SHARPEN UP THE SUPPLY CHAIN

Refocus your growth strategy with a customer-centered supply chain powered by SAP solutions
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Business today is about the survival of the smartest and fastest.

Digital technology is disrupting everything, everywhere. Changing customer demands, new digital business models, competition from new and unexpected sources, and a heightened focus on sustainability and ethics – it’s all coming together to create new challenges and new ways to generate value and grow the business.

In this era of constant change, customers are becoming the undisputed center of attention. Business growth is now about outsmarting the competition through speed and hyper-relevance, enhancing both customer experience and customer loyalty. It’s about developing the intelligence and agility to continuously adapt the whole value chain to what customers expect today – and what they’ll want tomorrow.
79% of supply chain executives believe customer expectations demand a flexible network\(^1\)

Supply chain leaders are central to this endeavor. Today, optimizing the supply chain is about much more than operational efficiencies. Indeed, the supply chain can be a key driver of new business value and growth – providing it is entirely focused on hyper-relevance and customer value.

That’s a tough proposition for businesses encumbered by fragmented legacy technologies and outdated one-size-fits-all supply chain models. With many processes still siloed and under-optimized, as well as over-reliant on manual activities and proprietary assets, today’s supply chains are not keeping up with the pace of change. Significant opportunities for improvement, optimization, and innovation are being missed.
The transition to SAP S/4HANA® presents the ideal opportunity to put this right, by transforming the supply chain and reorienting the whole business around the customer. SAP has been digitally transforming its solutions and technologies to enable companies to run their organizations in real time, improving business outcomes through collaboration, streamlined efficiency, and instant analysis.

Consider the new models that are emerging to capture customer experience data (“X” data) through Qualtrics® solutions (a company acquired by SAP) and inject it back into the value chain, improving product development cycles and enabling more late-stage customization capabilities in the supply chain.

The power of SAP solutions is essential, especially as SAP accelerates its partnerships with major cloud hyperscalers such as Microsoft Azure, AWS, Google Cloud Platform and Alibaba. With the help of SAP software on cloud as the foundation, supply chains can evolve to become far more agile, innovative, and adaptable: breaking down organizational boundaries to make the whole business more customer-centric.
Smarten up with the customer-centered supply chain of the future, run on SAP

Using the transition to SAP S/4HANA as a lever, enterprises have the opportunity to transform linear supply chain models into intelligent and dynamic networks. These networks can connect complementary partner organizations, systems and data, helping the business transcend preexisting functional siloes.
The result:

Differentiated customer experiences, accelerated time to market, new sources of business growth, and greater agility to meet changing customer demands.

Six ways a customer-centered supply chain can help to elevate the modern enterprise:

1. **Growth through customer-centricity.** Open up new channels for growth and enter new markets with products and services that engage customers in a more targeted way.

2. **Accelerated product innovation.** Leverage the Internet of Things and other digital technologies to create smart connected products, services and experiences that evolve with customer needs.

3. **Improved enterprise speed and agility.** Use flexible manufacturing and fulfillment operations to respond faster to a multiplicity of changing customer desires and expectations.

4. **Optimized organization.** Adjust the supply chain in real time to bring down costs and raise the bar for customer experience.

5. **Innovation through collaboration.** Bring people and systems together to innovate and iterate new ideas across the enterprise and out into the partner network.

6. **Sustainable operations.** Build trust with customers by sourcing and delivering in more ethical and sustainable ways.
Building blocks of the hyper-relevant enterprise with SAP at the core

Every journey to greater customer-centricity will be unique. No two organizations will have identical goals or operate in precisely the same business context. However, there are a series of building blocks which can be used in conjunction with an SAP S/4HANA foundation to accelerate any supply chain transformation:
**Innovate.**
Use data as an insight-generation engine for new products and services designed around the customer.

**Connect.**
Engage with external partners and collaborative platforms connecting assets, people, processes and things. Enable flexible asset-light manufacturing and real-time visibility into performance, operations, assets and services information across the ecosystem.

**Optimize.**
Leverage analytics and “what if” scenario modeling to enhance operations and add value for the customer. Develop an “experiment on the go” approach to drive innovation in each segment’s supply chain.

**Configure.**
Build the capability to dynamically micro-segment customers, supporting multiple flexible and sustainable supply chains that leverage external partners to share ownership of physical assets.

