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# *Building a global supply chain to drive value*

PwC Consulting Services

*An overview of PwC's SAP supply chain effectiveness solution*



In today's ever-changing environment of globalization, increased competition, and environmental concerns, businesses are under pressure to reduce costs while improving the effectiveness of the overall supply chain by making the most of demand and supply across customers and suppliers. Organizations must raise the bar on supply chain efficiency, agility, and resilience to meet customer demands and improve customer service and responsiveness. In a global economy, even small changes can produce significant results such as increasing revenues, reducing costs, and mitigating risks.

A global supply chain is a core driver of enterprise value, but a number of challenges make supply chain management increasingly difficult:

- **Inconsistent data and analytics** — With information siloed in various locations across business units, data inconsistencies abound and analytics can't provide consistent reporting. To have an effective global supply chain, your company must have a common technology platform and a common data platform.
- **Disparate processes** — In addition to inconsistent data, companies that are expanding (whether through mergers and acquisitions or global development) end up with disparate processes. To become more efficient, companies need to add standardized processes and product to the common data platforms and systems through management portfolios.
- **Shorter product life cycles** — With proliferating products and advancing technology, product life cycles have shrunk, increasing the complexity of manufacturing. To remain competitive, companies need more product development, more new products, more components, and therefore different suppliers. Larger inventories add costs, whether from writing off excess and obsolete inventory or adding handling, facilities, and people to manage the inventory.
- **Supply chain complexity** — Globalization brings the need to improve coordination and synchronization across widespread supply networks. Today's supply chain must be more integrated and network driven than linear. Companies source products from many locations, creating more variables and lengthy information delays, as well as variability and uncertainty of market and demands.
- **Longer cycle time** — To compete globally, companies must further innovate the products they design and manufacture. Despite a shorter product life cycle, making or procuring products takes longer because of the complexity of the product portfolio, e.g. products being made overseas.

Supply chain effectiveness allows companies with fluctuating demand and high product complexity to sense and respond faster to demand and supply dynamics across a global environment. To be more effective, companies need systems and processes that are able to flexibly respond to rapidly changing business conditions.

### **Solutions from an experienced leader**

PwC's teams bring the right skills with their blend of industry, process, and technology experience, enabling us to combine industry-specific business-process insight with deep technical knowledge of SAP solutions. We can take a supply chain strategy through an implementation of process improvements, platform upgrades, and even organizational people skills updates.

We help transform a linear, sequential supply chain into a responsive supply network that achieves effectiveness through collaboration, planning, execution, and coordination. Branches of a responsive network encompass the following:

- **Demand and supply planning** — Your organization gains a clear picture of demand from the end customer (by real-time signals) and can rapidly translate demand into upstream requirements, which are propagated across the network through collaboration.
- **Responsive sourcing, procurement, and manufacturing** — Integration of planning, procurement, and manufacturing leads to better customer service, lower inventory levels, and reduced write-offs. Demand-driven manufacturing, pull-based replenishment, increased visibility, and collaboration across the supply network can help minimize inventories and reduce lead times to facilitate material supply. Your company is able to rapidly plan and schedule.
- **Logistics and fulfillment** — A logistics and distribution network that differentiates you in the market uses business processes integrated within the company and with the trading partners in your supply chain.
- **Service parts management** — Service parts logistics integrates all parts planning, procurement, order management, and warehouse management, as well as analytic activities, into one service parts management system that is accessible to everyone in your extended supply chain.

Our supply chain effectiveness practice can manage your complete business transformation by improving your flow of goods, information, and money quickly and securely. We can help you do the following:

- Synchronize demand and supply through an integrated sales and operations planning process.
- Analyze supply and demand to improve inventory targets.
- Build dynamic strategies for order fulfillment, contract management, and inventory planning.
- Comply with regulatory requirements to manage supply chain risk.
- Enable a demand-driven manufacturing network.
- Provide end-to-end visibility and collaboration.
- Manage product launches and related assets.
- Analyze key supply chain matrices via supply chain analytics.
- Develop an SAP supply chain management business case and roadmap

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PwC provides industry-focused assurance, tax and advisory services to build public trust and enhance value for our clients and their stakeholders. More than 161,000 people in 154 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

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