Supply Chain;

The Next Level.....?

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Typical Considerations

- Professional
  - Organization & management dynamics

- Suppliers
  - Relationship & involvement

- Technical
  - Processing, data integrity & reporting

What are management concerns?
Sustainability – Continuity – Internal Costs
Social Issues – Headcount
... corporate e-procurement tools don’t currently fare well against the top 10 consumerized capabilities we collected... 1) complete self-service shopping, 2) breadth of supply selection and 3) the ability to flexibly search and find what is needed.

Typical software marketing is focused on reducing spend.
Alternate Path to the Future

- Reduce Indirect spend
  - AI enabled tools can reduce acquisition costs

- Strategic procurement imperatives
  - Anticipate with new products, new sources, new solutions
  - Cognitive Systems; data integrity, normalizing, cleaning, interpretation, reporting, management dashboards

- Sellers are getting a LOT of pressure to innovate
  - We can we take advantage of it
  - Process changes to invite innovation

What does the future look like? How can I get there?
“Get a point of view outside your sector”
Look at the “big picture” and adapt change to supply chain processes.
Innovation is Everywhere

- Amazon shipping label
- Credit card email alert
- Automatic notices
- Cloud-based shared data
- Electronic payments
- Digital photos
- QR codes

How can we use these tools in our process?
Blockchain Technology Set To Revolutionize The Supply Chain

Supply Chain Management: A Field in High Demand

BLOCKCHAIN FOR BUSINESS; SMART CONTRACTS

Miranda Marquit  April 7, 2017

Using Smart Contracts in Business

You can see, almost immediately, how useful blockchain for business can be in the realm of smart contracts.

Are Business Owners Ready for Blockchain Supply Chain Management?

It seems like using blockchain technology for supply chain management would be a no-brainer.

“30 Under 30” Supply Chain Star Abhishek Dahiya on the Power of Predictive Analytics
Technology to Watch; BlockChain Secured Communications

Blockchain on the Rise
Rapidly becoming the business model of the future.

Blockchain has the potential to go beyond the sphere of financial services and transform multiple industries, including Communications, Media & Technology. The technology has already made its way into the music business with Imogen Heap, a British singer, who has used a blockchain-based model, Mycelia to release her music.

The lack of transparency and timely payment to the right parties are some of the challenges encountered, with relation to digital rights management in the music industry. Blockchain can help tackle these issues through smart contracts. These contracts are agreements that are automatically executed by nodes, once certain pre-coded conditions are fulfilled. For instance, it is possible to design a contract according to which, the resultant value upon the purchase of a song from an online music store, is immediately distributed between three predefined parties—the online music store, the recording label and the artist, thereby eliminating the need for any human intervention.
AI, Robotics, Intelligent Systems

Half the work people do can be automated: McKinsey

Robots will eliminate 6% of all US jobs by 2021, report says

MCKINSEY GLOBAL INSTITUTE
A FUTURE THAT WORKS: AUTOMATION, EMPLOYMENT, AND PRODUCTIVITY
JANUARY 2017

Surprise!! Report estimates professional jobs can be automated approx. 35%
What impact will cross-country shipping costs have? Which of our contracts will be affected?
Do your Systems and Suppliers provide a guided customer shopping experience like “Amazon”, et. al.?
Shipment Visibility Tools

**Quantum View Manage**
View and download complete shipping information based on your UPS Account Number. Create customized tracking reports to see the information that is most important to you.

**Track with Quantum View Manage**

**Quantum View Notify**
Get critical shipment alerts by e-mail for your most important packages. You may choose to send ship, delivery, return, and delivery exception notifications to up to five e-mail addresses.

**Request E-mail Notification**

**Quantum View Data**
Integrate visibility information into internal software applications and databases to keep you better informed on the status of your customers’ and suppliers’ shipments.

