



## VIDEO TRANSCRIPT

### SAPPHIRE NOW 2021: Supply Chain track session

## START JOURNEY TO THE CUSTOMER-CENTRIC SUPPLY CHAIN TODAY

#### Speakers:

- Caspar Borggreve – Senior Managing Director, SAP Business Global Lead
- Carly Guenther – Managing Director – Strategy & Consulting, Supply Chain & Operations, Customer-Centric Supply Chain Lead, Accenture
- Michel Roger – Managing Director SAP Supply Chain Global Lead
- Sharad Mantri, Senior Director – Digital Technologies, Baker Hughes
- Darcy MacClaren - Senior Vice President, North America Digital Supply Chain Sales, SAP

**Caspar:** Hi, my name is Caspar Borggreve and I lead Accenture's Global SAP Business Group.

Supply chains have never been more important to our clients, to your customers and to societies at large. There's a new normal at play for supply chains impacted by changing customer demands, heightened focus on sustainability and ethics, digital business models, different types of competitors and new ways to create value and grow.

In the past, the measure of a successful supply chain was cost efficiency. Today, supply chains are increasingly seen as growth enablers. And in addition to optimizing costs, organizations need their supply chains to be customer-centric, to help them deliver innovative and hyper personalized products, services and experiences.

Supply chains also need to have resiliency and flexibility built in from the start. They need to do good for society and for the planet. We know that supply chains vary significantly by industry. And it's important that the SAP solutions underpinning them are implemented in an industry specific context. That's the value of our supply chain templates and preconfigured solutions that we created for more than 20 industries in our transformation platform, Accenture myConcerto.

MyConcerto makes the full breadth of Accenture's thinking easily accessible to accelerate the journey to the cloud and once there, to continue the ongoing innovation journey in the cloud.

During this session, we look at the different ways that some of our clients are building resilient, cost efficient, customer-centric supply chains. And depending on their starting point and roadmap, what are the strategies that they're taking, which can range from a complete transformation, to addressing specific areas, such as supply chain planning or demand driven MRP.

**Carly:** Hi, I'm Carly Guenther, Customer-Centric Supply Chain Lead for Accenture.

Before we hear from companies who are transforming their businesses with a customer centric supply chain, I want to start by sharing why this new approach to supply chain is so valuable.

Supply chains have become more important to the world than ever before and COVID has highlighted that. The need for resiliency has increased off the charts, but there's also a global realization that meeting customers new expectations for personalized products and services requires a whole new digital architecture and way of working.

The customer-centric supply chain is designed to help companies pivot from mindset of a single channel supply chain to a growth enabler for their organizations by providing personalized products and services and helping the company be highly profitable, while also being sustainable to positively impact business, society and the planet.

Companies with a customer-centric supply chain use advanced digital technologies and rich data to identify specific customer needs, they segment customers in products in real time around those unique needs and mobilize a diverse ecosystem of partners that can help them be responsive to demand, while also optimizing costs, through a procurement transformation, around direct and indirect spend to serve each customer or segment.



What's the bottom line benefit of taking a customer-centric supply chain approach? I'd like to say it makes companies a triple P&L threat. Number one, from a growth perspective, availability of products, the right mix of products and services at the right level to meet customer expectations. Number two, cost optimization, cost of goods reduction, as well as inventory optimization. And number three, sustainability, carbon emissions and energy reduction are critical to those.

As Caspar said, supply chains are vastly different across industries. But these three benefits are priorities for every industry, so they're a great way to measure success. It's also completely possible to transform to a customer-centric supply chain in a cash positive way, which in a time period where cash is tight for many impacted organizations is really valuable. Thank you.

**Michel:** Hi, I'm Michel Roger. I'm the Global SAP Supply Chain Lead for Accenture.

Today, I'm going to talk about a client experience very close to my heart. I spend most of my time there. And long story short, the value case is about creating a business case for massive end-to-end supply chain transformation.

### **What was the catalyst for initiating this supply chain transformation?**

It's always multiple things but, obviously, what happened with COVID, and it's not over yet, has triggered some of this type of consolidation. One of the things that we realized was how to achieve resilience when your process and technology are way behind the time. And they were facing some of these challenge like each region having a very independent process and being very different by region to region. And at the end, not being able to react as fast as they should during this type of crisis. So this was one of the major tipping points for this change.

### **What role do SAP solutions play in the client's supply chain transformation?**

So, obviously, SAP was on the call and spotted the strategy of the client to embrace newer technology from SAP. So SAP is for and at the same time as we discussed that end-to-end journey on supply chain, it was told additional connecting capabilities that were also considered, like planning procurement and all the associated technology that we enable there.

### **What future capabilities and outcomes are you most excited about for driving business value?**

We want to make it real. We want to make it simple. And let me give you the three, four example that we brought to life for both.

One was they are embracing that automated supply chain and part of that is to do more like touchless order. And to give a simple example, today, all these incoming orders for their client, they have to achieve 80% of them. And they really want to shift that and touch only 20%. So that's a simple statement, that's a great direction for the program and that's one of the key achievement we are targeting to do.

