



Source: Supply Chain Insights LLC, Pandemic Research (Sept-Oct, 2020)

Base: All Respondents -- (N=118)

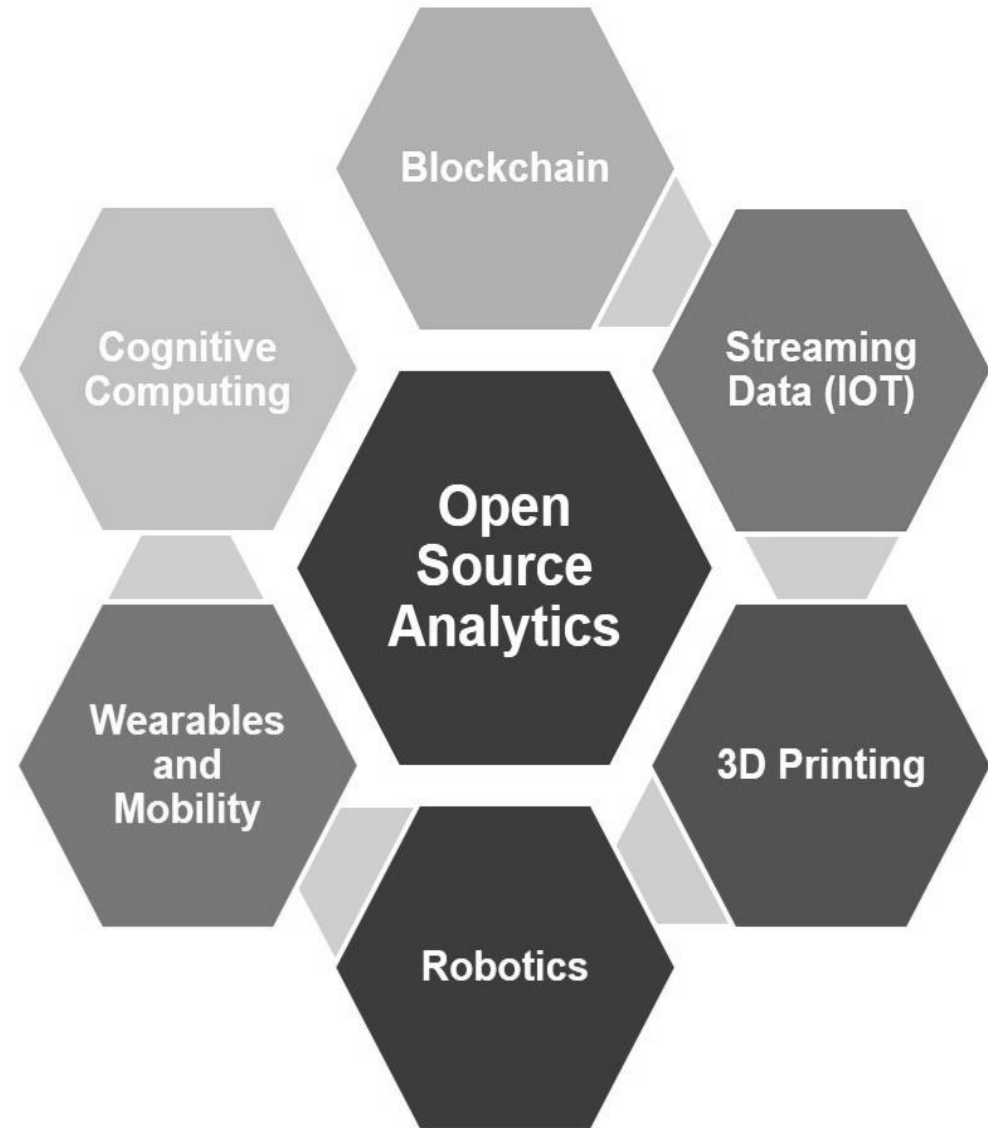
Q19: As you think about preparing for upcoming other future disruptions, what steps will you to prepare?

