

Putting customer needs first in the supply chain

Findings from the 2020 Global Buyer Values Study for Chemicals





About this report

The Accenture 2020 Global Buyer Values Study for Chemicals assessed and compared the perspectives of chemical companies (sellers), their customers (buyers, including converters and manufacturers), retailers and end consumers. The study identified areas where seller and buyer perspectives are aligned and where they differ, and where sellers have an opportunity to do a better job of meeting buyers' needs. This is the seventh in a series of reports that explore the study's findings, along with potential actions that chemical companies can take to drive growth and competitiveness through customer centricity.

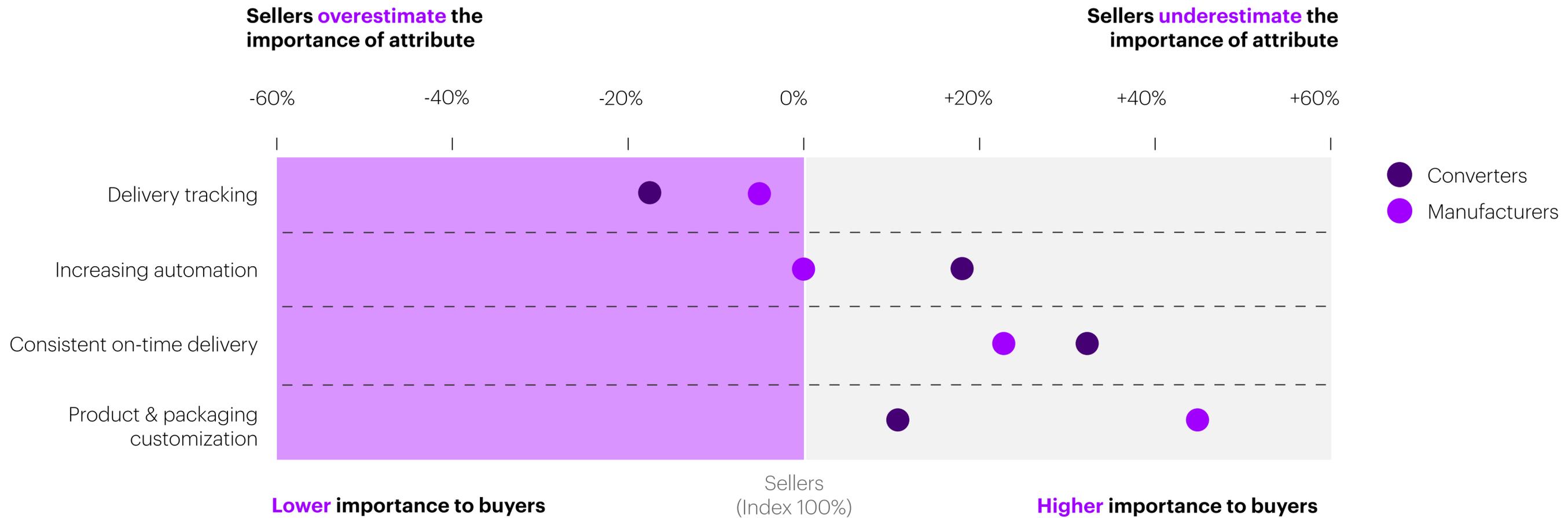
Building customer centricity is a multifaceted effort that requires chemical companies to work across multiple customer touchpoints.

As they do so, however, they need to pay especially close attention to the supply chain—the backbone of customer centricity that enables them to deliver the products and services customers want, when and where they want them. And according to Accenture’s Global Buyer Values Study for Chemicals, the industry has a real opportunity—and a need—to improve on this front.

In terms of the supply chain (Figure 1), the study revealed that sellers significantly underestimate the importance that consistent, on-time delivery has for buyers—both converters (who transform chemical products for manufacturing segments and end-use markets) and manufacturers (who produce finished products for industrial sectors and consumers). Indeed, this is by far the largest gap in seller-buyer perceptions related

to supply chain management. On the other hand, buyers are not as interested as sellers think in having the ability to track deliveries. Together, these findings suggest that buyers want sellers to get the basics of reliable delivery right in the first place, rather than mitigate problems after the fact.

