

SCi Week

SUPPLY CHAIN INDUSTRY WEEK: **Benchmarking Report**



INTRODUCTION

Supply chains are becoming increasingly more complex. With growing customer demands, the greater possibility of political and environmental disruption and the scope of supply chain responsibility constantly growing, there are more elements of the supply chain that need careful consideration than ever before. In the search for solutions, it is clear that supply chains are beginning to move towards digitalisation and technologies that can provide their organisations with the efficiency and sustainability they need to succeed in a time of extreme change.

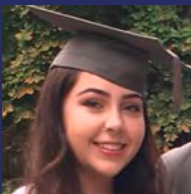
With the prospect of tumultuous disruptions and technological developments in 2019, the supply chain industry is on the verge of vast changes. We conducted a survey with over 100 supply chain executives working across a number of industries to understand the key priorities, strategies and trends expected to make their impact on the industry over the coming year.

The Supply Chain Industry Report provides you with the exclusive information you need to gain an understanding of the wider industry as well as the ability to see how your peers are currently tackling the challenges of the industry.

Throughout this report you will discover:

- The main priorities for the industry for the year ahead
- Industry professionals' plans and investments for the next 6-12 months
- What organisations are focusing their digital supply chain efforts on
- As well as trends that will have the greatest impact on the industry in the foreseeable future

CONTRIBUTORS



Megan Shaw, Content Creator, Supply Chain Industry Week 2019

Working as the content producer for supply chain industry events, Megan Shaw has conducted numerous 1-on-1 discussions with industry experts about the current issues facing the industry. With a wide variety of ideas that have been gathered from various supply chain professionals, Megan has used the insight to provide us with her thoughts on the survey results.



Angel Caja, Operations and Supply Chain Director, Jotun

Angel is a member of the Supply Chain Industry Week Speaker faculty and recently, he spoke to us about his predictions on supply chain movements and what is required to do so – view the case study.

[VIEW THE CASE STUDY](#)



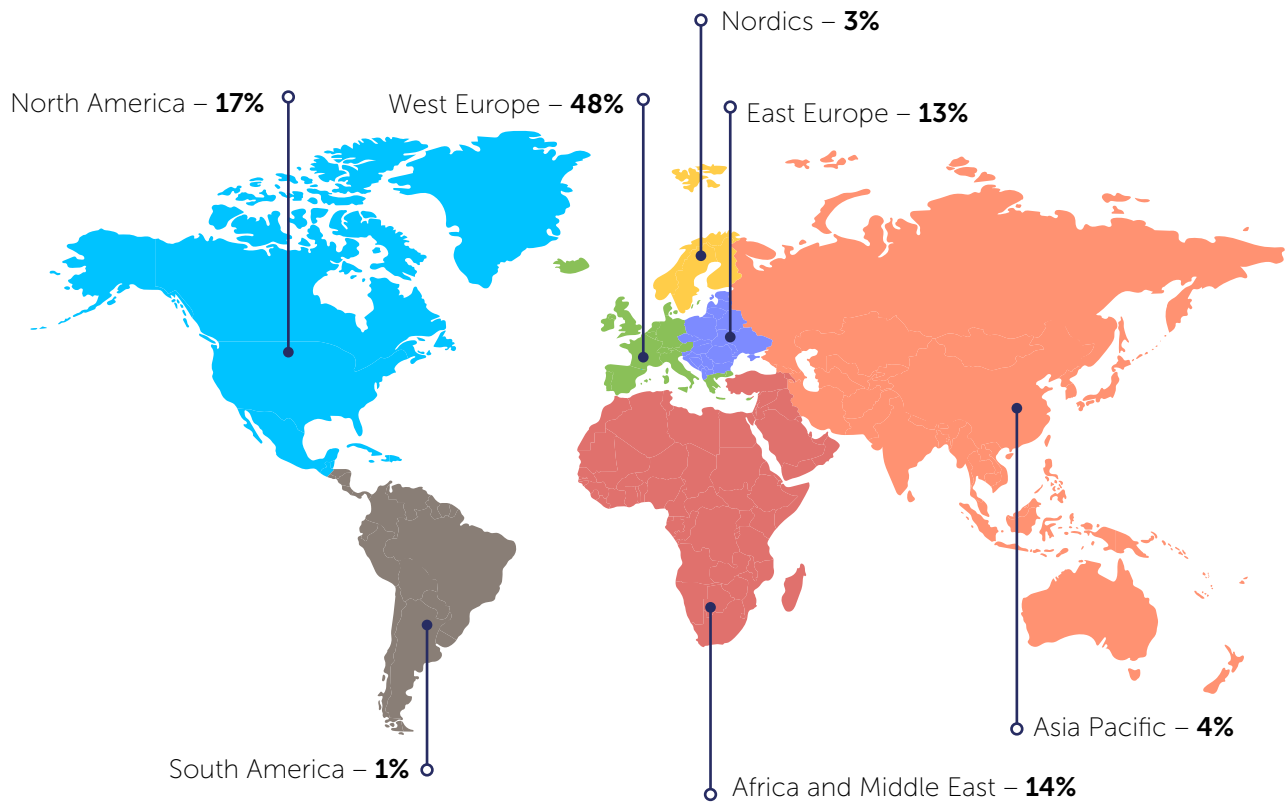
Michael Berger, SCi Week Conference Chair & Former Senior Vice President Logistics, Schaeffler