SECTION 3

Looking Forward

**Digital Supply Chain:
Transforming the Atoms and
Electrons of the Supply
Chain through the
Confluence of new
Capabilities/Technologies.**

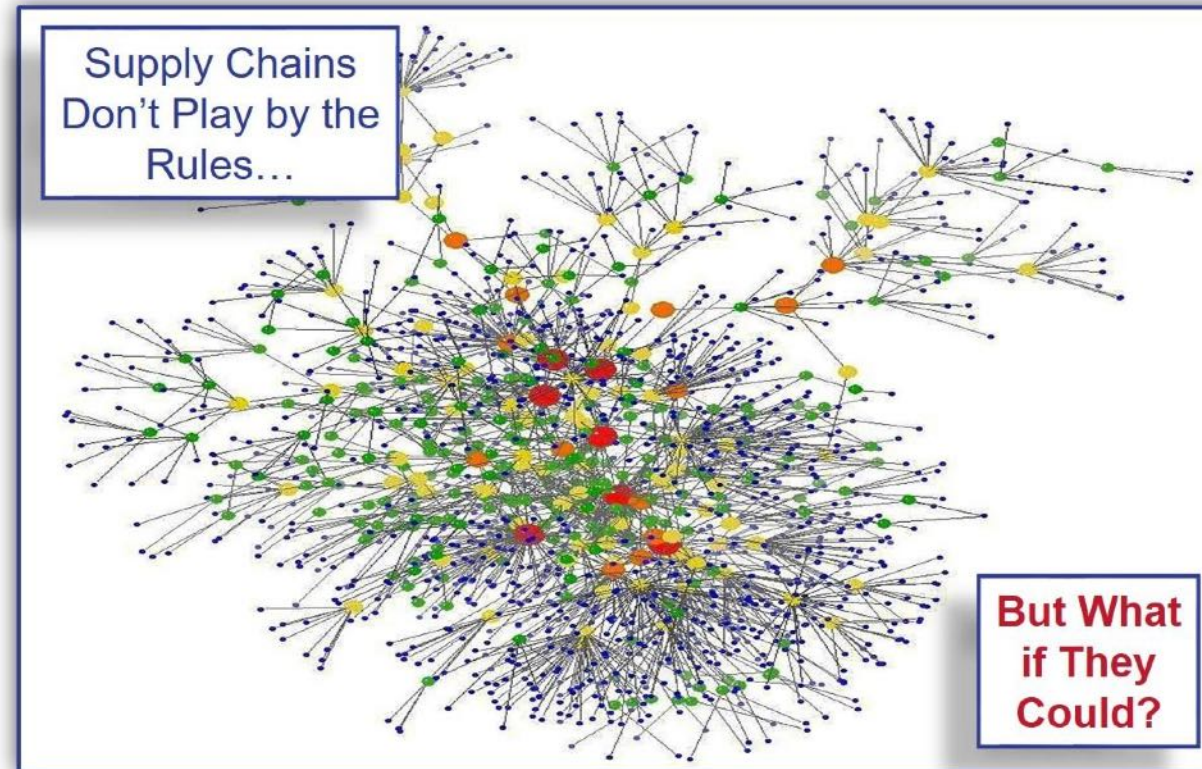
**Digitization: Making signals
and processes digital.**