**Operate.**
Engender a “supply chain as-a-Service” mentality (plan, source, make, deliver) to refocus the business on growth through a dynamic, intelligent operating model and data-led adaptable workforce.
As the digital core of the intelligent and hyper-relevant enterprise, SAP S/4HANA can be the critical enabler of these customer-centered building blocks. Imagine being able to configure the whole supply chain to deliver unique capabilities for different customer segments. Or being able to react instantly to market change by quickly and easily plugging new technologies into the core system. By investing in a digital core, such as that offered by SAP, the enterprise can acquire the ability to accelerate innovation, drive up personalization, shift from a process-driven to “event-driven” supply chain, and create exceptional experiences that retain the best customers and internal talent.

SAP S/4HANA is at the core of the hyper-relevant enterprise:


SAP HANA® in-memory computing, optimized for transactional efficiency, supports a streamlined ERP (Enterprise Resource Planning) architecture. Flattened data structures enable rapid data and transactional access.

SAP Fiori® applications transform user experiences for customers and employees, bringing real-time analytics and data access using mobile applications (supported by SAP HANA in-memory technology).

SAP S/4HANA enables end-to-end segmentation of the supply chain, giving the business the flexibility to configure unique capabilities for different segments – all the way from planning, through execution, to customer management.

SAP Predictive Analytics help organizations make the right decisions faster, mitigating and preventing supply chain risks with predictions supported by machine learning.
Chart a path to true customer-centricity

Transform your supply chain to deliver true customer centricity
Creating a genuinely customer-centered supply chain means embarking on a journey of transformation. There are four key stages:

**First, you need to be sure you’re headed in the right direction.** That means setting a **North Star vision** to guide the transformation, articulating the customer experience you aim to provide, and defining the strategy, value case, and roadmap that will help get you there.

**Then, you need to radically rethink operations** across the value chain. That means taking a sledgehammer to any functional or organizational walls and siloes that are holding you back. It means organizing around the needs of the end-customer and driving toward the efficiency and agility needed for rapid customer delivery.

**A digital workforce** is another critical element. By blending the best of the human workforce with smart new technologies, you can help drive up the use of hyper-efficient automation while empowering employees to work more strategically and innovatively. Creating an outcome-focused culture is key.

**Finally, partnerships and collaboration** are the foundation on which customer-centered supply chain networks are created. Smart enterprises work with their partner ecosystems to reduce risk, increase speed, and innovate more effectively, delivering enhanced, dynamic, micro-segmented experiences for each individual customer.
The path to customer-centricity

Set Your North Star
Articulate the customer experience you will provide
Define your strategy
Create the value case and roadmap

Obliterate Walls
Uncover efficiency and agility for rapid customer delivery
Break down functional and organizational silos
Organize around customer outcomes

Grow a Digital Workforce
Adopt automation to complement your workforce
Empower humans for strategy and innovation
Shift culture to outcome-focused and optimized for customers

Rev Your Digital Engine
Enable with an intelligent platform | Provide accessible, rich data for customer insights | Harness AI, automation, Blockchain and IoT to drive responsive operations

Embrace Collaboration
Collaborate across functions to get it right for the customer
Orchestrate and co-innovate across the ecosystem
Use asset-light, 3rd party networks sharing physical assets
Rev your company’s digital engine

A modern operating architecture is essential for supporting the customer-centered supply chain and unlocking new growth. But it takes more than simply transitioning to a new ERP platform. Rather, it needs a complete customer-centric transformation of the whole supply chain.
And that hinges on pivoting your strategy: keeping one eye focused on core functional excellence and mastering the basics, while allowing the other to look toward the new capabilities and growth bets that will create future customer value propositions.

With the flexibility provided by SAP solutions at the digital core, enterprises can create the foundational organization-wide platforms they need to simplify and standardize operations while managing complexity and fueling innovation. Using harmonized data repositories within a single architecture can help supply chain managers plug into the core enterprise digital engine and exploit next-generation capabilities like end-to-end visibility, advanced collaboration, and cognitive data analytics at the speed the market demands.

