

UNLOCKING VALUE THROUGH

DIGITAL SUPPLY CHAIN

RESULTS FROM THE SWEDISH DIGITAL SUPPLY
CHAIN MATURITY SURVEY





SUPPLY CHAIN PROFESSIONAL OF THE YEAR

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CHANGED REALITY

THE NEW DIGITAL REALITY FACED BY MOST COMPANIES, ACROSS INDUSTRIES, REQUIRES A NEW SUPPLY CHAIN SETUP FOR THE FUTURE.

The digital supply chain can create strategic differentiation and serve as an engine for innovation. It can serve a multitude of customer segments, while living up to single customers' increasing personalization requirements. To utilize the power of the business ecosystem, companies should re-think their traditional linear supply chain and explore a network-based supply chain that is connected and enables collaboration. In addition, monitoring, running and maintaining the supply chain of tomorrow requires highly skilled people who can master an ever-changing reality and use advanced analytics to proactively steer the flow of information and goods.

Changed customer expectations and the push for increased customization is calling for companies to design customer-centric and segmented supply chains. At the same time, today's rapid technology innovation can enable supply chains to meet the need for customized solutions, hence the pace of change has never been higher in the supply chain area. Mature companies are also exploring digital solutions to develop new business models that can potentially disrupt their entire industry. These disruptive business models can create new partnerships between traditional companies and start-ups that often require a transformed digital supply chain to support new strategies.



TAKING THE TEMPERATURE OF SWEDISH COMPANIES – SURVEY RESULTS

36 respondents • Companies with Revenue larger than 5 MSEK • Respondents from both Supply chain and Procurement • 13 different industries • Both Business to Business and Business to Consumer industries

To determine how companies in Sweden are doing with regard to building their own digital supply chain capabilities, we surveyed 36 high-level executives from various industries and had them rate their respective company's maturity in different areas.

The survey was part of the "Supply Chain Professional of the Year Awards 2017", organized by Accenture together with SILF.

Among other questions we asked: Where are companies on their journey to building digital supply chain and what are the challenges they are confronting? What is driving them to digitize supply chain? Who is leading the charge in initiating digital change?

To unlock the full potential of digital, companies need to reinvent their supply chain to allow them to leverage advantages like supply chain visualization, analytics and AI. Yet most Swedish companies still have a long way to go and see their digital maturity in procurement and supply chain functions as "basic".

The survey shows that most companies have a supply chain that is struggling to serve customers whose diverse needs are constantly changing. Changed customer expectations is the driving force for digitalizing the supply chain among Swedish companies. In fact, according to our survey, nearly half (45 percent) are making changes to "meet or exceed customer expectations."

Two main themes emerged when unearthing why digitalization is a challenge for so many respondents: Respondents indicated that setting the right digital strategy (40 percent) and integrating digital into the current IT landscape (26 percent) are the greatest hurdles. With regards to setting right strategy, part of the problem could lie in who is driving change initiatives. Nearly half of the respondents report that digital supply chain initiatives are initiated within the functional organization and not as part of a company-wide initiative. Most companies say that digital efforts are focused on improving only parts of their traditional supply chain, not leveraging the full potential of digitalization.

Rank the primary drivers pushing your functions to digitize further
(number that ranked it as number one)



Rank the primary challenges to digitize your function
(number that ranked it as number one)



Who is the primary initiator of digital initiatives within your function(s)?



UNLOCKING VALUE

TO ENSURE THAT YOU CAPTURE VALUE YOU SHOULD TAKE
CHARGE OF YOUR OWN DIGITAL SUPPLY CHAIN DESTINY AND:



1. CONSIDER THE SUPPLY CHAIN BEYOND YOUR OWN.

Expanding your digital horizons can be done by conducting a Digital Safari to explore potential solutions outside the walls of the company. By that we mean looking across other companies and industries for inspiration and best practices within supply chain. It also means searching for more diverse forms of innovation by meeting and learning from digital players and start-ups within an extended ecosystem.



2. FOCUS YOUR SUPPLY CHAIN AROUND THE CUSTOMER.

One method to secure customer focus is by utilizing Design Thinking. The methodology doesn't stop with "solving problems for people", it is also "integrating people into the solutioning team". Design Thinking, thereby increases creativity and innovation and enables the participants to develop a clear position of market differentiation.



3. RE-INVENT YOUR BUSINESS MODELS & MAP YOUR JOURNEY.

Review existing business models and reshape them inspired by findings from Digital Safaris and Design Thinking exercises. Envision your future state and map your various paths there, including digital milestones in supply chain areas. By taking these steps, you can unlock the force of digital solutions, building in flexibility and speed into your supply chain and transforming your supply chain into an engine for innovation and growth.



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ABOUT SUPPLY CHAIN PROFESSIONAL AWARDS

The Supply Chain Professional Awards is the prize given to the Swedish supply chain- or purchasing professional whose improvement work has led to the most outstanding measurable results and substantially impacted the company's performance during the last year. The prize has been awarded for nine consecutive years, and is probably the most prestigious reward a supply chain- or purchasing offer can get to symbolize exceptional achievements.

The selection process follows a structured and comprehensive methodology which has been refined over the years, and involves analysis of company performance, self-assessment, interviews and reference calls.

The prize is organized by Accenture and Silf.

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Silf

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