



Grant Thornton

Data analytics as a framework for supply chain innovation

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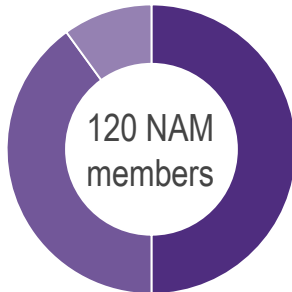


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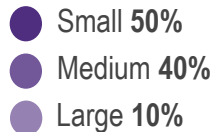
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Supply chain innovation survey

Respondents



Company size



Highlights

Business focus

78% on direct cost
17% on indirect cost

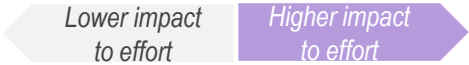
Supply chain strategy

48% have no strategy or struggle with right tactics
10% actions implemented

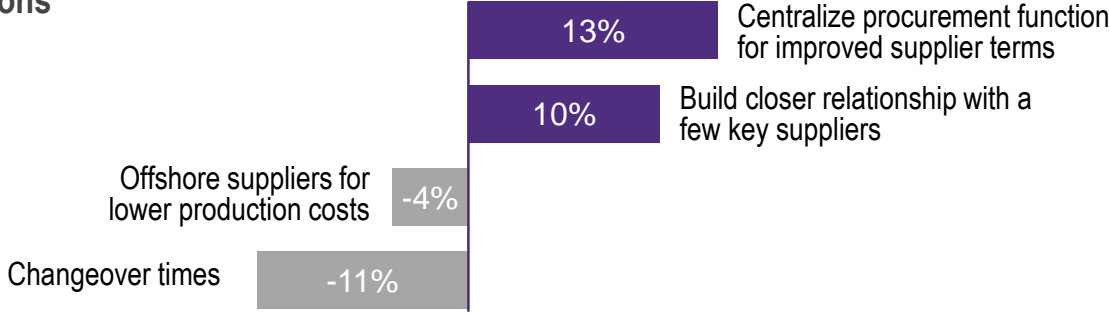
Business issues driving supply chain strategy

48% customer demand/dynamics
6% capital management

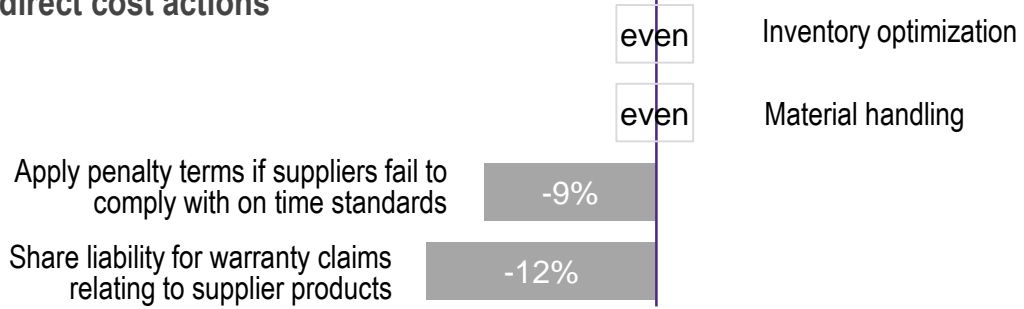
Strategic actions deliver high impact



Direct cost actions



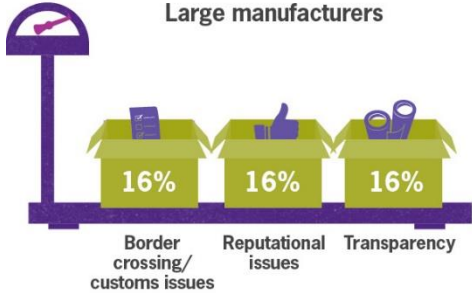
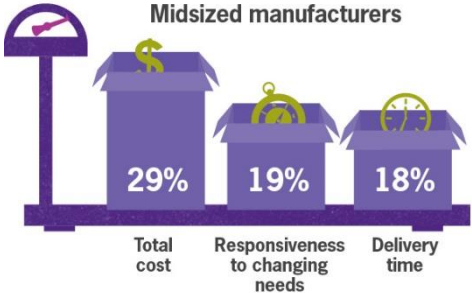
Indirect cost actions



