

Supply chain management in a VUCA world

ISCMA SCM conference 2022

Rafi Tomashof | March 2022

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Oil prices



Semi-conductor shortage



Pandemic



Container freight



Consumption patterns



Russia Ukraine war



Healthcare



Texas weather



Home delivery



Air travel

The cost of capital has been trending upward in most surveyed economies.

10-year government bonds,¹ %, 5-day moving averages



Cost of capital trends

Commodity prices were rising even before the attack on Ukraine, at which point prices spiked.

Commodities indexes,¹ moving 5-day average, index (Jan 2007 = 100)



Commodity prices rising before Ukraine

World trade volumes increased 1.1 percent in December 2021; yearly growth in 2021 was 10.3 percent, as trade levels reached well above prepandemic highs.

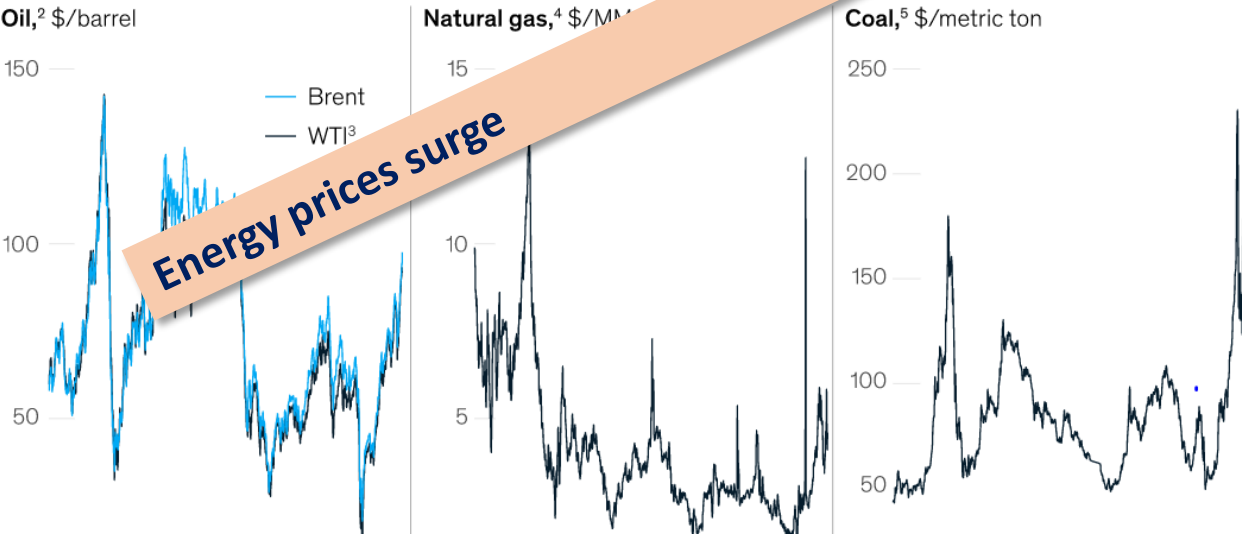
CPB World Trade Monitor, volume, index (2010 = 100)



World trade volume +10% in 2021

The conflict in Ukraine set energy prices surging; prices were already rising as a result of slower OPEC output.

Energy prices,¹ 5-day averages



Energy prices surge

VUCA stands for...