Figure 1: Perception gaps between sellers and buyers for supply chain attributes



Source: Accenture 2020 Global Buyer Values Study

At the same time, sellers have an opportunity to bring more flexibility and sophistication to their supply chains.

For example, converters have a relatively high level of interest in sellers increasing the use of automation in the supply chain. In addition, many buyers value product and packaging customization. This is especially true of manufacturers in the transportation, industrial machinery, and electrical and battery industries, which typically have very complex production systems.

Customization can help them seamlessly integrate delivered products into those systems to minimize handling time and effort.

Overall, buyers' relatively high levels of interest in reliable delivery and product and packaging customization suggests that those needs are not yet met, but getting them right could have significant competitive benefits—supporting the argument that supply chain management should be a top priority for senior leadership.

Buyers want sellers to get the basics of reliable delivery right the first time to avoid problem mitigation

Moving from insight to action

Altogether, the insights from this research point to a number of steps that chemical companies should consider in order to build more customer-centric supply chains.

Take a broad view of reliability. Reliability is not a matter of fast delivery—it means delivering OTIF (on time in full), having accurate available-to-promise capabilities, and managing and sourcing transportation more effectively. In addition, the COVID-19 pandemic has highlighted the need for companies to build resilience into their

supply chains so they can recover quickly from sudden and significant disruptions. To increase reliability and consistency in the supply chain, chemical companies can use tools such as predictive and automated supply chain planning and freight scheduling. They can also consider establishing supply chain control towers—platforms that integrate data from across the supply chain to enable centralized monitoring and coordination of orders, products and shipping.

Build logistics partnerships. The chemical industry has often struggled to meet customer requirements related to delivery. That means that companies are likely to benefit from working with third- and fourth-party logistics (3PL/4PL) providers for enhanced transportation management. With this type of partnership in place, chemical companies can gain access to the expertise and capabilities needed to manage today's complicated logistics, and in turn improve their ability to meet customer expectations.

Apply digital technology to improve

operations. Automation and robotics can be used in packaging and dispatch processes to help increase flexibility and efficiently provide product and packaging customization. More broadly, these and other digital technologies—including artificial intelligence and advanced analytics—can help improve supply chain reliability, responsiveness and transparency. Ultimately this can help chemical companies move closer to creating supply chains that are increasingly “self-driving and self-correcting.”

The opportunity here is especially large: In 2017, the [World Economic Forum](#) in collaboration with Accenture reported that digital supply chain initiatives had the potential to bring up to US\$70 billion of value to the chemistry and advanced materials industry—a figure that has probably increased by now given the pace of innovation and rapid evolution of new technologies.

Digital technologies can help improve supply chain reliability, responsiveness and transparency

As chemical companies improve their supply chains, they need to ensure that their focus remains squarely on the customer and the factors that customers truly value, starting with the fundamentals of reliable, consistent delivery. The customer-centric supply chain is increasingly vital to meeting the needs of buyers—and ultimately, to driving differentiation, growth and profitability.

This report covers only a portion of the extensive findings in Accenture's 2020 Global Buyer Values Study for Chemicals, which can be used to provide an in-depth understanding of a range of factors affecting customer centricity—for specific companies, as well as the industry as a whole. The next report in this series looks at the role of digital technology in helping chemical companies enhance customer centricity.

References

All data points included in this report are from the Accenture 2020 Global Buyer Values Study.

About the research

The Accenture Global Buyer Values Study was conducted in March-April 2020. The methodology involved a preference analytics tool developed by [TrueChoice Solutions](#) and a standard survey. With a total of 2205 participants, respondents included: 345 materials suppliers (approximately 100 of which were chemical companies); 760 industrial buyers (converters and manufacturers across 15 sectors); 100 retailers; and 1,000 consumers. The following three regions and 12 countries were represented in the study: Americas (Brazil, Canada and the United States); Asia Pacific (China, India, Japan and South Korea); and Europe (France, Germany, Netherlands, Spain and the United Kingdom).

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