**Access Quantum View Data Files**

**Manage Data Subscriptions**

**Quantum View Administration**
Manage your company’s Quantum View users, privileges, and services.

**Access Administration**

Are your suppliers required to provide automated shipping notices?
Recent Headlines

SAP creates partner consortium to pilot blockchain-based supply chain tracker

Webcollage Enhances Its Platform by Incorporating Alexa Capabilities for a Voice Guided Shopping Experience

Gravity and Microsoft forge strategic partnership to digitise supply chains

Avon announces progress on supply chain transformation initiative

Chinese hacker group targets tech supply chain, report says
What other ‘social’ pressures will impact our supply chains?
Can I anticipate and find alternatives now?
Social Pressure > Innovation Opportunities

**POLITICS**
California Upholds Landmark Plastic Bag Ban
Voters have weighed in on the plastic bag ban their state legislators passed.

**Seattle becomes first U.S. city to ban plastic utensils and straws**

**Use Less Plastic**
Eat More Greens
Good Start Packaging Celebrating great food with sustainable packaging

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What? Me Worry?

In the next newsworthy supply chain event .... (food contamination, hurricane destruction, trade war, sustainability, child labor, tsunami, etc. )

What will you tell senior management when asked about the impact to your supply chain?

Share the responsibility; involve key suppliers as a condition of doing business.

*TIP: Don’t negotiate with yourself*
Self Assessment...

- What parts of my job can will be automated?
- What parts of my job require expert judgement to perform well?
- What parts of my job take someone with my skill and expertise to perform well?
- What supply chain actions should we be doing to that we don’t have time for now?
- What additional tasks & functions can we do that would improve company performance?
- Does management know/understand?
- Am I planning this change or waiting for it?
What can I do? Consult My Network

- **Supplier Network** – invite them to be creative
  - Tell them what you need – not what you want
  - Ask for proposals to innovate processes.

- **Professional Network** – collaborate & share
  - Discuss innovations & creative solutions
  - Schedule programs to demonstrate new technologies

- **Communicate with internal customers**
  - Discuss problems and creative solutions
  - Ask for feedback about what they have seen in news and current events
  - Ask young professionals to glean publications and web sites
Key Supplier Questions

- Explain how you are implementing “guided customer shopping experience”
- Explain how you are offering order fulfillment services similar to “Amazon”?
- Describe the benefits of your online storefront
- Explain how you will help us comply with the latest sustainability and social responsibility trends
- Explain how doing business with you will improve our internal customer experience?
More Supplier Questions

- Demonstrate that you provide UPS shipping visibility notices like we can get with “Quantum View” (slide 12)
- In your online ordering system demonstrate how you will display a list of previous orders and simplify reordering of items
- Explain how you can help us comply with our company policies / regulations / rules / social initiatives / ....etc.
Question your process

- Does the language in my RFP limit innovation
  - *Provide a report*…. or ????

- Have I told potential supplier what I want– or what I want them to do?
  - *Notify vis email*…… or ????
  - *Notify procurement* … or ???

- Does my solicitation ask suppliers what they will do to add value or am I just shopping for a price?
  - *I chose Amazon because I like getting the shipping notices and tracking information*….. I didn’t ask for it…
Process >>>> Action Items

I resolve to..... {at least once in next two weeks}

- Take time to reflect
- Review process for innovative trends
- Gather information from new sources
- Make an effort to communicate upward
- Have meaningful discussions with my professional network

Coworkers & Management
Key suppliers
Professional peers
Is It Just A Job? or Is It A Career?

Professionals develop their own professional development plan

The business of selling yourself; you have to have something to sell.

Will you change jobs again before you retire?

Voluntarily?

www.mltweb.com/prof/job.htm

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References

- https://www.llamasoft.com/supply-chain-design-101-2-ebook/
References

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- Career Coaching 07
- Professional Growth
  Strategies for getting ahead in the workplace
  www.mltweb.com/tools/articles/prodev.htm
- https://youtu.be/Qb0Kzb3haK8
Thank You....... 

Discussion Items Follow 

The following slides are those that I’ve used in similar presentations on this topic. In no particular order...
Mike’s Predictions (The world according to Garp)

- “Super” distributors will continue to refine and improve end-user ordering experience & service, eventually replacing the internal requisition-purchase process for many organizations
- Self-driving trucks will reduce long-haul trucking costs
- Supply Chain management in large multinational companies will require skills that go way beyond the CPSM curriculum. (e.g. foreign languages, international travel experience, multi-national negotiations, diplomacy)
- For all but the smallest organizations, SCM managers will increasingly be required to perform complex data analysis and reporting.
One Positive Result – (IMO)

- AI will help us move beyond the hot trend of “reducing indirect expenditure pricing”
- AI will help us reduce the “costs” of indirect spending
- Guided shopping experience will reduce time and effort for internal customers to order indirect supplies
  - Guided shopping will direct internal customers to products appropriate for their needs with ever-increasing accuracy
  - Reordering of common products will be automated
  - Alternative products will be flagged as they come on the market
  - Order progress, tracking & delivery information will be available directly to customers “on demand”
How do we avoid retroactive ‘regret’ in our contracts?
How do I get there…
if I don’t know where ‘it’ is?

