



# THE MOVER BECOMES THE SHAKER

## AUDIO TRANSCRIPT

### How to get scalable returns from your digital investments

A large number of companies are trying to leverage digital to create new business models, improve efficiencies and get more out of their supply chains.

While many companies are investing in digital capabilities, only 13 percent have been able to get top-line and bottom-line benefits from their investments.

In a recent study, we surveyed 1,350 executives across a range of companies, with a sales turnover exceeding US\$1 billion, to examine if they are leveraging the power of the supply chain as a driver of growth. We categorized companies that had successfully scaled more than 50 percent of their digital investments and had higher levels of return on invested capital and digital investment than the industry average as Leaders (22%). Companies whose return on digital investment was less than the industry average on scaling more or less than half of the digital proofs of concepts were categorized as Laggards (78%).

#### GREAT ROI EXPECTATIONS

Leaders are not only meeting their expected return on investment when scaling digital innovations; they are also exceeding it. Roughly 80 percent of the Leaders have invested in big data and analytics, versus 68 percent of the Laggards.

Leaders: 21.6% (Expected), 25% (Achieved)

Leaders not only made significantly more returns (more than 17 percent) but also exceeded their expectations. On the other hand, Laggards

earned less returns and didn't meet their expectations.

Laggards: 8.1% (Expected), 7.2% (Achieved)

#### WHAT DIFFERENTIATES LEADERS FROM THE PACK?

1. PLATFORMS - Intelligent automation platforms leveraging analytics and advanced computing
2. HYBRID TALENT - Creative and entrepreneurial talent who understand digital technologies, industry and functional priorities
3. SMART PARTNERSHIP ECOSYSTEM - The ecosystem brings complementary skill sets and new technologies to drive Innovation
4. CUSTOMER CENTRICITY - Focus on segmenting and addressing customers as segment of one rather than a "one-size-fits-all approach"

The key ingredients that enable an organization to scale and generate higher returns from their digital implementation in Supply Chain and Operations are:

1. PLATFORMS, NOT POINT SOLUTIONS  
Companies need to move from point interventions to integrated platforms to take their digital journey forward. Platforms enable tight collaboration and ownership for achieving outcomes by providing a single point of visibility, leveraging artificial intelligence (AI) and advanced analytics.

Accenture is working with a leading oil and gas company to develop an Intelligent Procurement & Supply Chain platform, leveraging analytics and AI. The platform will help the client realize US\$1 billion in savings.



## 2. SMART PARTNERSHIP ECOSYSTEM

Encourage supply chain and operations executives to collaborate with non-traditional players. Developing and building a true innovation ecosystem will help them deliver out-of-the-box results. According to a recent Accenture Strategy study, 81 percent of C-level executives surveyed agree that ecosystems allow their organization to grow in ways otherwise not possible. Leaders are all about partnering in an ecosystem, with almost 78 percent showing an inclination toward becoming ecosystem orchestrators, versus only 64 percent of Laggards. Leaders are also more likely to embrace open and co-innovation.

An example would be when, say, a company and its preferred parts supplier invest in blockchain or share the same vision for an AI-enhanced supply chain.

So how can companies enhance and embrace ecosystem partners?

Consider the case for collaboration: A blockchain solution tested by a diverse group of partners, including AB InBev, Accenture, APL, Kuehne + Nagel and a European customs organization eliminated the need for printed shipping documents. The solution led to substantial annual savings for the freight and logistics industry.

Information is no longer exchanged physically or digitally. Instead, the data is shared and distributed using blockchain. This accelerates the entire flow of transport documents, simplifies data amendments across the shipping process, streamlines the checks required for cargo, and reduces the burden and risk of penalties for customs compliance levied on customers.

## 3. HYBRID TALENT

Leaders continuously invest in reskilling the workforce with digital skills and building digital capabilities through a structured process. They realize mastering the human/machine balance not only enhances productivity; it frees their human workforce from mundane, repetitive jobs. Providing employees with skills to work with customer-centric digital platforms will enable them to interpret data for better decision-making.

We partnered with one of the largest steel manufacturers in India to create an Analytics Centre of Excellence. The 30+ analytics projects, aimed at building digital and analytics acumen within the organization, was rolled out to deliver more than US\$50 million in savings across the mine-to-metal value stream.

## 4. CUSTOMER CENTRICITY

It is the key to meeting customer expectations and enabling growth. Supply chain and operations leaders need to reinvent their operating models to be able to service the “segment of 1” from the one-size-fits-all operating model. Each C-Suite member needs something different from the insights that are generated across the supply chain and operations to enable them to become more client-centric.

Leaders like Amazon leverage digital technologies that keep their digital supply chains agile enough to deliver hyper-personalized experiences. The company’s Greengrass software runs on a central platform that connects seamlessly to mobile devices. It acts locally on the data it generates—while still using the cloud for management, analytics and durable storage.

Connected devices can execute predictions based on machine learning models, allowing for the intelligent hyper-personalization that gives customers the best options for them in the moment.

## THE CORE OF THE MATTER

Without an overall digital roadmap, taking the path of developing proofs of concepts and pilots in digital supply chain and operations might create instant incremental success but it is difficult to scale up. It’s like launching a speedboat from a ship. While the speedboat takes off, the ship doesn’t move. Unless digital initiatives are tied to the core of the business, organizations cannot deliver superior results. It involves having a comprehensive strategy, including elements of platforms, ecosystem innovation and customer-centricity, and building a digital powerhouse of talent within the organization.



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