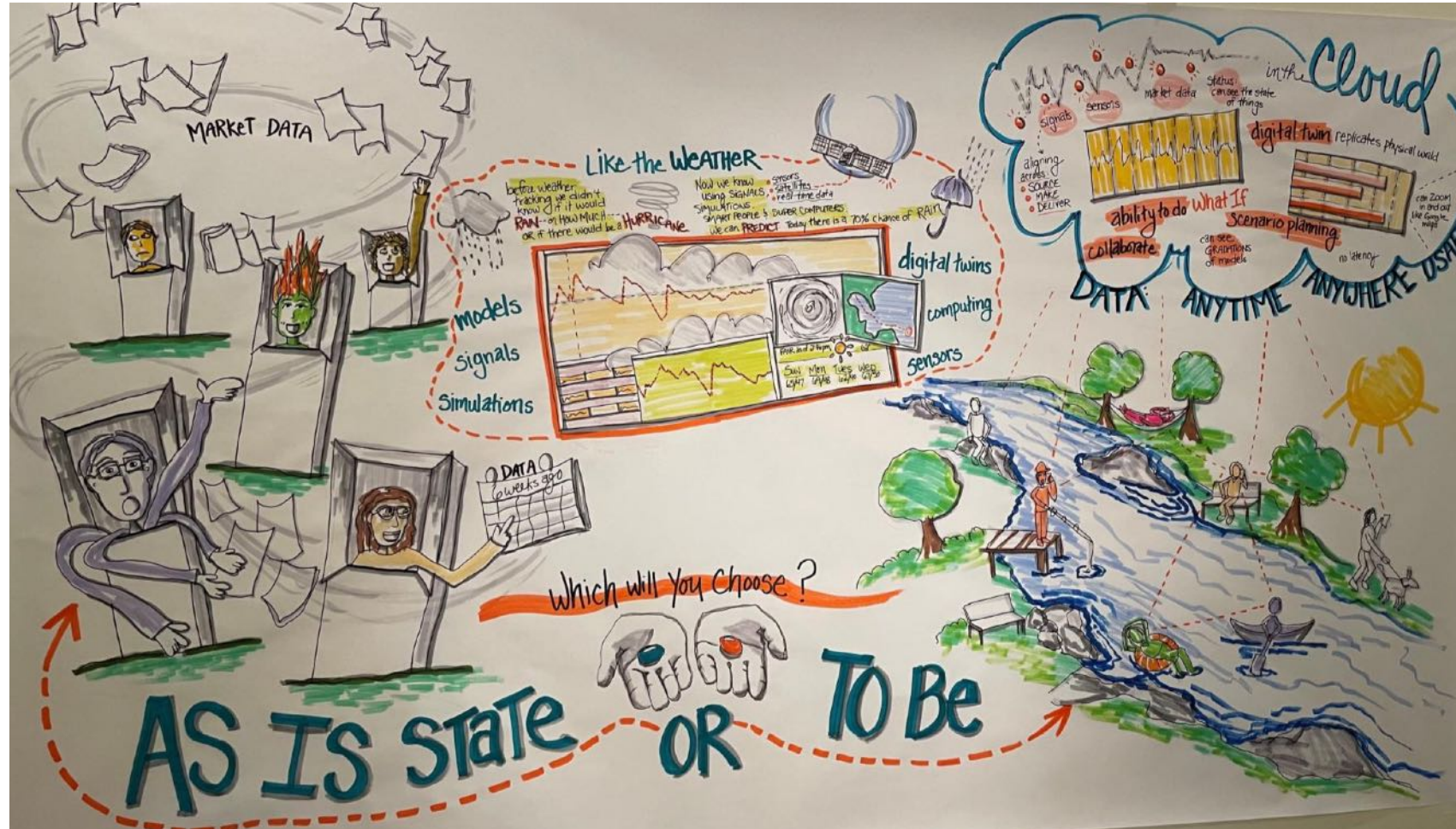
Demand Is a River



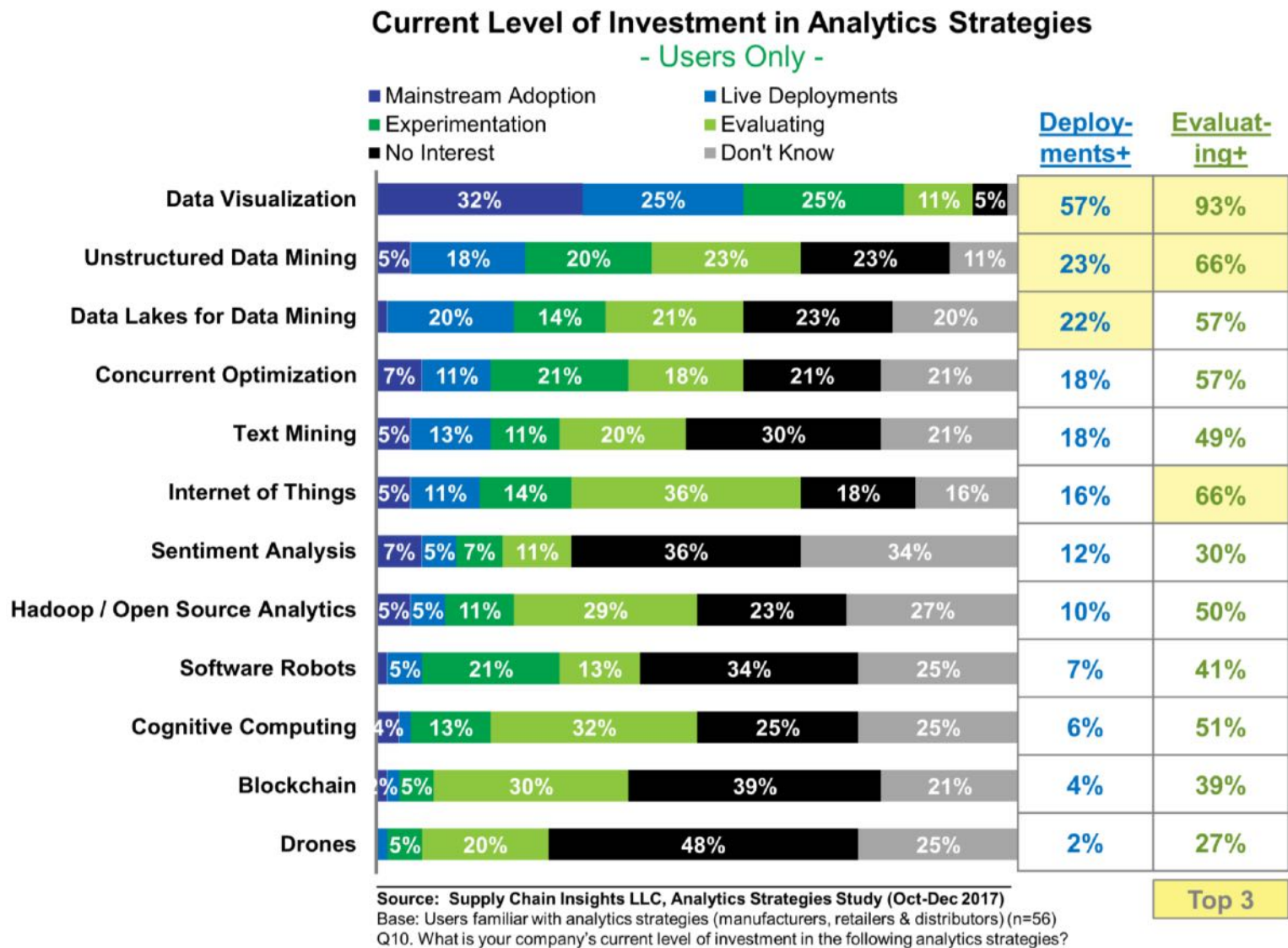
Evolution of Cognitive Computing



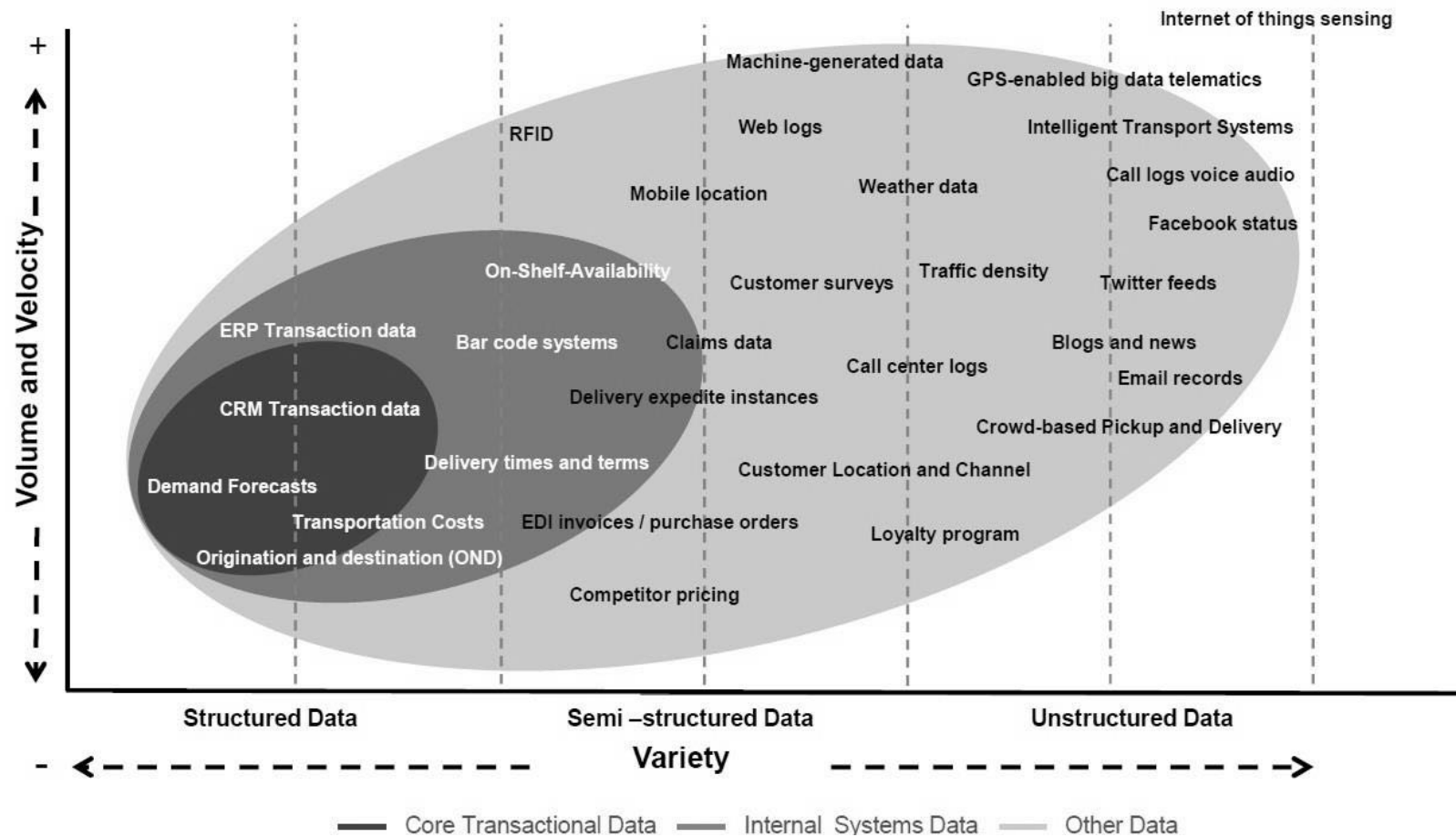
Looking Forward



