THE VISIONAIRE

**Chamber of Visionary Supply Chain Leaders
NOV 2020**

CVSCL CXO Leadership Retreat Excerpts

It was a milestone moment for the CVSCL to have successfully conducted its first virtual **CXO Leadership Retreat** on 17 Oct 2020. The retreat was led by CEOs, CIOs, CHROs of well-known companies e.g. Ms. Vinita Bali, Mr. Suresh Narayan, Mr. Roman Manthey, to name a few.

More than 100 supply chain leaders across the country, who were eager to listen to the CXOs perspective on Supply Chain Management, actively participated and asked pertinent questions to the keynote speakers and panelists.

The Supply Chain Leaders shared how they are reimagining supply chain and getting ready for future, not just to survive but to thrive in the face of disruptions that will be the new normal

Keynote Speakers:

- **Ms. Vinta Bali, Business Leader,** *Board Member and Ex CEO, Britannia Ind.*
- **Mr. Suresh Narayanan,** *Chairman & MD, Nestle India Ltd.*
- **Mr. Roman Manthey,** *Global Supply Chain Engg. & Infra Director at Coca Cola*
- **Mr. Pankaj Bhardwaj***, VP & GM, Avery Dennison*

IT Panelists:

- **Mr. Anand Maithani,** *group Head SCM & IT, Apollo Tyres Ltd.*
- **Mr. Ashok Cherian,** *CIO, Page Industries*
- **Mr. Sujit Sahu,** *Senior Director, Oracle*

- **Mr. Animesh Kishore,** *Head Operations & IT, ITC Ltd.*
- **Mr. Jayaraman Krishnamurthy,** *Supply Chain Digital Transformation, O9 Solutions*
- **Mr. Umesh Madhyan,** *AVP Supply Chain, HCCB*

HR Panelists:

- **Ms. Achal Khanna,** *CEO, SHRM*
- **Ms. Richa Bakshi,** *HR(SCM), P&G India*
- **Mr. Biswarup Goswami,** *CHRO, GHCL*
- **Mr. Piyush Dutt,** *CHRO, Vishal Mega Mart*
- **Alagu Balaraman,** *Partner & MD, CGN & Associates*
- **Mr. Ashish Pande,** *Director SCM, Nestle India Ltd.*
- **Prof. Gurunathan,** *XLRI*

Hello UMESH,

Greetings for the Day !

It was an amazing experience to attend **CVSCL – CXO Leadership Retreat** webinar yesterday.It had very carefully crafted themes which are most relevant to our fraternity. And inclusion of HR panel was absolutely awesome. The beauty was that we could connect to the speakers and panels more effectively compared to live session in an auditorium !! It was also fantastic that the entire session went flawlessly without any technical hitch.

Kudos to the Team CVSCL !!

Participants' Feedback

EXCERPTS AND INSIGHTS

Keynote Speaker: Ms. Vinita Bali

- Supply Chain is all about customer satisfaction & experience. It is no longer the cost efficiency, which used to be supply chain drivers for many years.
- The supply chain heads are increasingly becoming answerable to company boards.
- Companies now realize hidden costs embedded in the business e.g. cost of not meeting customer demand, that make the role of planning a key enabler of customer success.
- The Corona pandemic has shifted supply chain focus from cost & efficiency to supply chain resiliency, effectiveness & customer service.
- Boardrooms are increasingly asking questions around what the impact on the revenue is and ROIC of an effective SCM.
- In retail business, 30% to 40% business is loss because the right SKU was not available when & where the customer wanted it.
- Use of design thinking & Innovation (Ferroro Rocher) in reducing supply chain complexity.
- Corona crisis has challenged current paradigm. Future innovations will be connected with environmental uncertainties, tougher business cycles, climate change issues in SCM
- Increasingly heterogenous customers base will require differentiated SC models
- Use of Big data, cloud computing, Analytics for SC as service vs SC as a process
- Supply Chain is going to be specialized discipline that would involve designing processes that are agile not just cost effective
- Aligning SC dashboard to business deliverables

> *Supply Chain Community needs to wear Multiple Hats e.g. cost manager, risk manager, revenue driver, consequence manager and have both Macro & Micro view*
> **Mr. Suresh Narayanan**

Keynote Speaker: Mr. Suresh Narayanan

Covid has impacted 3 most important stakeholders of business – Society, Shoppers & Retail network.

- From societal point of view, trend is towards reversal of globalization
- Need to prepare for the world where more frequent disruptions are the order of the day
- People, Purpose and Partnerships are most important, profits are consequence of dealing with other 3 compassionately
- Shoppers are harping on the trustworthy brands that are capable of making products available even during difficult times
- Eating at home has now become important aspect of living life.
- In retail, there is market consolidation; eCommerce has upscaled.
- The general trade continues to play important role given its proximity & service advantage.

The imperatives for Supply Chain in the emerging scenario:
- Prudent financial Management
- Complex sales planning compounded by unpredictability of environment
- SKU rationalization to be integral to planning cycle
- Adjusting marketing approach
- Investment on big data & analytics on consumer & shopping behavior
- Preparing for recession – value-upping, modest product launches etc.
- Infra and processes to service higher scale of eCommerce
- Enhancing Sustainability
- Agile resource planning
- Organizing for next phase

Supply chain community needs to wear multiple hats – cost manager, risk manager, consequence manager etc. Customer & Consumer centricity is essential for business survival, that requires collaborative approach in value chain alignment driven by SC.