Volatility

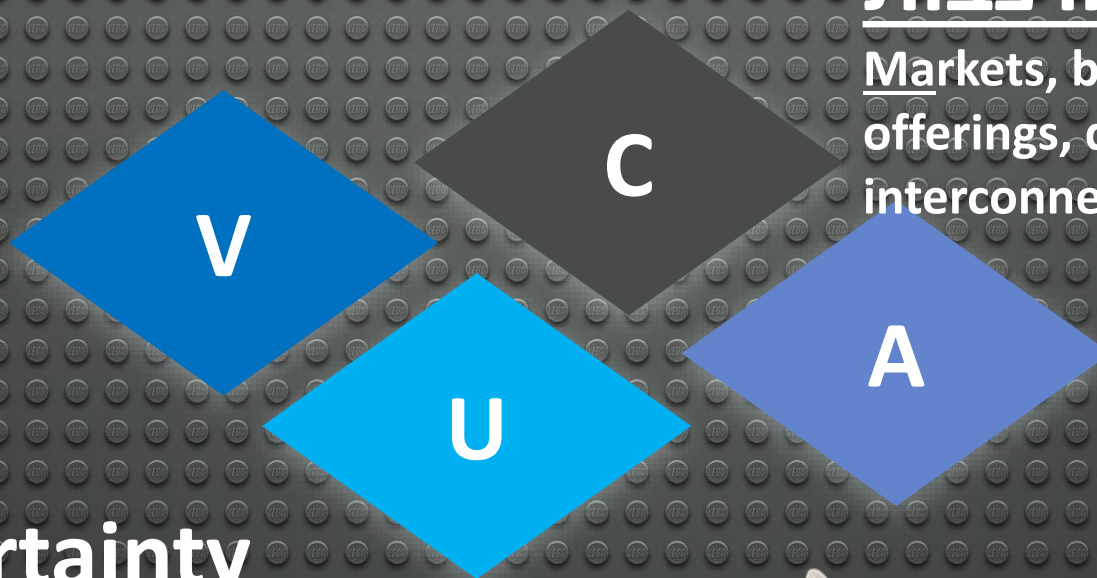
תנודתיות

Constant change, unstable, unpredictable, difficult to track cause and effect

Uncertainty

חוסר וודאות

Difficult to anticipate events, predict or forecast based on past, difficult to plan for investment, development



Complexity

מורכבות

Markets, behaviors, product/service offerings, decisions intermingle, no clear interconnection, many decisions

Ambiguity

לא חד משמעי

No more – “one size fits all”, “Best practice”, challenging value, courage, risk, not only black & white – grey is an option



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CSMO's are expected to be....

**Agile, Resilient, Responsive,
Adaptive, Efficient, Flexible,
Effective, Fast, Economic, Service-
oriented, Environmental...
to name a few**



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“Purpose driven” supply chains support strategy

Sample

Ensure clearly defined strategy

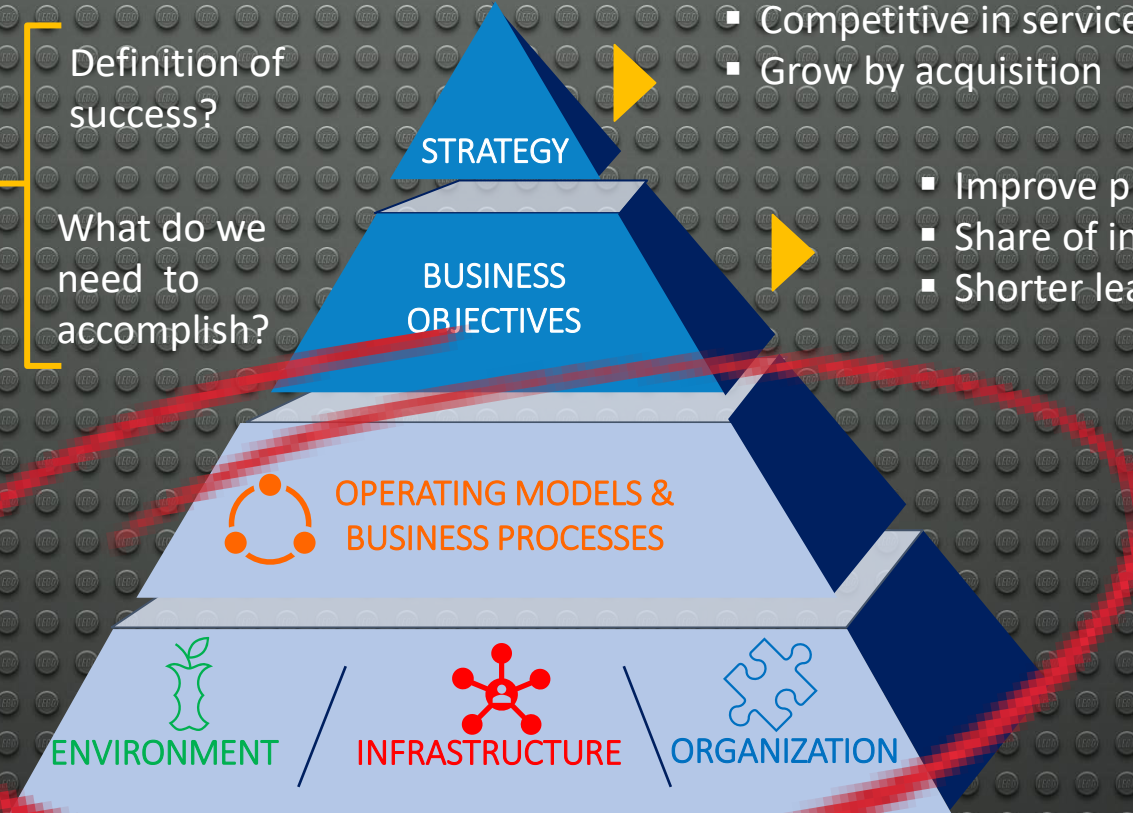
Definition of success?