Michael is Supply Chain Industry Week's Conference Chair and will be opening the show on Monday 20th May

THE RESPONDENTS

Respondents by Region

Results:



Respondents by Sectors

Results:



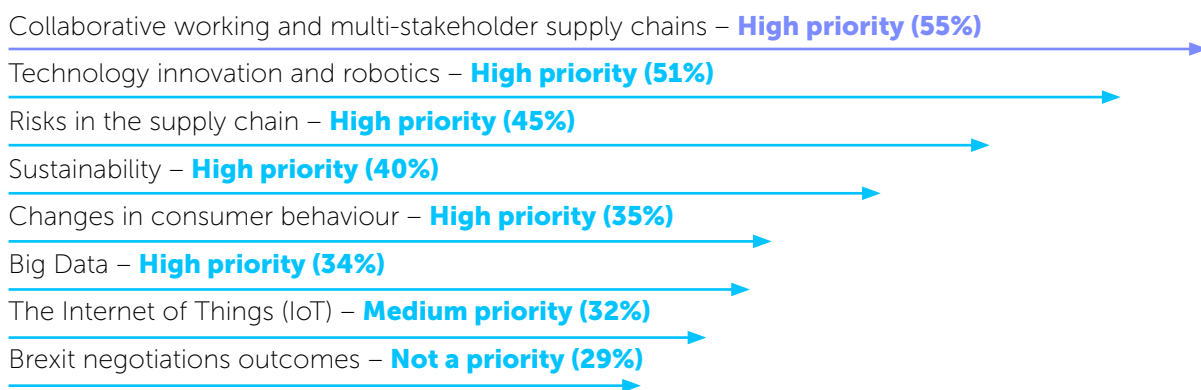
SCi Week's thoughts: "With both Retail & FMCG and Process Manufacturing industry professionals making up the vast majority of our respondents. Our other respondents are made up of professionals from the Pharmaceuticals, Power, Energy and Oil and the automotive sectors. The variety in respondents contributes a wide variety of insights to the report."

THE FINDINGS

The Main Industry Priorities for 2019

SCi Week's thoughts: "Despite the outcome of Brexit negotiations being on the horizon, supply chain professionals are surprisingly not prioritising preparations for the disruptions that will follow. Instead respondents are more focused on making their supply chains robust and efficient with a high prioritisation placed upon new technologies such as Big Data, sustainability, as well as understanding changing consumer behaviours. While it seems the industry will have a number of high priorities for 2019, ensuring supply chains work collaboratively and have multi-stakeholders is the main focus for organisations. Working collaboratively is the fundamental solution to aiding a number of efficiency problems in the supply chain industry."