86% of supply chain leaders believe digital platforms will be used to share assets and create an ecosystem

44% of supply chain leaders have incompatible legacy systems that hinder investment in emerging technologies
A flexible technology architecture is essential for unlocking growth
Orchestrating customer-centricity with Accenture myConcerto

Successful transformations to the customer-centered supply chain follow a clear path with meticulously planned objectives. And that’s where myConcerto comes in. By establishing a phased approach for harnessing the power of SAP S/4HANA as the platform for the customer-centered supply chain, myConcerto can potentially guide organizations from initial roadmap and business case, through prototyping new solutions, to scaling them across the enterprise.

myConcerto’s built-in accelerators help to expedite key roadmap outcomes for every business—configure, connect, operate, optimize—while being grounded in the organization’s unique opportunities, challenges and operating context. From initial discovery through to ongoing continuous improvement, myConcerto helps at every stage of the transformation journey.

Planned objectives for a successful transformation to the customer-centered supply chain

- **DISCOVER** with insight
- **DESCRIBE** with impact
- **CO-CREATE** with agility
- **SCALE** with excellence
- **SUSTAIN** with improvement
Here’s how Accenture has helped leaders transform their supply chains with SAP solutions...
Leading telco
Following a major acquisition, this leading global communications service provider needed to rethink its ERP ecosystem to harmonize platforms and end-to-end processes and rotate its supply chain for a new strategic direction. Working with Accenture, the company is rolling out an integrated solution (including SAP S/4HANA) covering order entry, order execution, supply chain, and billing. The implementation aims to create a streamlined supply chain model: one that is more cost effective, easier to maintain and modify, and will support more agile, insight-driven and customer-centric operations.

Global chemicals company
Looking to modernize and integrate its disparate enterprise systems, this global chemicals company engaged Accenture as part of its SAP S/4HANA planning. Together, the two organizations created a global business template to help guide the transformation program, covering finance, procurement, and supply chain. The result was a clear roadmap from the company’s current systems to a new globally integrated instance of SAP S/4HANA, supporting data-driven management, lean and integrated operations, and a strong foundation for a digital future.

International chocolate brand
As part of an overall SAP S/4HANA transformation, Accenture helped this multinational owner of numerous leading chocolate and candy brands bring greater flexibility to its operations. With the company’s strategy focused on customization at scale to compete with disruptive market entrants, it realized its existing supply chain was ill-equipped to support its future growth needs. Accenture assisted in ensuring this brand leader could combine scale and automation with greater flexibility to enable late-stage customization, positioning the company to deliver a step-change in customer-centered food manufacturing.

Global paper products manufacturer
This global leader in paper products wanted to enhance its real-time replenishment capabilities. The goal was to update its inflexible material requirements planning and enable a more agile and responsive supply chain using demand-driven MRP processes. As part of the company’s wider SAP S/4HANA transformation, Accenture plans to leverage its proprietary demand-driven MRP (DDMRP) value simulation tool to confirm the benefits on offer by product value stream, helping to reduce overall throughput lead-times from 50 to 21 days.
Winning customer experiences – delivered with efficiency
SAP solutions and technologies can provide the foundation on which the customer-centered supply chain is built. With the transition to SAP S/4HANA providing the ideal opportunity for a radical reimagination of the end-to-end value chain, now is the time for enterprises to be reconfiguring their supply chains around the real-time needs of their customers.

The potential rewards are huge. With flexible supply chain solutions, cost-effective on-time delivery, and new value-added services, the customer-centered supply chain provides a license for accelerated growth and enhanced customer trust. The impact? A $10 billion company can potentially boost sales up to $100 million, while providing the opportunity to transform forecasting accuracy and make significant efficiencies throughout the value chain (see figure 1).

With SAP solutions operating at the core, enterprises can help pivot their supply chains wisely and plot out a roadmap to the simplified, flexible architectures that will support winning customer experiences – the source of future business growth and competitive advantage.
Accenture client experience finds that a $10B company can generate significant benefits from a more customer-centric supply chain.

**FUEL FOR GROWTH**
Unlock value. Fast.
- Sales increase: $50M–$100M
- Lost sales reduction: 96–98%
- Forecast accuracy: 62% improvement
- Obsolete inventory reduction: $30M–$45M
- Labor cost reduction: 20%–40%
- Distribution cost reductions: $25M–$50M

**LICENSE TO GROW**
To reinvest in the customer
- Faster, convenient, one-stop shop with flexible supply chain solutions
- Cost-effective, on-time delivery
- Value-added services provided by highly collaborative partners

**TRUSTED COMPANY**
With a focus on
- Ethics and sustainability to build customer trust

Figure 1
A customer-centered supply chain delivers winning customer experiences. Efficiently.
ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With 505,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

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