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# Defence Challenges in the Asia Pacific – Perspective and Insight

## Video Transcript of Interview with Steven Pantier, Senior Manager, Accenture Defence Business Services Lead for Asia Pacific

JB: Intro: Hello, I'm Jen Bottle and today I'm speaking with Steven Pantier, Accenture Defence Business Services Senior Manager for the Asia-Pacific region. Steven welcome.

*SP: Thanks Jen.*

JB: Tell us a little about your background.

SP: Well, prior to Accenture I worked as a supplier to the US automotive industry as well as doing design and delivery work in materiel handling systems and warehouses. Once I joined Accenture about 13 years ago, I spent the last 11 years working with the Defense Logistics Agency (DLA) on their successful transformation effort. I've recently joined our Defence Business

Services Group as the Asia-Pacific Lead. Our Defence Business Services Group is responsible for taking learnings from across the globe, across different client groups and building those into offerings and capabilities that we can deliver to our clients. Those offerings and capabilities could range from analytics to ERP implementations and the goal is to be able to get

clients to value faster as well as to be able to take clients with existing ERPs and provide added value to those ERP implementations.

JB: Tell us about some of the transformations that you were involved in with the DLA.

SP: Well, as a bit of background, the DLA is the primary logistics provider for all of the Defence forces in the US as well as other agencies within the US and allied forces. They did about \$46 billion in sales in 2011 and support over 22,000 weapons systems and manage about five million items. They also operate in about 28 countries around the world. In the 90's the DLA leadership was under a lot of pressure to reduce costs, reduce inventory, while at the same time improving warfighter support. In order to do this, they realised that they needed to replace their primary legacy system that dated back to the early 60's as well as to completely overhaul their operating model. In 2000, they selected Accenture as a partner to work with them on this transformation effort, primarily because of our background in large scale ERP transformations and our experience in supply chain operations. In 2006, we completed the final rollout of what was the first large scale ERP implementation in the DOD (Department of Defense) in the US. It delivered a financially compliant system for the DLA as well as reducing their Logistics Response Time by 15%.

JB: You mentioned US Defense organisations being under pressure to achieve greater cost and operational efficiencies, which is pretty much the same as what is happening across the Asia Pacific region. What do you see as the important aspects to consider in that regard?

SP: I would say forecasting and business planning as well as managing competing priorities and

consolidating different IT systems or capabilities within the operations.

JB: Well, let's look at forecasting and business planning first.

SP: The key, I think, with forecasting is to look for methods and capabilities and tools to be able to improve your forecasts. To be able to take advanced analytics capabilities and look at ways for making better forecasts that can be fed into business planning capabilities for your leadership so that they can make better decisions about the future. At DLA, in the first year alone, we were able to realise over \$200 million in cost avoidance through our planning efforts.

JB: And what about managing competing priorities?

SP: In any Defence agency globally, everything is important. Every warfighter, every weapons system – everything is a top priority. But they also have constraints put on them of budgetary constraints or manpower constraints in terms of being able to process workload associated with supporting those different efforts and capabilities. The key is to be able to take the information and be able to look at it from a consolidated business view that allows you to be able to manage your business, looking at future events and future requirements and make good decisions about the future.

JB: And what do we need to consider in terms of the integration of IT systems?

SP: Well, all companies and all Defence agencies are made up of a lot of really smart people who over the years have found IT capabilities that could solve a business issue for their particular area. The problem with this is that it becomes very expensive to maintain all of these different systems plus you lose efficiencies because the systems don't communicate with each other.

You have information in one system that could be useful for an operating group in another area, but since the systems don't talk, you aren't able to share that information. So, to consolidate those systems and bring that information into one system provides a lot of benefit for those organisations.

JB: Let's focus on logistics. Many Defence organisations are looking to create more agile supply chains. What do you see as the typical challenges in that area?

SP: Well, Defence is definitely a lot different to commercial organisations, even though there are a lot of things they can learn from commercial organisations. They have to forecast for items that are very difficult to forecast for, they have very sporadic and unpredictable demand, they have to be able to stand up complete supply chains in other parts of the world. A good example would be the earthquake in Japan and preparing for the next one and being able to support that. Being able to understand what do I need to be able to do to be prepared for that? We know there is going to be another earthquake, but how big is the earthquake going to be, where is it going to hit, what level of support is going to be required, do my mission goals and objectives allow me to support that? Being able to make those kinds of decisions upfront to be prepared for those types of unknown activities.

JB: You spoke before about analytics. That is something that the private and public sector are using in the area of transformation. What are the real benefits for Defence and what stage do you think people should be looking to employ analytics?

SP: Well, analytics is definitely important to managing any business and its especially important in a transformation effort, both early on

and during the transformation because it gives you the capability to be able to make better decisions as you are going through the design process on how you set certain parameters for example a forecasting parameter where you may, in the past, pick what you think looks like the best possibility and then wait for the results to see if it was the best option to pick. Whereas now with advanced analytics, you can test out those different possibilities to be able to make a better decision upfront. You can also use advanced analytics after you've done an ERP transformation, and be able to use that to take your supply chain capabilities and do further optimisation of your supply chain or your inventory levels and be able to take better advantage of your ERP system.

JB: If you'd like to know more about Defence in the APAC region, you can find out on our website, [Accenture.com](http://Accenture.com)

JB: Do you think that leadership plays a role in transformation?

SP: I think everyone would agree that leadership plays a vital role in leading the change and driving the message to the workforce to help them understand what role they play in the change and why it's important to their organisation. But I think a key area that is often missed is the change of leadership on its own and the need for them to realise that now they have new tools and new capabilities and new business processes that allow them to look at their business differently than they have in the past and make better, more informed decisions for the future.

JB: Steven, thanks for your time today.

SP: Thanks Jen.