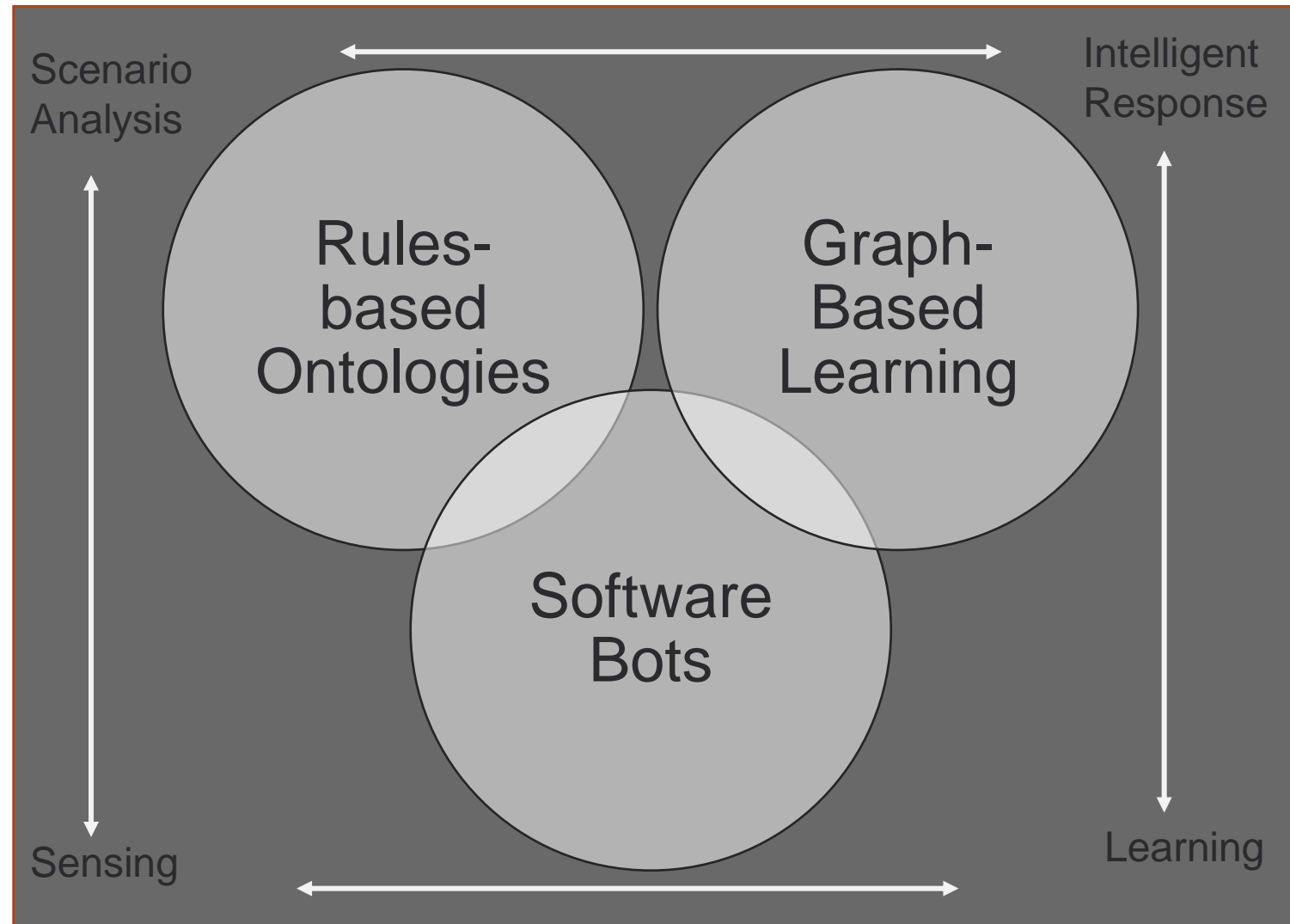
Analytics Adoption



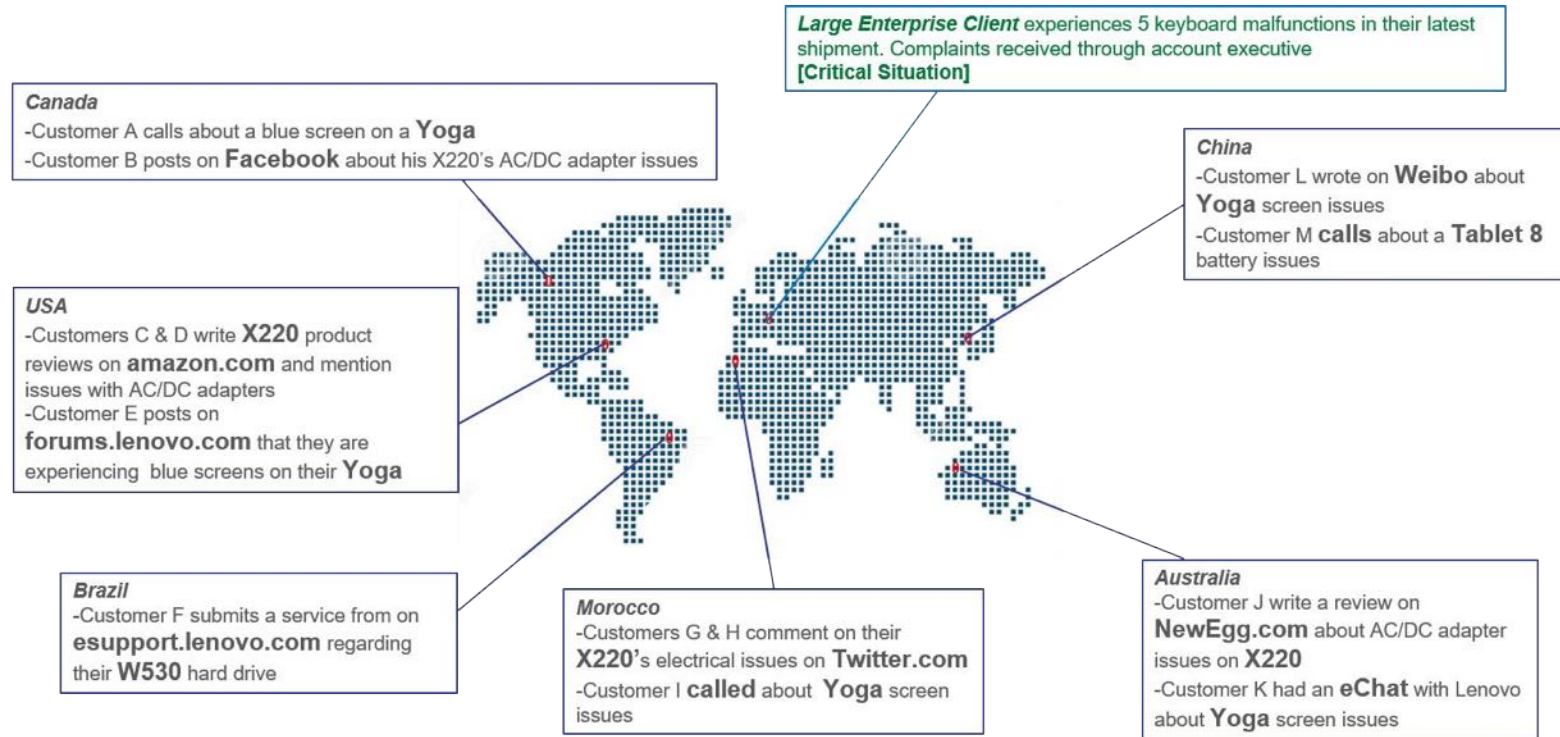
Data Types



Future



Formation of Listening Posts





Insights

- 01 No company was ready for the pandemic. An opportunity for all.
- 02 Focus outside-in and translate market data to improve sensing.

Build with the Goal in Mind.
- 03 Imagine the Supply Chain of the Future from the Customer Back.



Thank You...

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Founded in February 2012 by Lora Cecere, Supply Chain Insights LLC is in its eighth year of operation. The Company's mission is to deliver independent, actionable, and objective advice for supply chain leaders. Our goal is to help leaders understand supply chain trends, evolving technologies, and which metrics matter.