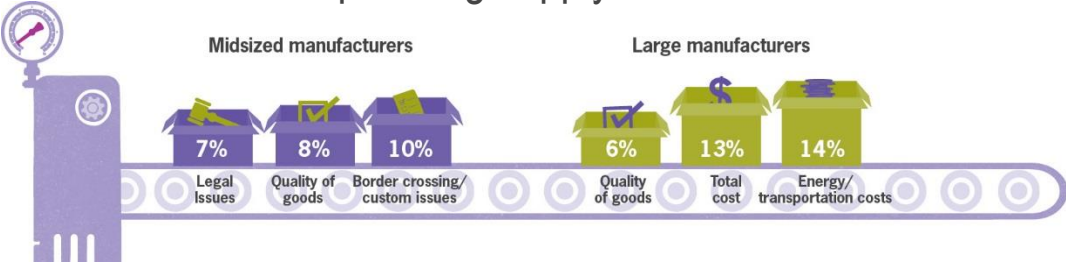
% gap between high action and high impact

Collaboration imperative for competition

The most pressing supply chain issues



The least pressing supply chain issues



The new supply chain imperative

Cost Center

- Cost based organization
- Global supply chains
- Supply chain visibility
- Organizational siloes
- Reactive management
- Point based analysis
- Supply chain departmentalized

Old Supply Chain




Value Center

- Value based organization
- Transparent end-to-end supply chain
- Cross organizational integration
- Proactive management
- Prescriptive decision making
- Supply chain enterprise

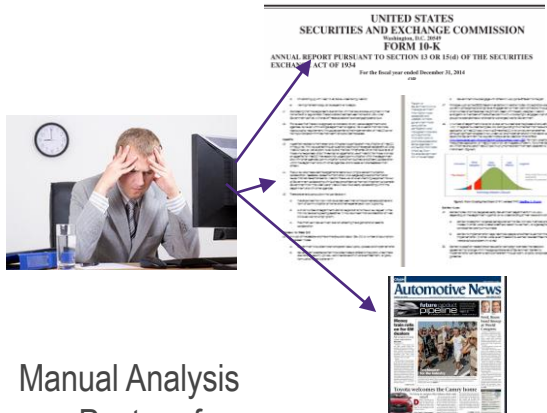
Intelligent Supply Chain

The analytically driven intelligent supply chain

	Engineering and quality	Procurement and delivery	Manufacturing	Aftermarket	Services
Business Imperatives	<ul style="list-style-type: none"> • Lifecycle mgt. • Faster time to market • Improved quality 	<ul style="list-style-type: none"> • Fewer interruptions • Reduced cost • Reduce risk 	<ul style="list-style-type: none"> • Improved quality • Better efficiency • Higher throughput 	<ul style="list-style-type: none"> • Lifecycle mgt. • Lower cost • Higher profit 	<ul style="list-style-type: none"> • Customer intimacy • Asset performance • New revenue streams
	 <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Modular construct</p> <p>End-to-end transparency</p> <p>Proactive management</p> <p>Continuous improvement</p> </div> <div style="border: 2px solid purple; border-radius: 50%; padding: 20px; text-align: center;"> <p>Delivered in the cloud</p> </div> </div>				
Analytic Solutions	<ul style="list-style-type: none"> • Engineer for quality • Specification reuse • Component Risk • Lifecycle predictability 	<ul style="list-style-type: none"> • Supplier Risk • Supply chain risk • Inventory Optimization • Supplier quality • Supplier fraud • Pricing optimization 	<ul style="list-style-type: none"> • Quality early warning • Predictive kitting • Optimized throughput • Intelligent inventory • Predictive Maintenance 	<ul style="list-style-type: none"> • Inventory optimization • Risk mgt. • Quality early warning • Fraud & abuse 	<ul style="list-style-type: none"> • Fleet management • Asset uptime • Service optimization

An example: assessing supplier risk

Traditional Methods



Manual Analysis

- Past performance
- Current Performance
- Financial Information
- Google News Stories