What do we need to accomplish?

Align with strategy

What are the best methods?

What is required to support the desired processes?



Compliance



Energy efficient



Health & Safety



Circular economy



Regulations

Corporate social responsibility



Environment

Waste, re-use, recycle



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Collaborative skills



AR/VR applications



Digital culture & skills

Organization



Productivity – people independent



Productivity – people independent



Performance

Matrix organizations



Global workforce



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BPA

Business Process Automation

RPA

Robotic Process Automation



Network footprint



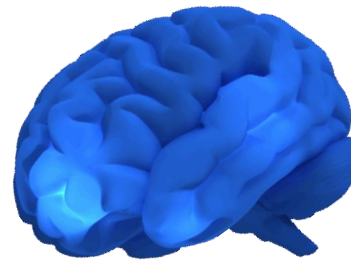
Data, Big data, BI



Asset utilization



Infrastructure 



Analytics - AI, ML, DL



Connectivity API, IOT, SC 4.0

Automation



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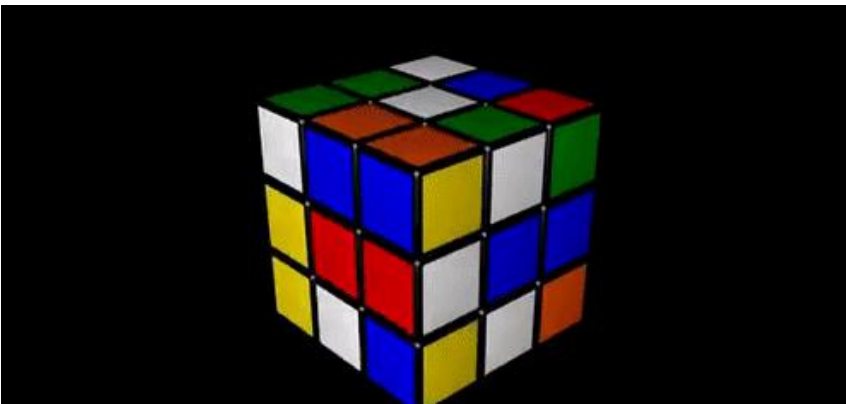
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Track & trace, Blockchain





