

A man in a blue uniform and headset is shown in profile, working at a computer terminal. The background is a white, vertically-ribbed wall, and the foreground shows a metal structure with a perforated edge.

SUPPLY TALENT DELIVER GROWTH

Supply chain differentiation
starts with culture change

CUSTOMER-CENTERED SUPPLY CHAINS: THE REINVENTION OF WORK

Leading Chief Supply Chain Officers are achieving hard results by focusing on something “soft”—culture change.

If the scaling of digital solutions were a corporate footrace, leading Chief Supply Chain Officers (CSCOs) and their teams would be surprising pacesetters. Recent Accenture research finds they’re ahead of their peers in the sales function, surpassing them in scaling digitally enabled solutions.¹ This, despite sales teams’ reputation as a digital pioneer.

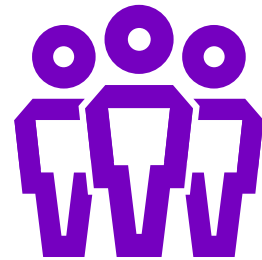
The most proactive supply chain executives are moving beyond their reputation for efficiencies to help drive customer centricity and the C-suite growth agenda. But as they scale innovation, more than half of supply chain Leaders from recent [Accenture research](#) cite a lack of change-ready culture as their biggest impediment to success.

It's a hurdle that is certainly impacting their return on digital investments. CSCOs who claimed a lack of a change-ready culture as their biggest hurdle achieve a much lower return, roughly 20%, compared to CSCOs who don't have a cultural issue (approximately 24%).

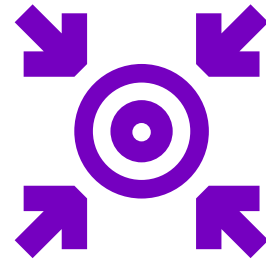
To reach the customer centricity and growth that spell success, CSCOs will need to drive new levels of collaboration and productivity in their teams. That means Chief Supply Chain Officers—generally focused on physical product and processes—will have to reinvent their workforce and elevate their people. To build a culture that supports competitive agility within their teams, they will reimagine how humans and machines work together to capitalize on the best of both.

It's the reinvention of work for a decidedly digital world.

While this shift is no small task, we see two main actions that help CSCOs forge a path their leading peers have already embarked upon:



**Empower people:
Automation and new skilling**



**Collaborate from
the outside in**



Return on digital investments achieved:



**CSCOs who claimed
a lack of a change-
ready culture as their
biggest hurdle**



**CSCOs who don't
have a cultural issue**



LEADERS AND LAGGARDS

Accenture surveyed 1,350 executives across a range of discrete and process producers with annual sales exceeding US\$1B.

When it comes to digital investments, Leaders adopt a more sweeping scope and earn stronger returns than their industry peers. Specifically:

- Leaders are companies that have scaled more than 50% of their digital initiatives (proofs of concepts) and earned a return on digital investments greater than the average industry return on digital capital and return on digital investments.
- Laggards are companies that have earned a return on digital investments less than the average industry return on digital on scaling more or less than half of digital proof of concepts.

EMPOWER PEOPLE

Machines don't tire of the mundane. This is something our Leaders have embraced, using it to free their human workforce from repetitive tasks that a machine can do faster and with laser accuracy.

But Leaders take it a step further. We saw an interesting dichotomy between supply chain Leaders and Laggards in our recent research. Leaders are significantly more enthusiastic about investing in automation at scale and skilling their people for the digital world. The dual investment sets the stage for humans and machines to work together to unlock greater value than either could alone.

The Laggards see the need for investment, but are not jumping in with both feet when compared to Leaders.

Capabilities to invest

SC&O Executives among Leaders keen to invest in these capabilities

Automation at scale

85.7%

New skilling for digital

83.7%

As a result, Leaders investing in new skilling their talent enjoy a 3% bump in return on their digital investment.

It's not enough to automate the mundane. Human workers, freed from those tasks, need new skills for new work. The good news is that the very technology requiring humans to have new skills can be used to help train them. Artificial intelligence (AI) allows companies to capitalize on the exploding amount of available data for learning and performance support—and they can do it near real-time.

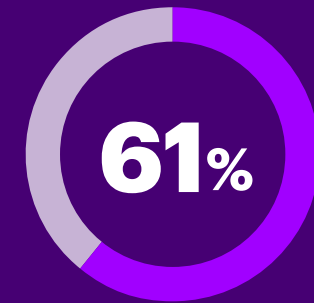
Not all new aspects of digital supply chains can be addressed by new skilling, however. CSCOs will need to hire data scientists for supply chain analytics across the function, value chain architects skilled at working with the front office and product development teams, and orchestrators who specialize in scenario modeling and simulations.

SC&O Executives among Laggards keen to invest in these capabilities

71.5%

65.3%

Business leaders are underinvesting in skills.



of business leaders expect the share of roles requiring collaboration with AI to increase in the next three years.



say they intend to increase investment in training and reskilling programs significantly in the next three years.

Source: Accenture, "Reworking the Revolution", 2018.

A LARGE CONSUMER GOODS COMPANY WANTED TO IMPROVE ITS PRODUCT FORECASTING ACCURACY



It was using traditional forecasting methods on a monthly basis, at an aggregate level. Accenture worked with the company's supply chain and operations leaders to introduce digital technology that would allow forecasting to become more data-driven. Machine learning now analyzes the company's historical product trends to create more accurate forecasting at a granular level. Algorithms better account for pricing changes, external events impacting products, consumer sentiment and more. And humans are freed to focus on supply chain and product innovation.