Results:



Angel Caja, Operations and Supply Chain Director, Jotun

It makes sense to me to have technology innovation as one of the main priorities (in this we can include IoT and Big Data); technology is here and needs to be used to face the rest of the challenges. This is how I see new technologies, not as a challenge, but as an opportunity to help companies to face the real challenges.

One of the main challenges is How to manage the increasing complexity due to the rapid change on the consumer behavior, at the same time that there is great pressure to reduce costs.

E-commerce and big players like Amazon are changing the consumer behaviour, "I want it and I want it now" this change is particularly impacting the B2B community that traditionally had been focused on costs. New technologies help to manage balance, rapid response-cost.

The concern is what technology is needed in each case.

Also I see collaborative working as one of the main opportunities to manage the changes in consumer behaviour. Visibility, predictability and collaborative working can help and minimize the risk of disruption in the supply chain, which is an issue that every day needs to be more monitored.

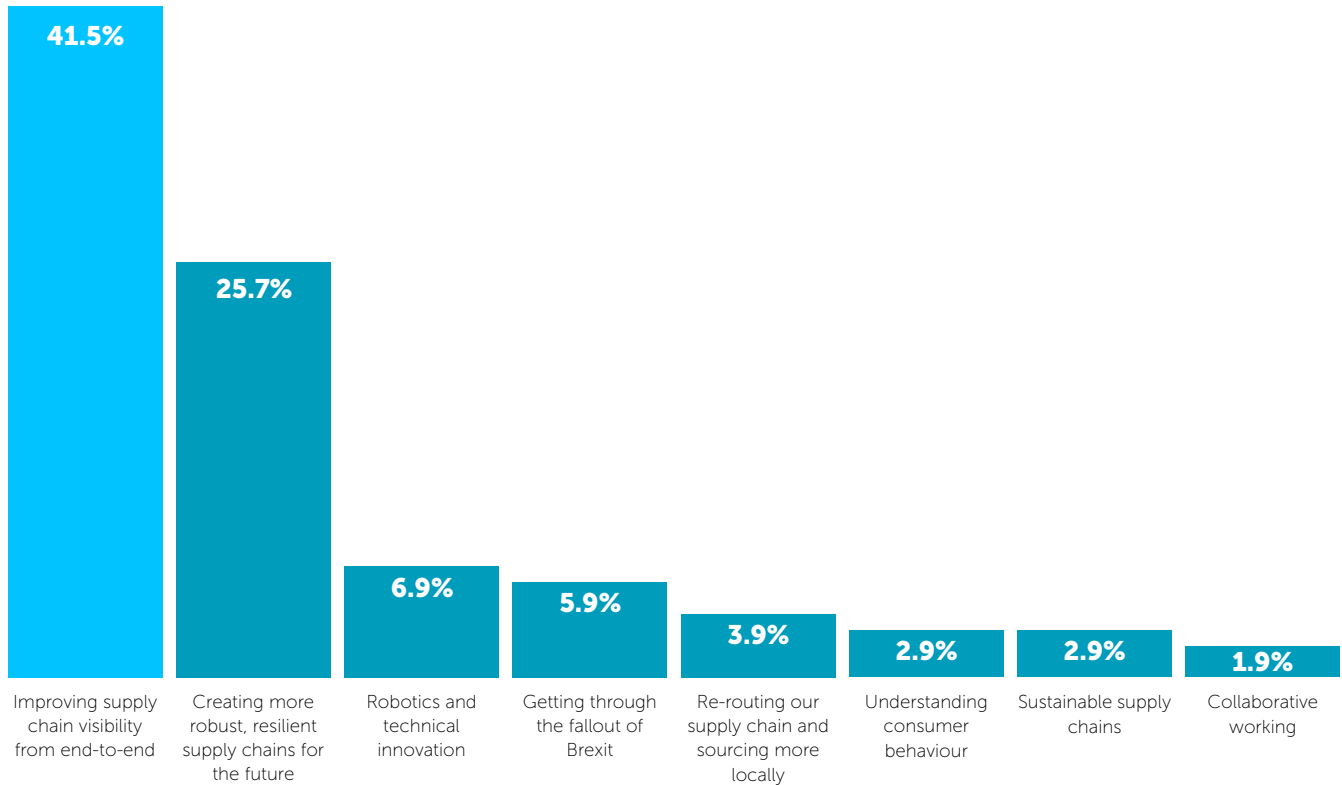
Michael Berger, SCi Week Conference Chair & Former Senior Vice President Logistics, Schaeffler