Business continuity



Clustering & segmentation

Material flow



PLM

Process

Information flow



Plan, IBP, S&OP, ABP

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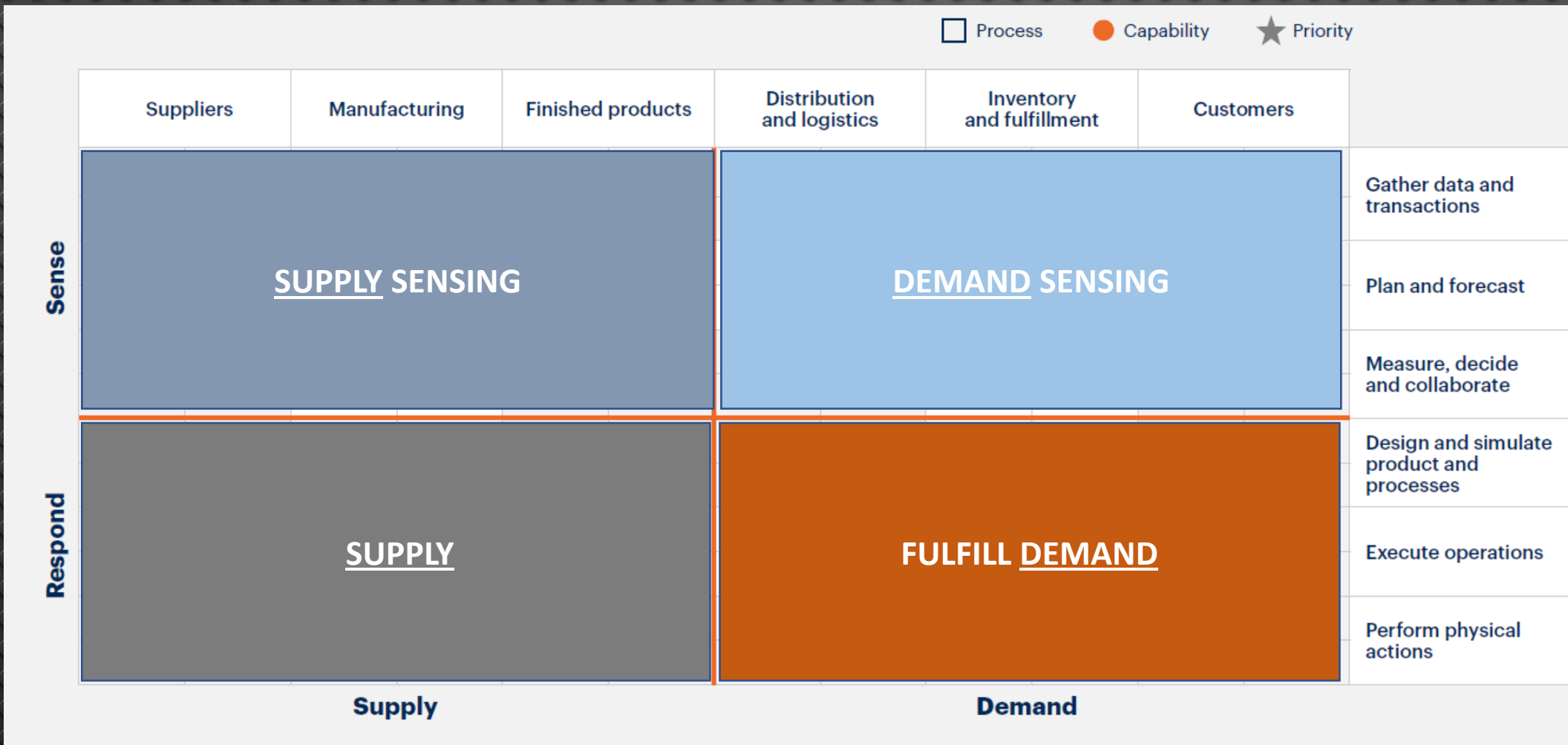


