



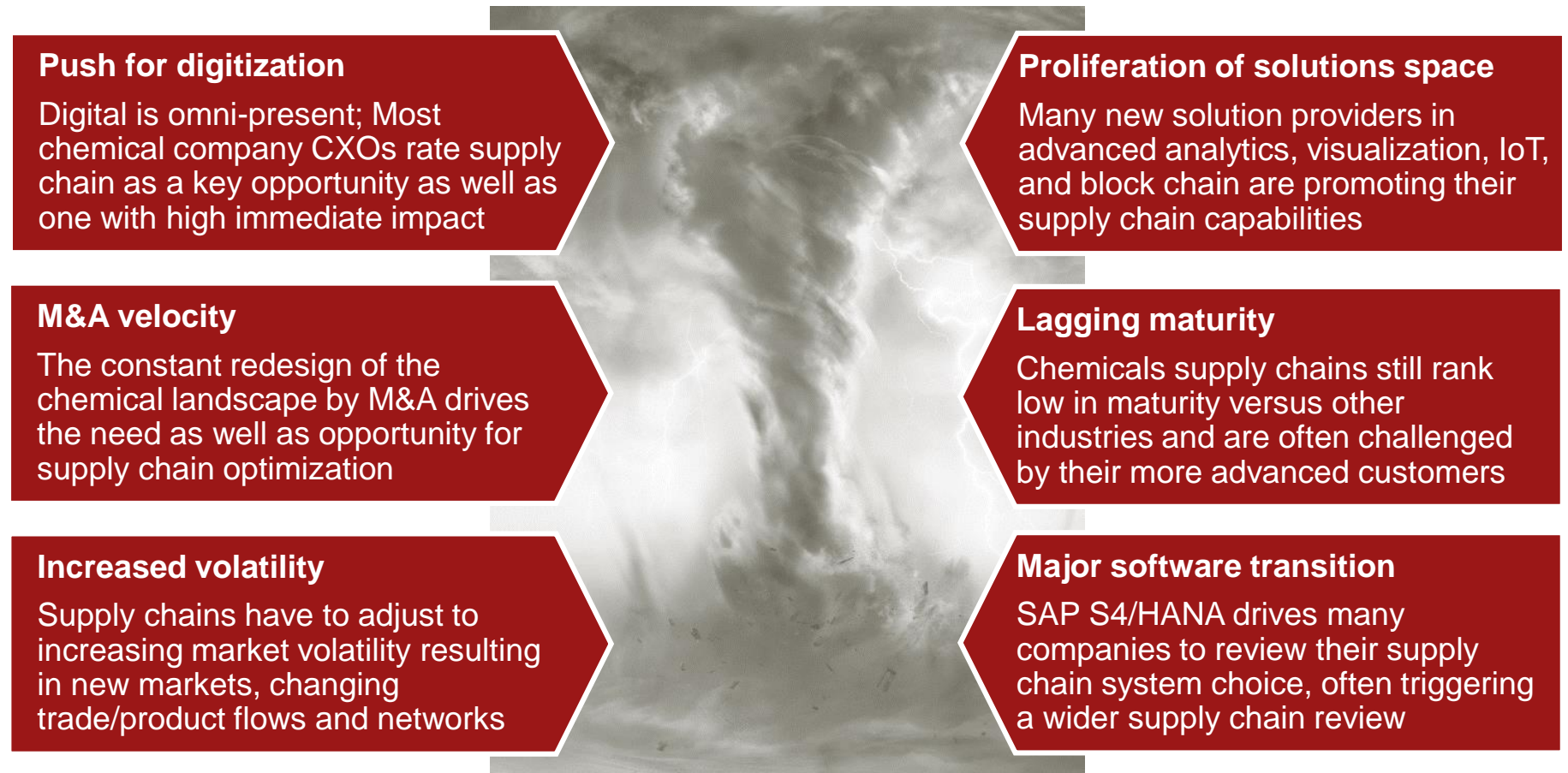
**GPCA**

# Organizational health as driver of performance

A.T. Kearney  
May 2018

Chemical supply chains face the perfect storm, therefore many executives have placed supply chain at the top of their agenda