Multi stakeholder collaboration is one of the key success factors to drive speed in the supply chain, enhance transparency and at the same time optimize the costs. Companies have been pursuing this approach for many years, though they did not progress very well in many cases for the reason of technological limitations. Pushing around paper, emails and excel spreadsheets doesn't work that well. This picture now changes dramatically with the advanced IT capabilities that are available. The dream of fully integrated, multi layered supply chains has a chance to become reality. In order to make this happen we also need to create a modus operandi for how to deal with enhanced data transparency. Controlling supply chain risks in that respect means taking care that the provided data and information is not misused.

Short Term Industry Focuses over the next 6 to 12 months

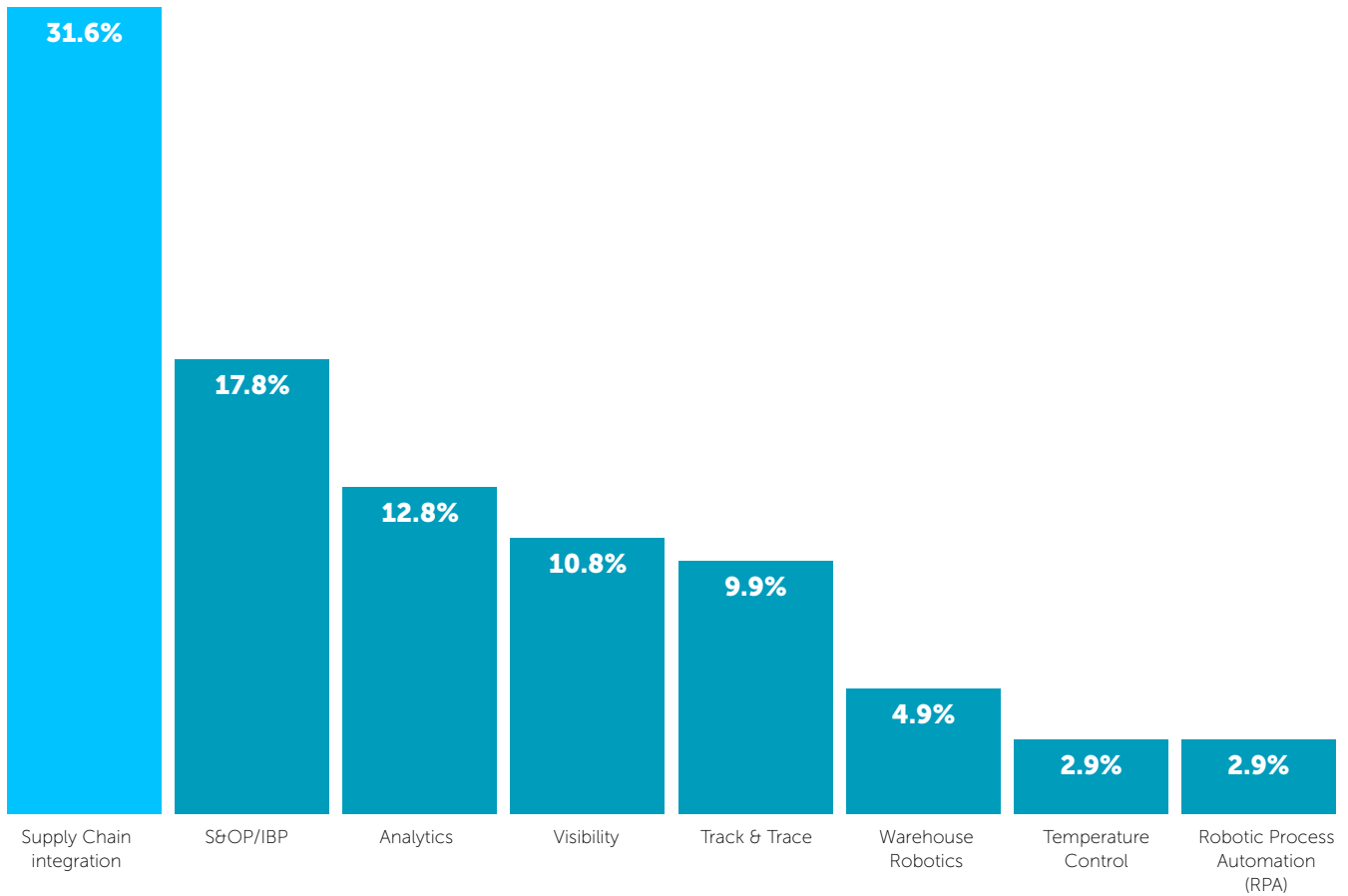
SCi Week's thoughts: "While it is slightly surprising that collaborative working is not a focus for the short term based off the industry priorities for 2019, the theme of creating an efficient and robust supply chain continues. Beyond being simply a priority, improving the overall success of supply chains is the current focus for a large percentage of respondents, with both improving supply chain visibility and creating more robust supply chains being the highest ranking focuses."

