



**NEW
GEN
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**SUPPLY CHAIN
TRANSFORMATION
DONE RIGHTSM**

VOLUME 1 - PEOPLE



Supply Chain Transformation Done RightSM means every stakeholder has a seat at the table and an opportunity to align on goals and values.

Supply chain transformation and business transformation go hand in hand. When establishing successful supply chain efforts, you cannot silo transformational efforts, technology implementation and process improvements into traditional functional areas like procurement, logistics and manufacturing. The goal is to create a unified approach, starting with optimizing supply chain transformation and operations.

A natural culture change occurs as new procedures become established, new technologies are implemented and new partners are introduced. Understanding the evolving impact of supply chain aspects on business decisions is critical to creating open lines of communication with the following key stakeholders.

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STRATEGY

When it comes to supply chain transformation, strategy is everything.



Successful supply chain strategy implementation includes a strategic vision with clear, quantifiable long-term objectives that allow flexibility as technology advances. Roadmapping and developing a 3-5 year plan fosters engagement from every level of the business and fuels goal-setting and milestone achievements. Planning should also consider pilots and allow time for lessons learned, adopting new ways of working and gaining momentum for the next phase. Strategy stakeholders can help lead the charge on future casting corporate needs and opportunities.



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TRANSFORMATION OWNER

This individual is responsible for transformation progress and tracking, often serving as Chief Program Manager Change Management, or Communication Officer. They must possess timely project knowledge, be well-respected and have decision-making power.

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MANUFACTURING AND PRODUCTION

Both internal and external manufacturers are responsible for overseeing and carrying out a production line to produce goods that meet the needs of consumers and customers.

Manufacturers seeking supply chain and business transformation should consider the various roles they can play with improving business processes and adopting digital technologies that can affect business functionality.

HUMAN RESOURCES

With human resources (HR) being the hub of any operation, businesses should consider creating a Center of Excellence or a Continuous Improvement Office to house resources and offer employee development opportunities.

Securing the right people is foundational to a company's success, which means hiring should be diligent in seeking out individuals (full-time or consultants) with targeted skill sets to meet identified needs.

While technology resources typically require big budgets, it is critical to earmark funds to support your most valuable resource: your people. Factoring in the people you need to ensure a smooth process is just as important as the technology itself. Working with HR and other departments on annual (or multi-year) planning is a proactive approach to ensure long-term success, also factoring in compensation adjustments based on cross-functional KPIs and training incentives for new technologies.



..... IT AND DIGITAL

IT and Digital is an integral part of supply chain transformation. As new technologies and companies move to the cloud, flexibility tops the list of requirements to adapt to the number of needed computing resources quickly. Embracing the cloud allows supply chain transformation executives to influence all dimensions of the supply chain process, including engineering (the product), procurement, planning, manufacturing and fulfillment.

The result is a interconnected, innovative (R&D) and intelligent supply chain.

As stated in The McKinsey report, “companies that aggressively digitize their supply chains can expect to boost annual growth of earnings before interest and taxes by 3.2% –the largest increase from digitizing any business area–and annual revenue growth by 2.3%.” The takeaway is that growth and innovation come through collaboration with the IT and Digital team.





SALES

The sales cycle is relational and built on understanding unique customer challenges. Having the right stakeholders involved at inception leads to a more efficient and positive experience. An important part of the sales process is demand planning, which is positioned under the supply chain. Demand planning requires generating, interpreting and persuading the output of statistical models and organizing and challenging the input from sales and marketing. Demand planning should be part of transformation initiatives by offering varied, valuable data points and stakeholder input that can challenge the status quo.

MARKETING

Marketing is inextricably tied to supply chain transformation by sharing information with the production or fulfillment teams. Successful transformation means enhancing business processes to promote collaboration and transparency. The foundational systems and data should be positioned to support that process, even with data being consumed and used in various ways. Functionality and engagement are essential in this role.





PRODUCT INNOVATION AND DEVELOPMENT (R&D)

Like every role listed in this whitepaper, individuals in this role play an important part in the supply chain transformation process. Team members bring a level of innovation and ingenuity to the table, which begins the initial stage of the process. In addition to aspects like production cost reduction and product quality, task R&D with promoting differentiation, which allows for a more impactful and final product design. As product innovation investment significantly mitigates the effects of process disruption on supply chain performance, alignment between all stakeholders and R&D is crucial.



LOGISTICS AND DISTRIBUTION

In supply chain transformation, logistics and distribution play a key role. For many companies, this function is outsourced to external partners. Working with a vendor partner makes it imperative to consider how their systems and digital maturity will (or will not) integrate with new internal transformational efforts. With oversight of distribution centers, warehouses and transportation companies, communication is the cornerstone to logistics and distribution to minimize disruptions along the product journey and create lasting success.

FINANCE

Finance is paramount to supply chain transformation and ensures that the supply chain is treated as a profit center and not a cost center.



The finance leader also manages specific financial constraints related to supply chain transformation and tool implementations. Finance should partner with other areas to support efficient planning and enable systems to integrate relevant information accessible for everyone.

Finance can also pursue alternative financing options for these transformational efforts from Honor Capital, an NGA partner.





DATA

Individuals working in data are in many ways gatekeepers. Data owners drive the truth, report activity at data warehouses and understand integration.

Team members carry a big responsibility to know how to secure data and capitalize on its value. Coordinating intake on different stakeholders ensures all data is compiled into a single source, reducing costs, reducing risks from all stakeholders and improving supply chain traceability and visibility.

REGULATION

Regulation extends to national governments' laws and requirements (regional or local) set forth. Regulatory roles include many facets, such as quality assurance, quality control, ISO and OSHA legal compliance and compliance and data for public companies (SOX requirements).

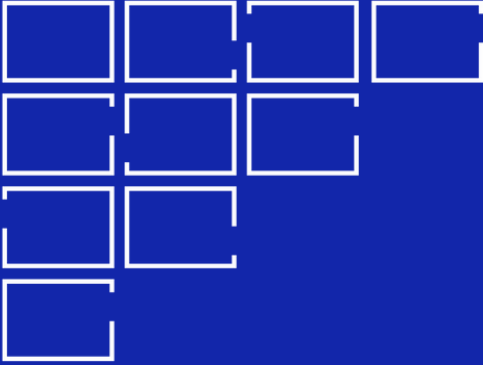
Quality assurance and quality control instill confidence in quality requirements and control the inspection aspect of quality management.

Regulatory compliance concerning the supply chain means overseeing the production and sale of items in specific regions and the actions involved in the sourcing and manufacturing such products.



END-USER / CHANGE CHAMPIONS FOR TOOL IMPLEMENTATION

The sheer volume of tool implementation options in the market is overwhelming. Engaging an end-user is a smart and time-saving way to research options and identify pros and cons. End users can also help reduce delays by detecting any issues across the implementation process. Working with end-users is beneficial to vet and select the most appropriate implementation tool fully.



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THE PROVERB

"it takes a village"

extends to the supply chain transformation process. Collaboration across stakeholders promotes an environment of openness and knowledge sharing, both of which are essential to a successful outcome. **Sharing truly is caring in terms of looking out for the best interests of your customers, colleagues and corporate brand.**

Supply Chain Transformation Done RightSM





**IF YOU ARE CONSIDERING
SUPPLY CHAIN TRANSFORMATION
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