Reactive

Silo Based

Intelligent Supplier Risk



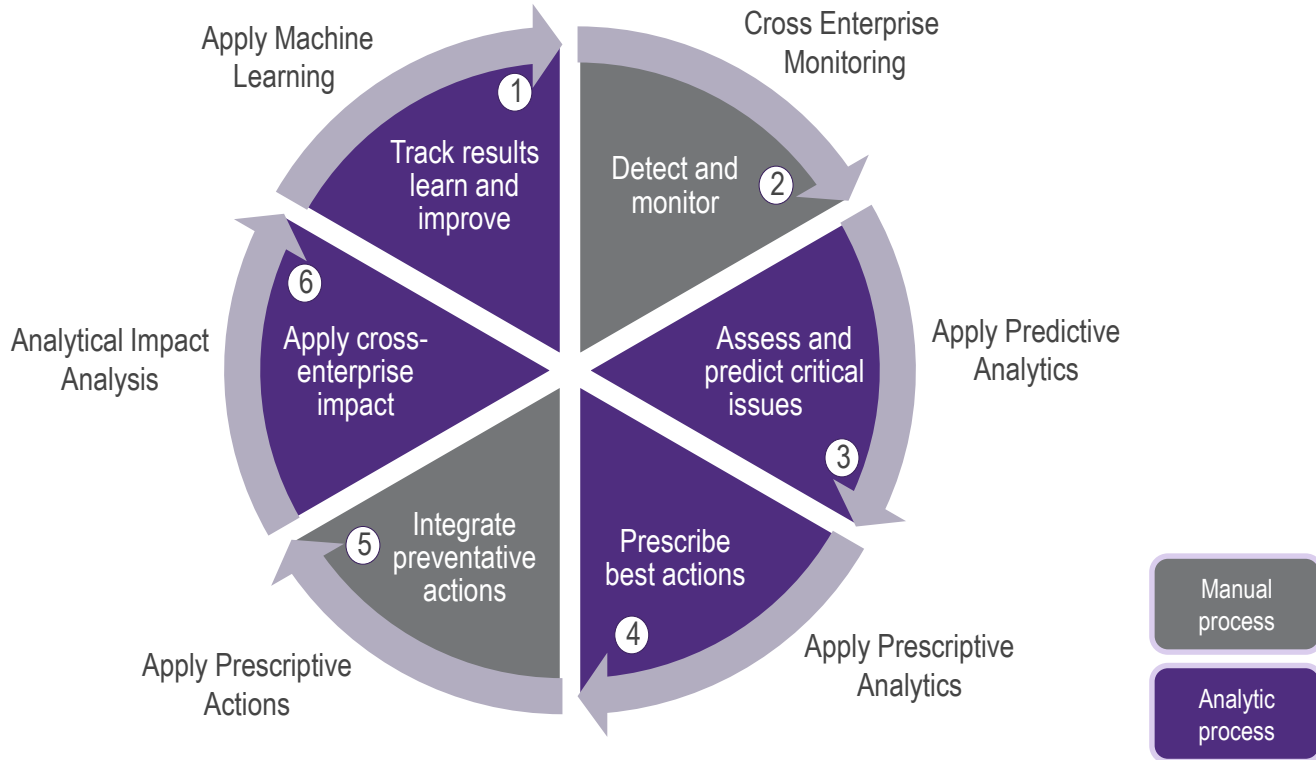
Automated Analytic Analysis

- Performance Past and Present
- Financial Changes
- Market News Stories
- Dashboard Risk Scoring

Proactive Management

Enterprise Based

Analytic enabled command and control process



The analytically driven intelligent supply chain

Engineering and quality

Procurement and delivery

Manufacturing

Aftermarket

Services

Business Imperatives



- Risk Score Alerts is triggered
- News stories about large orders
- Significant changes in profitability of supplier
- Supplier missed deliveries for other companies
- Products are special order

