DIGITAL PLATFORM

SPRINGBOARD FOR GROWTH

Connect your data, people and processes to enhance the customer experience.

accenture

REINVENTING SUPPLY CHAINS WITH DIGITAL PLATFORMS

Pockets of digital progress must give way to digital transformation.

Approximately three in every five Chief Supply Chain Officers (CSCOs) are not only investing in digital solutions, but already scaling them.[1] And surprisingly, they're doing so rapidly enough to surpass the sales and marketing functions.[2]

It's precisely here that our experience with large companies around the globe shows a gap the C-suite needs to bridge. Many are scaling digital in pockets. Leading CSCOs have been particularly good at this, but without more collaboration and planning across their companies and with ecosystem partners, their success will be limited.
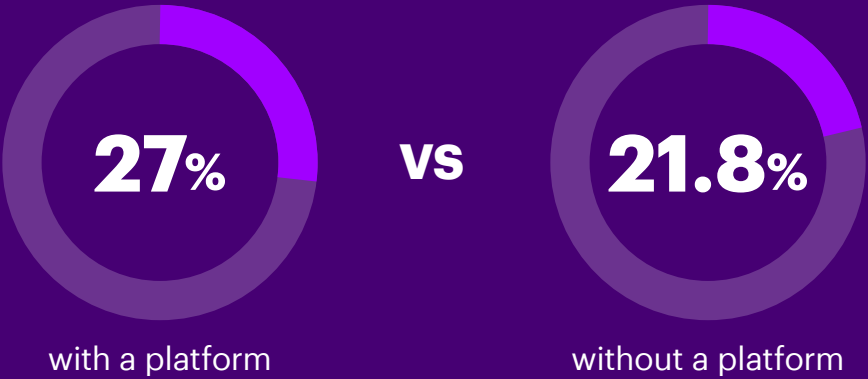
Generating actionable, real-time insights on customers and their operations is fast becoming a necessity.

And those are the very insights that fuel the customer centricity and growth expected by Chief Executive Officers (CEOs). CSCOs need to move beyond scaling pockets of digital progress, teaming with their peers across the organization in a coordinated effort. It takes no less to become the kind of data-driven company that fuels growth.

The numbers say it even more succinctly. Within supply chain and operations leaders, those who deploy digital services platforms, analyzing 360-degree data in real time, enjoy a 27% return on digital investment, compared to 21.8% for those who don't.[3]

The executives that have digital platforms are bullish on the future, telling us they expect to secure a 37% return in the near future, versus 28% for the executives who don't deploy such a platform.[4] Such a platform is fast becoming simply the cost of entry—a requirement to compete effectively in the market.

The difference a platform makes in return on digital investment:

27% vs **21.8%**

with a platform   without a platform

Executives that have digital platforms are bullish on the future:

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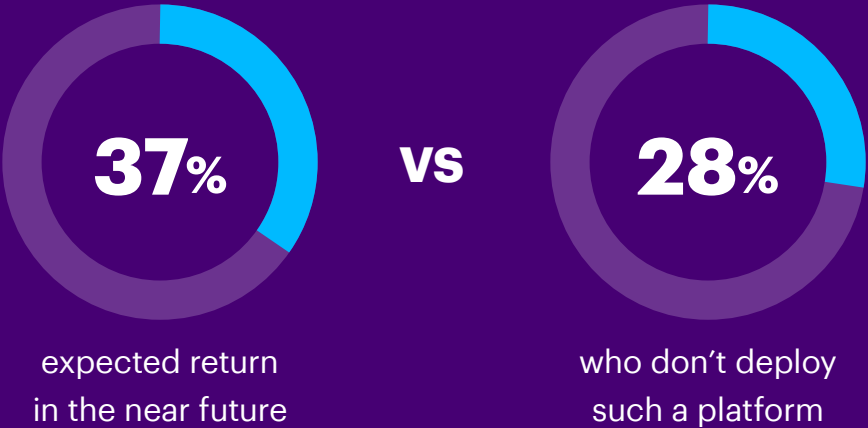
Data is at the core of enabling a digital enterprise.

The right data infrastructure is central to any digital platform. But, data infrastructure cannot be built successfully through disparate initiatives, which only generate pockets of progress. Instead, organizations should use a digital platform to combine data from multiple sources (internal and external), generating new insights that enable a composite understanding of customers and their operations.