Results:



Long Term Industry Investments

Results:

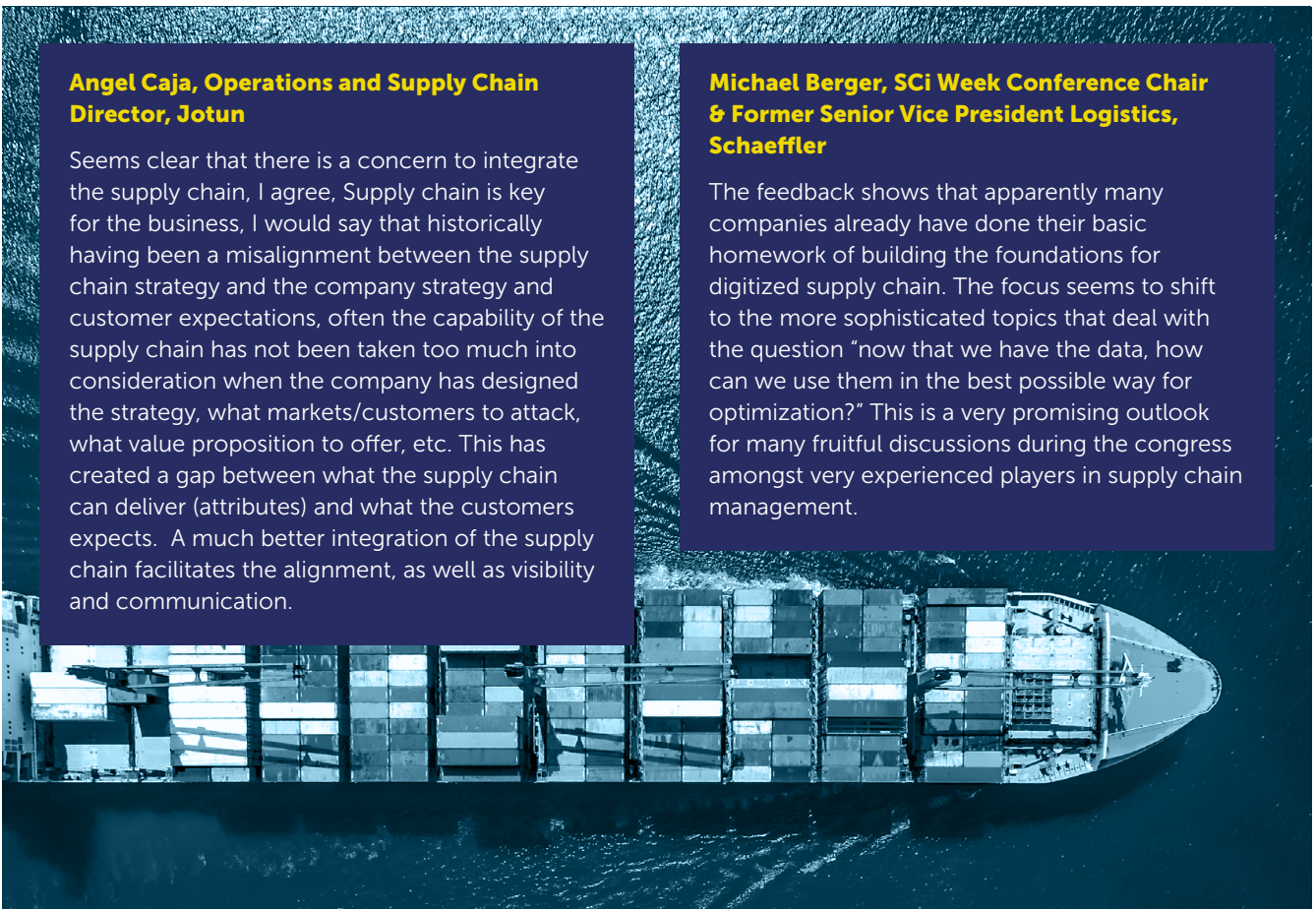


Angel Caja, Operations and Supply Chain Director, Jotun

Seems clear that there is a concern to integrate the supply chain, I agree, Supply chain is key for the business, I would say that historically having been a misalignment between the supply chain strategy and the company strategy and customer expectations, often the capability of the supply chain has not been taken too much into consideration when the company has designed the strategy, what markets/customers to attack, what value proposition to offer, etc. This has created a gap between what the supply chain can deliver (attributes) and what the customers expects. A much better integration of the supply chain facilitates the alignment, as well as visibility and communication.