Cross Enterprise Approach

- Engineering notified to find possible alternate suppliers

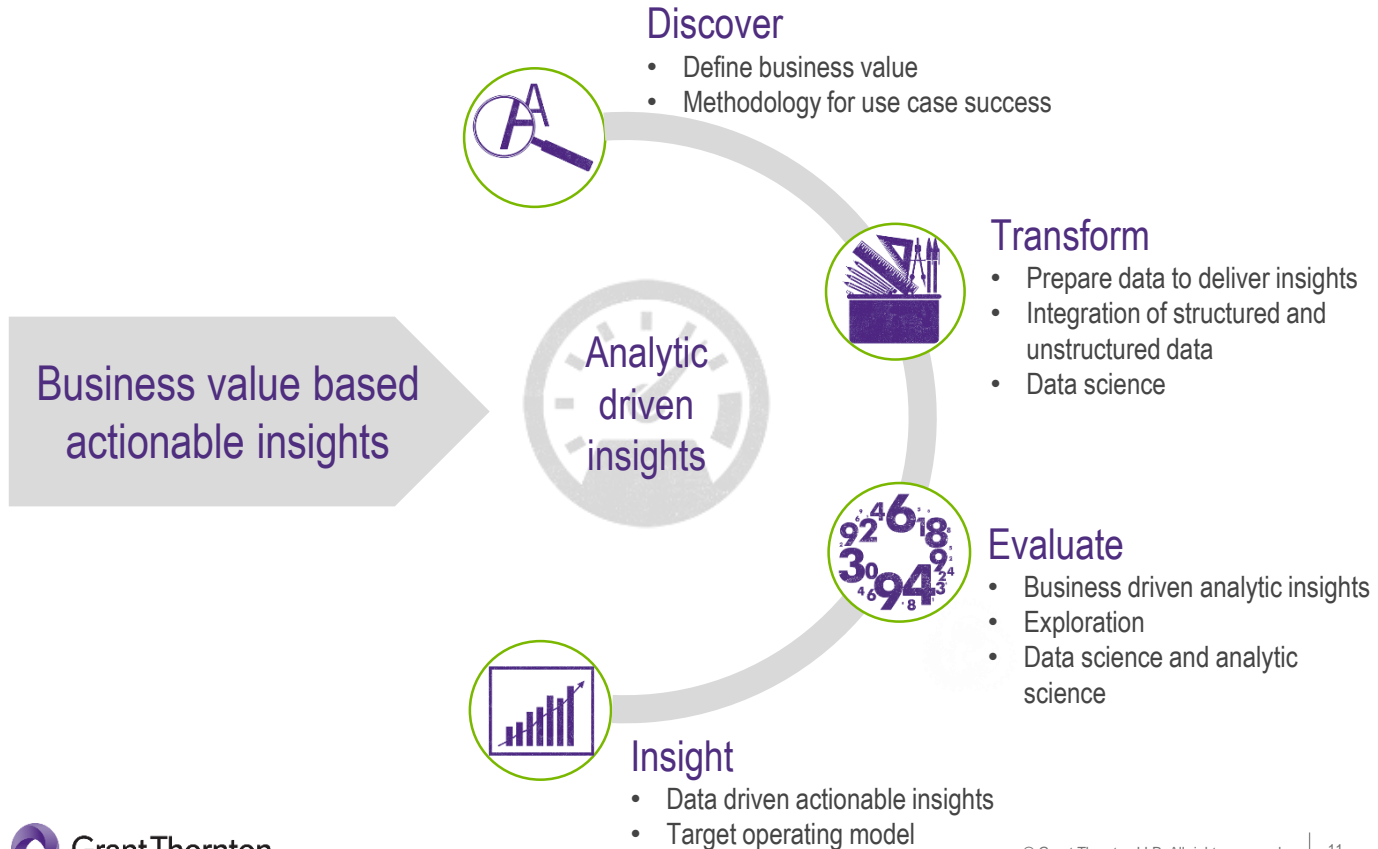
- Detects Risk
- Notifies other departments
- Assess other potential Suppliers
- Increased Communication with Supplier

- Critical Parts
- Apply Additional Quality Checks
- Optimize Inventory for Uptime and delivery

- Inventory Assessment
- Critical Orders

- Fleet Interruption Analysis

The analytical and intelligent supply chain



Examples

Supply chain challenge

Value driven evolution

\$11.6 billion global technology and business services company

- 30 separate supply chains
- Supply chain for each biz unit
- Silo process
- \$45 billion spend

- One integrated global supply chain
- Cross functions processes
- \$6 billion in cost savings
- \$585 million in cash
- Cycle time reduction 6%
- 1% increase in customer satisfaction

North American food production and distribution company

- Global supply chain
- Lack of visibility
- Lack of automation
- \$3.7 billion in sales

- Cloud based global supply chain
- Integrated information
- Network partner integration
- 56% saving in broker costs
- 26% reduction in inventory

Textiles, chemical and floor covering manufacturer

- Silo based supply chain
- Small but growing division
- Lack of global insight
- Lack of integrated process
- Experiencing customer sat issues
- Decreases in productivity

- Value driven supply chain
- Value drivers
 - Customer satisfaction
 - Productivity
 - Cost savings (inventory)

Best in class actions



- 1** Define business model and customer experience strategy, including specific metrics
- 2** Identify and prioritize use case, develop minimal viable product
- 3** Establish data driven analytical insights that drive proactive management
- 4** Integrate a roadmap strategy for value capture
- 5** Rapidly deploy an agile continuous improvement solution

Questions?