How do I …..
Get the most out of myself
Get the most out of my network
Get the most out of my suppliers
Get the most out of my company
What Exactly is the Problem?

The biggest problem is that, on average, procurement professionals spend the majority of their time on the 80%–90% of the suppliers that represent less than 5%–10% of spend and business value, according to the report.

That, in a nutshell, creates the “tail” of tail spend.

http://www.amazonbusinessblog.com/

What Amazon Business Has Learned About Managing Tail Spend
AI-Enabled Tools Available Now

https://www.xeeeva.com/the-tech/

Meet Xeebot


Xeebot's unique artificial intelligence that's mixed with embedded domain expertise is what powers Xeeva. With Xeebot, the steps involved are reduced and there is less human intervention required to manage your procurement and sourcing effectively. Putting his machine learning technology in place, he learns while he performs to be able to provide you with the ultimate benefit: continued results.

The executive's best friend.

Wish you had someone working through the night, constantly looking out for you, searching for information to make your days run more smoothly? Accompany delivers all your people and company research right to you so you can be ready for anything.
Exercise

How can I leverage my network to gain ideas and insight?
How can I maximize opportunities for improvement?
How can I step off transactional treadmill long enough to think strategically?
How do I drive change in my organization?
What’s the difference; innovator, annoyance, disrupter?
What programs could ISM bring to help? E.g. communicating with senior management about policy?
Innovation Exercise

- Supply chain = transfer of products and services
- How many personal supply chains can you think of?
  - paycheck, groceries & produce, personal finance & bank account, amazon,
- How are requirements identified, and authenticated
- How are requirements fulfilled?
- What processes ensure integrity and accuracy?
- What innovations have taken place in the process to reduce cost & increase efficiency?

- Personal Agents
- Bank card with automatic email at purchase
- Text confirmation
- Automatic tracking
- Amazon shipping
- Smartphone tricks - photos
Changes We Can Make

- System Evolution;
  - ERP systems to cognitive systems
  - Intelligent agents instead of reports
- Relinquish transaction control
  - Manage process
- Empower key players
  - End users & suppliers
- How do we delegate decision making?

Am I leading change – or waiting for it?
Perspective – Is This a Competition?

- What level are we at today?
- What does the next level look like?
- What changes are inevitable?
- What do we want to change?

As a supply chain manager, if you are worried about being replaced by automation – if you still consider your job to process orders – then you have already been replaced ....
Changing Levels

- Vendor Relationships
  “You are who you know”
- Purchasing as a Professional Career
- New Ethics – Arms-length relationships
- Fax Machines
- Long Term Contracts
- Online Auctions
- Spend Management
- Online ordering

- Strategic Partnerships
- Word Processing
- Supply Chain Management
- Collaborative Work Groups
- Email
- Trusted business partners
- Smartphones – constant contact
- Data Management
Hot Issues for Supply Chain Managers

- Product Traceability
- Sustainable sourcing
- International Supply Chains
- Big Data & Cloud Storage
- Management data analysis
- International contract negotiation
- Legal writing
- Supply Chain Continuity
ISM Next Level Perspective -

Inside Supply Management Jan 2017

“our professional challenge” strategic partner or what? Engage - timely and useful

Job change; transactional to strategic

Cognitive Systems – data integrity, normalizing, cleaning, interpretation – how do they learn?

Apple Ad – planners and system analysts

Nora ..profession expands contributions..

Local suppliers – reconcile with International
Having an integrated [spend] platform
Providing an intuitive self-service [procurement] environment
Automating .. PO & invoice processing
It is a Competition!

Your new outfit is nice...
But I’m not sure it’s appropriate in that workplace.