Working with about 25% of the company's SKUs, leaders have seen forecasting accuracy gains of up to 16% per SKU (on average). Using analytics rather than manual processes, the company is able to more effectively deal with exceptions, as well as inconsistent or unstructured information, for richer and more accurate forecasting. And its human workers are able to help it create the breakthrough innovations that lead to growth.

HUMAN + MACHINE FOR AGILE MANUFACTURING

Bosch Rexroth has begun introducing agile manufacturing capabilities in more than 100 factories.² Single-arm robots serve as automatic production assistants, managing complex tasks like assembly and welding.

The robots are also highly reconfigurable. When product demands on its Homburg factory changed, the existing line was modified over a single weekend.

While automating, the company also is working to enable flexibility and adaptability for its human employees. “ActiveAssist” workstations feature cameras, projectors and touch screens to display context-relevant information for each employee. The workstations provide specific instructions, visual cues, and error correction during the assembly process of an individual part.

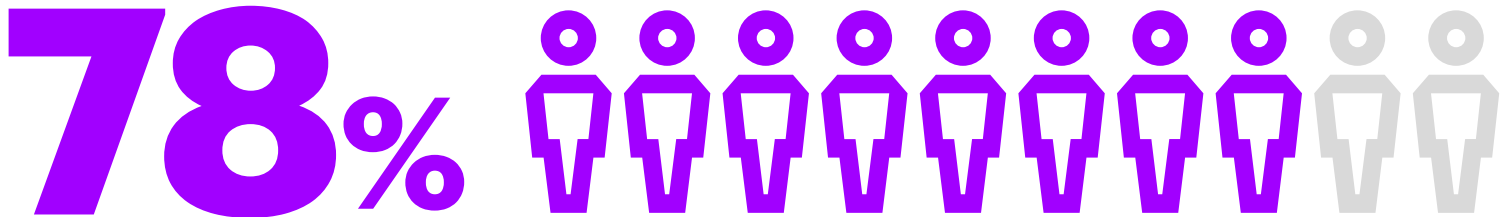


COLLABORATE FROM THE OUTSIDE IN

Eight out of 10 Leaders (78%) embrace becoming an ecosystem orchestrator. And they're building pools of talent that can drive that metamorphosis—talent that swims easily in Big Data, whether analyzing it in partnership with Artificial Intelligence (AI) or visualizing innovation scenarios based on it.

In addition to developing their own talent, they're sourcing it via their ecosystem, securing skills in new ways.

Our leading CSCOs then work with this talent in a deliberate culture of experimentation and openness to forge digital partnerships with their ecosystems. Combining these external partnerships with internal partnering across functions, they make the right customer outcomes a priority. They don't work in traditional siloes—instead they band together from the outside in for the customer centricity that will help them grow as a company.



Eight out of 10 Leaders embrace becoming an ecosystem orchestrator.

SEAMLESS, ON-DEMAND MANUFACTURING VIA AN ECOSYSTEM

A collaboration among UPS, SAP and Fast Radius offers seamless, on-demand manufacturing, from order to manufacturing and delivery.³ Customers' 3D printing orders are placed on the Fast Radius website and can be shipped as quickly as the same day.

As another company's vice president of global supply chain we spoke with envisions it: "In ten years' time, the key role of the supply chain will be customer success management. Planning, fulfilment and service will be automated through connected ecosystems and powered by algorithms."

FRESH TALENT FOR NEW WAYS OF WORKING

The customer centricity that fuels growth doesn't happen without a culture change from the traditional supply chain environment. Creating a culture fit for purpose is key.

Our Leaders' results show that reinventing their workforce works, but it requires scaling digital technology while investing to ensure workers have relevant skills. CSCOs will likely need a combined approach, as new skilling is not sufficient alone. They'll need to build skills within the workforce, "buy" skills via new hires, borrow skills as necessary from ecosystem partners and bot where machines are best suited for a task.

Reimagining their workforces as "Human+"—combining the best of both human and machine capabilities—may not be in the traditional CSCO wheelhouse, but it's fast becoming a staple in the Leaders' skillset.





SUSTAINABLE CHANGE IS INTENTIONAL

Organizations that sustain the benefits of change tend to do three things well:

- 1 Build an infrastructure for change.** Change cannot take root without an infrastructure in which to thrive, which means culture change and new ways of working are an essential foundation. These bring new mindsets, new behaviors and new operating models—all essential for success.
- 2 Hardwire the change, systematically.** Leadership teams look at all processes related to talent and workforce, testing them for probability of the right outcomes. From recruitment to succession planning—and everything in between—they flow the change into the day-to-day processes of the business, building it in across teams.
- 3 Invest in the change capability.** CSCOs invest in a customer-centered supply chain. They need to invest in new ways of working and learning to ensure they can use it to its full capacity.



**DELIVERING A
CHANGE CULTURE**

Combining their workforce's resources with the best their ecosystems have to offer, leading CSCOs are reinventing the customer-centered supply chain. No longer simply an efficiency engine, they are earning their seat at the C-suite table by becoming a key force for growth.

It's the reinvention of work, yes. But it's also what allows the creation of a truly customer-centered supply chain.

The Leaders are already well on their way to making it a reality. ARE YOU?

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