Innovation

Track & trace

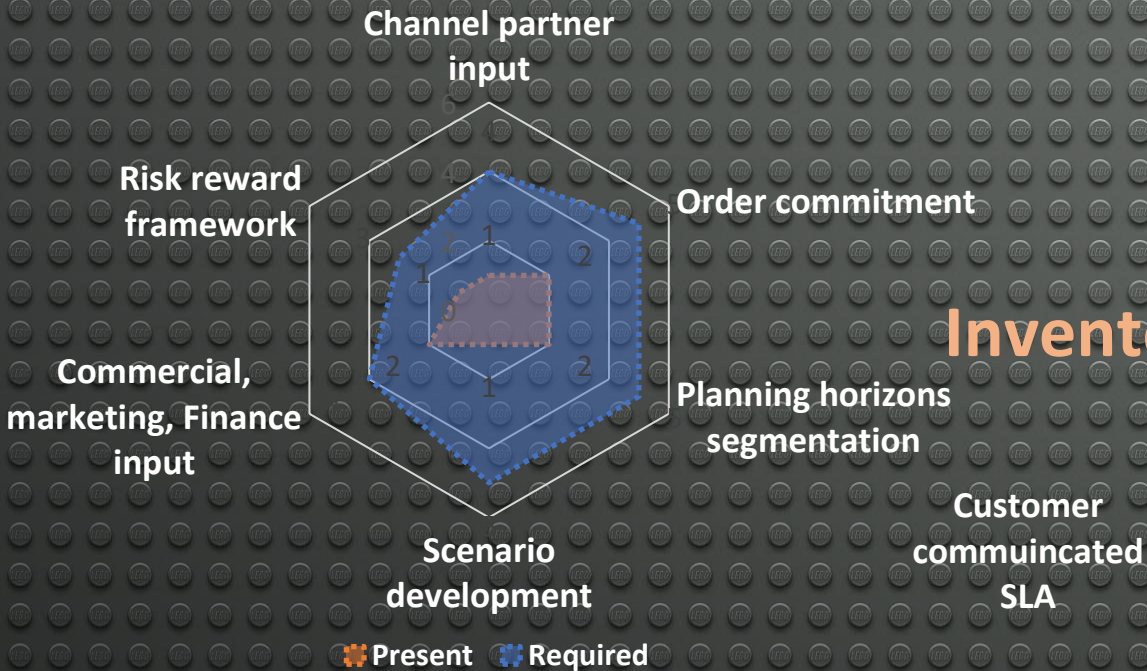


'Purpose driven' process view

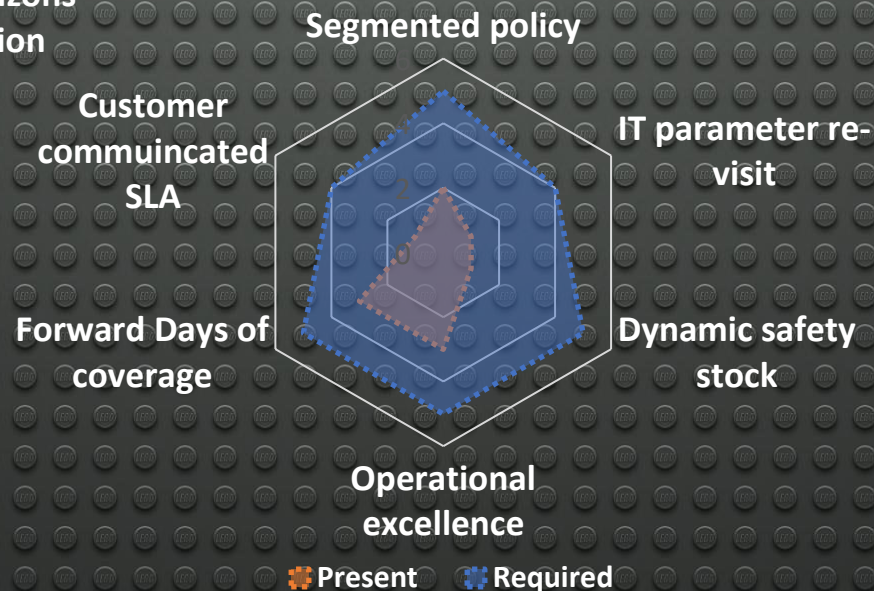


Practices and gaps to 'purpose'