Another example is the planning. Obviously, COVID has changed all the dynamic on how we plan the supply chain. And they recognized that today they're very rigid. They take demand to adjust capacity production, supplier engagement, things like that and they really want to be more nimble, like even we plan in a day. So that's another direction they want to take.

A third one, it's just about managing better the direct and indirect procurement.

### **What approach did you take to secure support from the C-Suite?**

So once we assembled the business case that was really strong, we thought about not going too quick to the board and getting more buy-in from all the organization. So from the regional organization, but also from the different business groups. And we did like one-by-one with all his key leaders to test a bit our case and get their feedback and understanding that there are some ongoing other transformations. So let's not become some of those value drivers and let's get also honest on those value targets.

And in some case, we had to adjust, we had to do some more deep dive and we did that for a matter of few weeks and it revealed to be one of the critical part to kind of gain some of the knowledge even before I think that formal board meeting.

At the end, the board meeting was almost kind of a given. I mean it's never a given, but because everybody has heard before about that new program and what was the objective. And the outcome of the board was really strong, like really embracing that, understanding the right time to do it and really giving the green light to go to the next phase of work.

### **What are the most critical factors for success in a supply chain transformation project?**



The first one would be the resource. Obviously, such a program, very strategic, need to be in the right resource at the right time and that's a massive undertaking with those resource need to be put out from the organization and need to figure out the way to back fill them.

And then, two, once you have the resource is really about driving fast decision making. This is a very large call in a very complex time and typically, don't have much time to look around the project. We need to really drive by decision very quickly and that's in many of our clients where it's consistently driven. It has to change a bit with a bit more powerful the decision maker to make those decisions faster.

### **What advice would you give to supply chain leaders that are embarking on a similar journey?**

One of the important aspects that I would like to share with other supply chain leaders is really about embracing the change, embracing the type of transformation and really trusting your partner, like Accenture, to really drive that type of work.

And giving one last bit of lessons learned from this client is when you define early on that the vision and value case is how you translate that into getting in principle for the team at a very early stage, so that you're making sure that the team that when we engage on the ground, understand where we want to go, understand the value target and help to ease those conversation down the road and avoid to give you the value as we do.

### **Case studies and business outcomes**

**Sharad:** Hello, Sharad Mantri, Senior Director of Baker Hughes.

As most of you know, Baker Hughes has become GE in late 2019, which brought a challenge for our procurement and AP area to come out of all of the legacy applications within 18 months. That was our agreed upon time period.

It also was our opportunity for transforming our AP and procurement area. So we decided to partner with Accenture and Ariba to build a roadmap to implement a full suite of Ariba, which is starting from sourcing, buying and invoice management. Along with that, we also decided to go live with supply chain collaboration for our data source and categories.

I'm happy to say, we did implement and we are live now in 106 countries with about 40,000 suppliers and 36,000 internet users using Ariba. Now that we are complete live, we are now tracking our KPIs.

In the AP area, one of the KPIs we are tracking is for invoicing. We want to be at 60 person invoicing by Q3 of this year.

For in purchasing area, we want to enhance our catalogue purchasing through guided buy to go up a percentage by Q3 or Q4 of this year.

Now, for our outsourcing organization, we have been using sourcing and contract management for almost a year now. We are going in the second phase where we are implementing direct sourcing integrations. And this will enhance our investment in this area.

With all that is going on, it will be an exciting next few years for our AP and procurement businesses, along with our BD Team.

I'm very happy to say where we are today and appreciate all the help from Accenture to partnering with us. Thank you everybody.

### **SAP's perspective**

**Darcy:** Hi, I'm Darcy MacClaren. I'm the Senior Vice President of SAP's North America Digital Supply Chain Sales. Accenture is a leading SAP partner, who provides outstanding supply chain related strategy, consulting and implementation services to many of our customers. I value our close collaboration on supply chain offerings and I'm bringing the right solutions to address our customer's needs.

Accenture and SAP came together to help organizations use technology to better manage and adapt their supply chains during the pandemic with scenario planning as a service that combines SAP Integrated Business Planning, or what we call IBP, with Accenture Services.

This is a great example of our collaboration on how we helped 10 customers as a part of the initial program to achieve value quickly. Our teams had daily checkpoints and stood up the operating model in record time. Accenture and SAP are committed to sustainability and co-development of a new solution to help our customers achieve their sustainability goals.



Many of the world's companies run their businesses on SAP and, in fact, 77% of the world's transactions go through SAP. Therefore, SAP is the right foundational core, since it already has the data to track sustainability progress.

The future of supply chain is bright and exciting as we work with our customers to build resilient and agile supply chains with Industry 4.0. We look forward to continued collaboration, even in stressful times, that help our customers receive immediate benefits. With the Accenture team, we can expect great things ahead.

Thank you for joining us today and thank you, Accenture.

For more information, visit [accenture.com/sapphireNOW](https://www.accenture.com/sapphireNOW)