## Supply chain related trends in chemicals

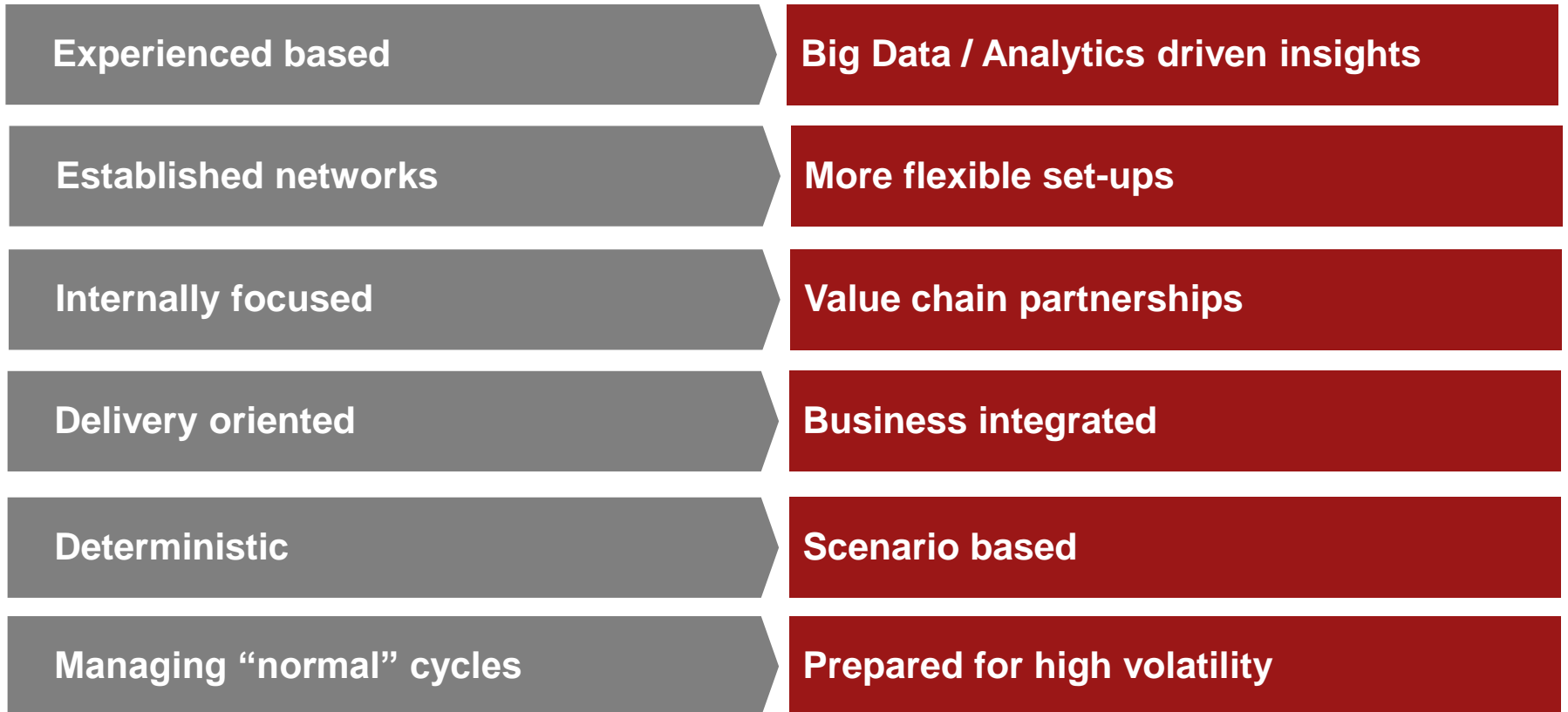


# These trends trigger the need for the next development stage of Chemical supply chain organizations

## Chemical supply chain development

From traditional supply chain organization ...

... to “new” supply chain requirements



But so far most supply chain executives in chemicals apply traditional methods to the known supply chain challenges

## Chemical supply chain challenges & the industry's response

Selection

### Challenges

### ... and traditional responses

Constant strategic changes in **Network Configuration** as a result of M&A, outsourcing/partnering and volatility

**Standardization of processes & interfaces** within the supply chain

**Fragmentation of Data** across internal departments and other supply chain participants

**Harmonization of data structures** as well as cleansing initiatives

**Frequent Changes** of supply chain decision parameters

**Respond as best as possible** to dynamic changes

Customer requirements are often in contrast to **Supply Chain Realities** of a complex, long lead time, utilization driven supply chain setup

**Segment supply chain to capture synergies** and enable complexity management; outsource high complexity customers to distributors

# The Pivotal Supply Chain requires a very different supply chain organization

## Development of Supply Chain organization

Examples

### Organization elements

### Organizational requirements

#### Structure

- Integrated structure with market interface and value chain partners
- “Plug & play” supply chain set-up
- “Towerless” organization (Maintenance of new technology solutions)