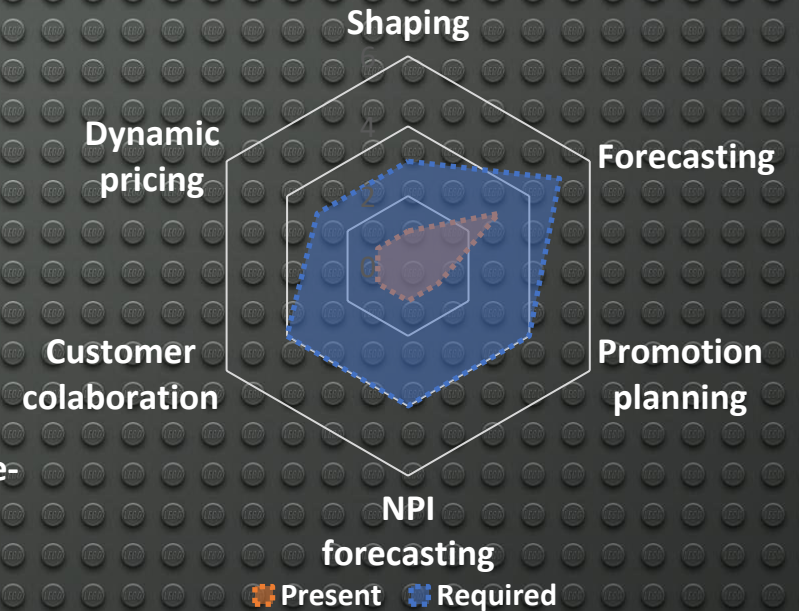
Collaborative planning



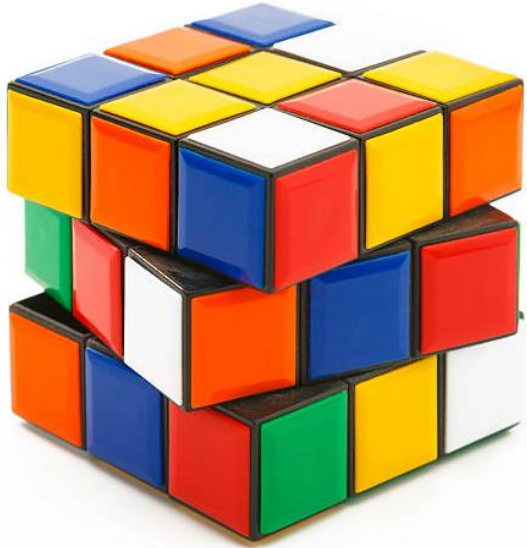
Inventory management



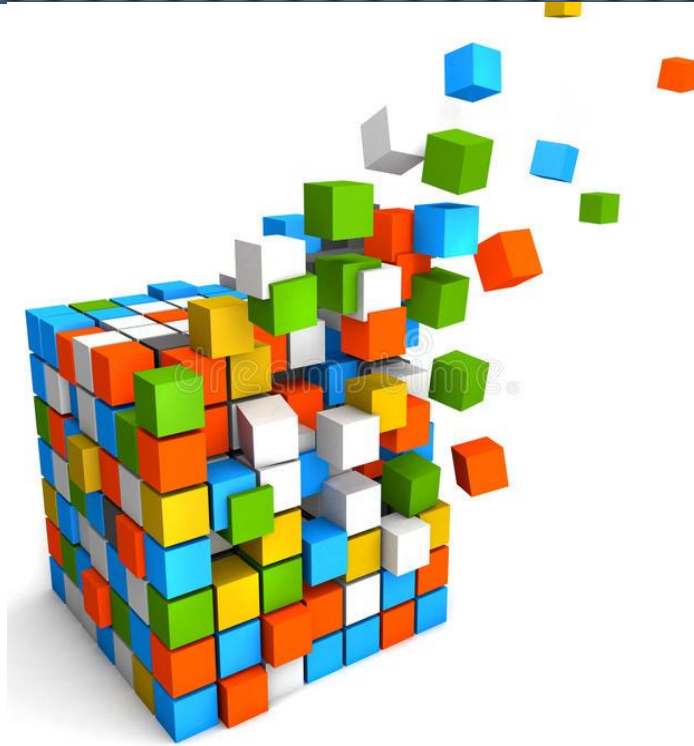
Demand sensing



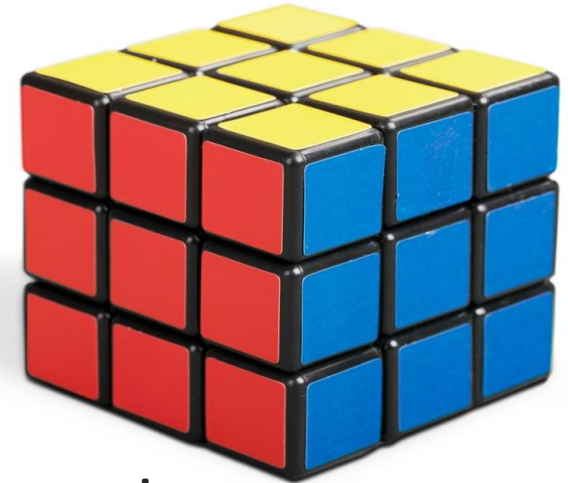
'Purpose driven' supply chains drive solutions



Segmentation drivers



Analytics



Dynamic grouping

Post Covid and VUCA



Business objectives illuminate every aspect of how supply chain gets work done



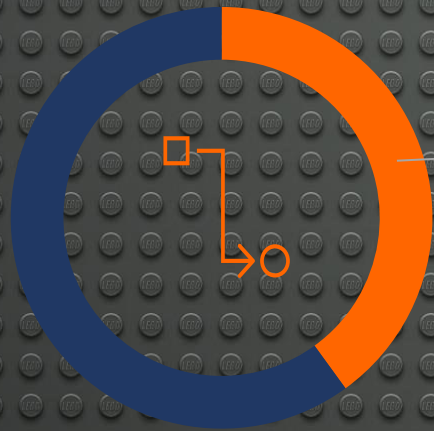
The entire supply chain is envisioned as not just effective, efficient & green, but also innovative, collaborative and proactive



Every decision is focused first on segmented customer value

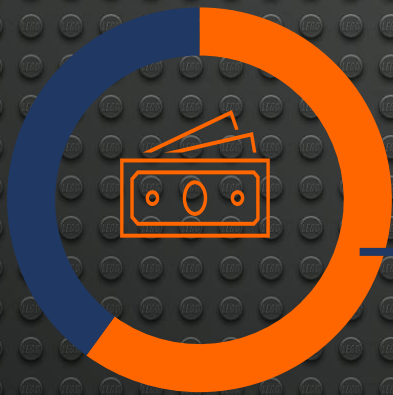
The focus is on how the supply chain can help businesses be competitive by developing a purpose-driven supply chain that can lead your organization to greater resilience and agility.

Gartner research identified spoiler....



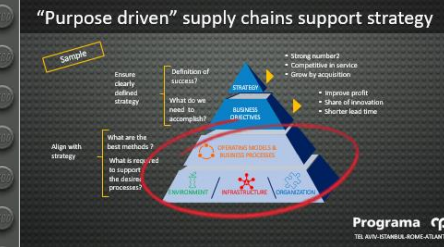
44%

Of supply chain leaders say executive management see supply chain strategy as just an enabler of product and sales, or worse – a **cost center to service the business**



60%

Of supply chain organizations are set up primarily for cost – efficiency **rather than resilience or agility**



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Thank you!
תודה!

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