In less technical terms, an overall data strategy and integrated digital platform ensure all areas of an organization are singing from the same songbook. They lay the groundwork for collaboration, inside and outside the company— the kind of collaboration that fuels growth and operational efficiency.

CSCOs must help drive the development of data strategy and platforms to ensure their needs are met in a way that helps them best serve customers. But they'll need to partner with their Chief Technology Officer (CTO) or Chief Digital Officer (CDO) to get to a truly comprehensive and integrated solution that meets the needs of the entire enterprise.

Beyond partnering internally, partnering via external ecosystems has become a competitive advantage. To do so with ease, digitally decoupling for better partnering integration across the supply chain becomes essential. For a platform-based ecosystem to work, businesses must rebuild their architecture, creating a lightweight version built on microservices and the cloud. A modern digital platform is a key component of this strategy.

Mention "digital platform" to some executives and they'll picture the Enterprise Resource Planning (ERP) platforms of the past.

But the digital platform fit for a truly modern supply chain is far more than that. The foundation of this type of digital platform is a cloud-based infrastructure that houses not only core enterprise functions, but also continuously evolving to enable new capabilities. Think of a data cloud with everything needed to run a business housed within it, comprised of data lakes that make it modular when it needs to be. With a platform like this, the mechanism for building relationships with suppliers and other ecosystem partners is built in via Application Programming Interfaces (APIs). These platforms need to be able to "plug and play" evolving solutions in the market, versus everything being in a single platform solution.

As organizations increasingly harvest data intelligence via algorithms and analytics, a modern digital platform is capable of hosting these algorithms, making them part of the overall business logic.

NOT ALL DIGITAL PLATFORMS ARE CREATED EQUAL

Currently, no one platform solution does it all.

Companies need to design their data strategy and cognitive platform strategy—and then combine it with a services application stack. All feed into an architecture that is anything but static, one that will need to shift as business needs shift. Currently, architectures are difficult and expensive to alter, which means moving in real time to match the pace of innovation is impossible. An agile business and supply chain requires the opposite to unlock real value.

PARTNER PLATFORMS FOR SPEED TO MARKET

A global Life Sciences company was experiencing supply chain challenges, costing it hundreds of millions of dollars due to delayed product release.

Accenture helped the company improve coordination with partners from end-to-end, giving leaders better control of and visibility into its supply chain operations. We worked with company leaders to rapidly implement a new platform, significantly accelerating the time from design to go-live.

BUILDING IN THE FLEXIBILITY TO CUSTOMIZE

As part of an overall transformation to cloud-based operations, Accenture helped a large Consumer Goods company bring greater flexibility to its operations. Its existing supply chain was ill-equipped to support future growth needs.

In particular, the company needed to improve its ability to customize at scale, to better compete with disruptive new market entrants. Accenture worked with company leaders to help ensure they could more flexibly combine scale and automation, meeting a key business need in today's market-late-stage customization.

THE LONG-TERM OUTLOOK:
BLEND BUSINESS AND TECHNOLOGY

Supply chain is one of the largest and most complex set of business process areas in a company.

But C-suites can no longer think about business process without thinking about technology. They've converged, with every single business process driven by technology. That means business process leaders like CSCOs need to align with their technology counterparts, CTOs and CDOs, as well as their fellow C-suite members. We've found three steps that help speed outcomes:

- Converge business processes and technology through a redesigned operating model.
- Define the architecture that will enable this operating model.
- Develop the roadmap, creating a series of steppingstones to the vision.

When this larger strategic approach is done, then CSCOs can drill down further to define their functional capability requirements. The roadmap provides a list of capabilities CSCOs will need to put in place to evolve their supply chain. Sequencing should be based on highest value first (and that does not mean financial value only).

Just as a modern architecture is fluid, so is your roadmap. It will continuously evolve, a living document, as it incorporates new business needs and innovation.

As your teams work toward these capabilities, be sure they are "plug-in" ready and can easily integrate with each other. Individual capabilities cannot each have their own application stack; they all need to be able to play nicely together. That's what true business/technology convergence requires.

Leading CSCOs should be applauded for taking the initiative to move digital forward. But if they take a step back to coordinate that movement into a broader strategic plan that spans functions, they become key growth players versus owning a pocket of progress. The first is the wiser, more sustainable long-term approach. CSCOs have long been known for efficiency. Now they can also be known for driving growth and reinvention.

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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