#### Processes

- Self-driving planning (Smart Sensing/Machine Learning, Frictionless Work/RPA, Continuous S&OP/Simulation & AI)
- Future of Manufacturing (“Uber of Manufacturing”, Role of the Factory)
- Seamless Omnichannel

#### Capabilities

- Profiles move from Experience-based to “Big Data/Analytics insight” driven
- Supply chain driven business decisions and entrepreneurial thinking
- IoT capabilities to drive technology enablement

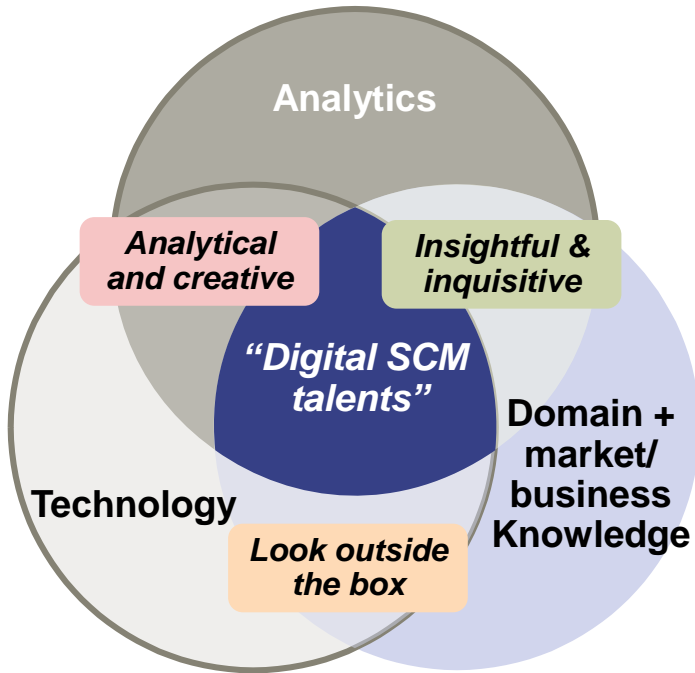
#### Enablers

- Next generation IT and sensible digitization
- 360° Data capture (Volume & value, cross functional, value chain partners) via broader sources (e.g. IoT, AI)
- From KPI reporting to “real time data mining” to enable pivoting
- HR collaboration for talent acquisition, development and retention

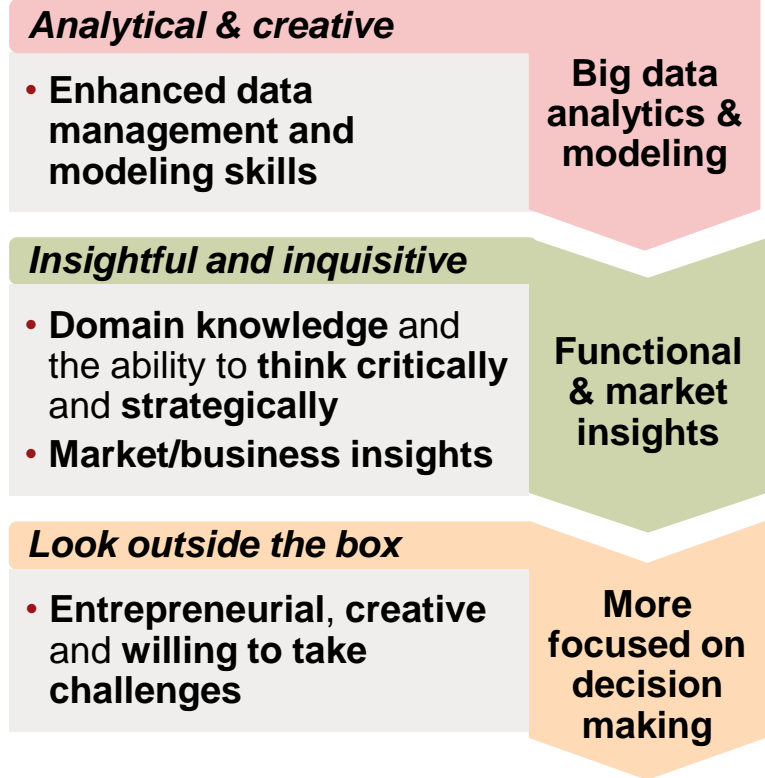
# The future supply chain capabilities require the integration of diverse talents especially in analytics and IoT technologies

## Supply Chain capability profiles

Example: Capabilities



### Key capability cluster



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