Keynote Speaker: Mr. Pankaj Bhardwaj

Customer obsession makes one business different from the others. A customer will always keep propelling you to the next level.

Customer centricity is about designing your processes, systems & decision -making keeping customers interests in mind. Avery Dennison has travelled a journey from product centric to customer centric company, leading to better customer experience, insights and customer loyalty.

Customer journey mapping by putting in customer's shoes and understanding their pain areas, brought out following discoveries about customers' expectations:

- Transactions & relationship to be effortless
- Resilient & agile processes & systems to withstand the impact of events like Covid
- Omnichannel readiness
- Tailored offering
- Measure aligned to customers' perspective
- Priority to customization over optimization

The implicit needs (not expressed) of customers are:
- Transparency driven by tech. – need for more real time information
- Better engagement & interaction with the products in a meaningful way
- Being responsible & sustainable

Institutionalizing customer centricity & measuring success:
- CES **Customer Effort Score** – how effortless is to deal with business
- Applies to internal (ICES) customers as well

Understanding the drivers of customer centricity & continuously improving is the key focus of Supply Chain.

Keynote Speaker: Mr. Roman Manthey

Major trends Pre/Post Covid
- Unpredictability and variability require nimbleness and responsiveness in all areas of business
- Environmental agenda that had taken a backseat during Covid, will be accelerated post Covid, meaning focus on recycling of packaging.
- Problem solving would need to be handled remotely
- Less is more – produce fewer SKUs to maximize availability
- Covid has brought focus on GMP
- Building P&L resilience, Capital investment to lease or rental model & collaboration with partners to smartly leverage P&L

- Retaining and keeping the talent motivated, preventing burn-out.

Technology Trends – Operational Networked Digitization
- Application of AI, dynamic planning & real time dashboards for decision making in S&OP
- Support mechanism driven by AI on fingertips
- Real time financials with every transaction
- As the contribution of MT and eComm in the business increases, the Track and Trace technology will be a must.
- The size of the delivery will decrease that would put cost pressure and exploring other areas of cost reduction.

- Dynamic customer slot management for key accounts
- On-shelf availability will be the key metric
- Blockchain for secured inter-company transactions e.g. sale of concentrate to bottling companies
- Remote commissioning and assessment of machines
- 3D printing used extensively during Covid to minimize disruption

Leadership
- Networked organizations, fluid hierarchy and dynamic objectives
- Collaboration beyond boundaries e.g. green technology

HR Panel Discussion

Supply Chain Talent challenges that companies face and recommendations:

- Need to re-purpose and re-direct the talent for the new ask of new challenges posed by Covid e.g. shifting from monthly to weekly S&OP
- Talent needs to be aligned to business understanding and customer centricity
- Talent needs to be distributed more efficiently e.g. customer facing, logistics, supplier facing roles.
- Inspiring youngsters to create value though digitization & automation
- Understanding about customers' business models and intermeshing of manufacturer and customer supply chains
- Leadership needs to trust your people more, be flexible & patient, over-communicate, practice empathy
- Gig-economy – on demand specialized talent – is the direction that companies are moving to get best talent at economic cost
- With remote working becoming a norm, the access to best talent is easier
- Developing talent pipeline to be the KPI of the leaders, leaders should budget 20% time with young talent
- Business understanding and empathy are 2 important competencies that can help talent move up the career ladder
- Openness to change, adaptability & flexibility are they key areas in talent development
- Change has to be continual incremental
- How you implement a change is as important as the change e.g. creating change champions, change agents, hand holding
- Building diversity & inclusivity in teams help in change adaptability, however guarding against unconscious bias
- Remote working has opened opportunities for increasing diversity

IT Panel Discussion

Has pandemic changed the way digital investments are being looked at?

- The boards have become flexible and not asking for structured ROI. Intangible elements e.g. effectiveness & leap of faith have become an important element of decision making.
- Key questions asked are – understanding about the problem or opportunity, the clarity around objectives, success metrics, change management, scalability.
- The share of supply chain discussions in the board in last 5 months has increased substantially,
- The speed of digitalization has been accelerated by the pandemic.

- Pandemic has helped to narrow down the digital divide. Companies who found themselves lagging in digitalization are trying to catch up.
- The sudden shock and unpredictability led to the realization of importance of digital capability, to become agile & responsive.

How the structure & responsibilities for IT initiatives are evolving?
The boundaries between the line functions & IT are getting diminished as IT, digital responsibilities are getting embedded into the Line functions.

What are the new business practices that are being adopted?

- SKU rationalization has become more acceptable & important.
- Service & inventory trade-off is better understood.
- Scenario planning, Sense & respond to account for various possibilities, have become part of S&OP discussions.
- Data & insights driven decision making.
- The supply chain focus is being elevated from traditional demand-supply to forecasting revenue and closing any gaps in business plan achievement.
- Exploring Opex, leasing or TCO models to overcome the capital investment, that may be difficult to find post Covid.
- Change management cannot be ignored in any technology journey.

Do you think that you can contribute to the Collective Thought Leadership in Supply Chain Management? Why not join CVSCL?

Apply for membership:

https://www.cvscl.org/membership

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