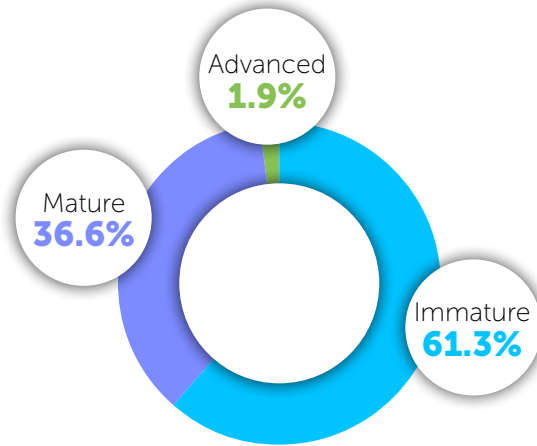
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The feedback shows that apparently many companies already have done their basic homework of building the foundations for digitized supply chain. The focus seems to shift to the more sophisticated topics that deal with the question "now that we have the data, how can we use them in the best possible way for optimization?" This is a very promising outlook for many fruitful discussions during the congress amongst very experienced players in supply chain management.



The Current Maturity Levels of Digitalisation and Automation

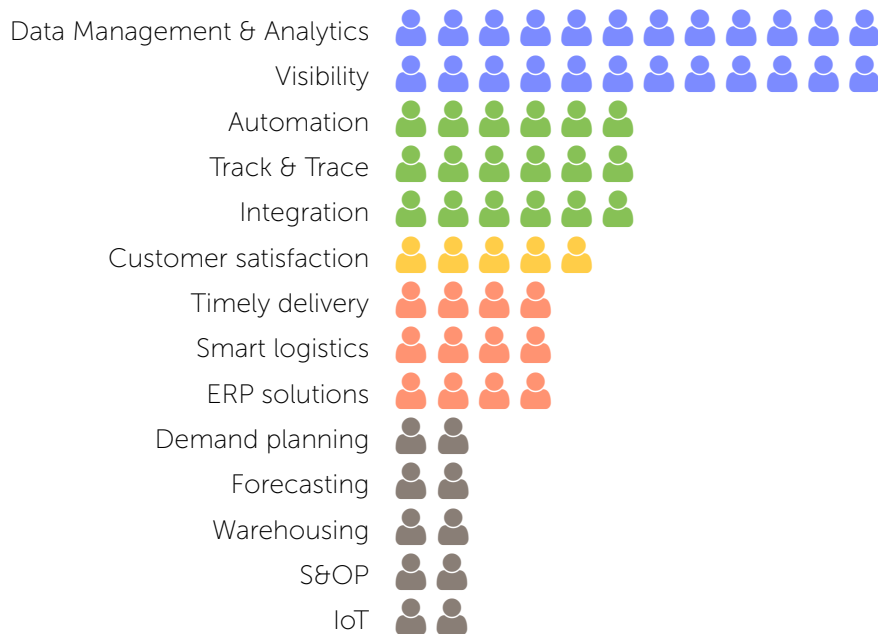
Results:



Top 14 Digital Focuses for 2019

SCi Week's thoughts: "With a large percentage of our respondents still classifying themselves as immature in terms of digitalisation, it comes as no surprise that their digital focuses remain on trend with the aim of creating robust and sustainable supply chains instead of investing in advanced technologies. Implementing data management and analytics systems are the foundations of building a digitally focused organisation. So, for 2019 we can see organisations beginning to take their first steps into the digital space by implementing foundational technologies. By the end of the year we could be seeing more advanced digital focuses with Automation, Track & Trace and Smart Logistics ranking closely behind."

Results:



Angel Caja, Operations and Supply Chain Director, Jotun

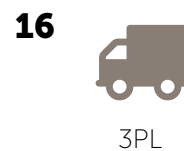
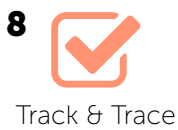
There is a great variety of different aspects which focus on digitalization in this survey, which suggests that the companies are still not clear where to use digitalization, I mean what data is important and what solutions they need. (There could be another reading of the results, that shows that companies have many different challenges, but in my experience most companies share similar challenges).

Digitalization is useful if it helps companies to be more profitable and to deliver their value proposition more efficiently. In my opinion the first step is guarantee the alignment of the supply chain with the business, what attributes the supply chain has to deliver (quality, price, speed, differentiation, innovation, etc.) and then choose the data that will provide the right information to choose the right solutions.

Top 17 trends that will have the greatest impact on the Industry in 2019

SCi Week's thoughts: "Despite not ranking at the top of digital focuses for the year, new technologies seem to be the trend that our respondents think will have the biggest impact on the industry in 2019, with IoT, Blockchain, Big Data and Automation achieving the top spots. With the hope that supply chains will become efficient and sustainable; the trends that are predicted to have a big impact on the industry will certainly influence this. It does seem however that a lot of our respondents think that regulations and disruptions may have a significant impact on the industry. Brexit and politics, regulatory instability and borders and environments all rank safely in the middle of the results. These results show that there are a lot of things that could potentially change the shape of the supply chain industry environment throughout the year."

Results:



Michael Berger, SCi Week Conference Chair & Former Senior Vice President Logistics, Schaeffler

This feedback looks to me that the people have a quite broad expectation about which trends might have an impact on them. It also means that each company has a very individual framework in which they operate and hence need to have a wide variety of issues in view. Of course the trends in digitalization are the ones that are most commonly tackled.



CONCLUSION

Our results show that supply chains are truly beginning to push themselves to the next level. With the prospect of digitalisation growing throughout 2019, organisations can begin to tackle the demands and challenges that have been growing over the past couple of years. While some chains are undoubtedly already tackling the complexities of supply chain management, this report has shown us that organisations that have not have started investing their time and investments into being as visible, robust and sustainable as possible.

Though we can expect supply chains to tackle issues such as customer demands, visibility and integration over the coming months. That doesn't mean new issues will not arise. With the geopolitical environment changing for the worse day by day, 2019 is going to be a year where supply chain professionals' need to stand up to the challenges. Change is the main theme of the supply chain industry for this year, but our results show that each organisation is more than ready to tackle the challenges with robust strategies under their belts.

Discover how your business can address the challenges and demands of the supply chain industry. Join us in the bustling city of Berlin for Supply Chain Industry Week 2019 to network with and learn from speakers and experienced thought leaders across a variety of industries from companies including ASOS, HelloFresh, Siemens, LG, Henkle, ORION and Apple.



DOWNLOAD THE 2019 EVENT GUIDE