

How SAP's intelligent enterprise can help Technology, Media, and Telecom (TMT) Companies in their "Connected Supply Chain" journey towards Industry 4.0 evolution



According to a recent survey by PwC



86% of US CEOs say technological advances will transform their business over the next five years

Source: PwC 20th Annual Global CEO Survey



Innovation requires a data driven platform, with the requisite finance and supply chain processes, to protect existing and create new business models

Source: PwC CIO Survey



Pursuing new business models, meeting new customer expectations, remaking their operating model, or forging new alliances, technology was an essential part of strategy

Source: PwC CEO Survey

Technology, Media and Entertainment (TMT) companies are continuing to rapidly innovate, battle cost pressures, and extend supply chain visibility and in general trying to sustain or improve competitive advantage.

To address these business challenges, TMT companies are looking beyond traditional ERP to improve their supply chain performance.

Digital technologies whether it is Machine Learning, IoT, and Artificial Intelligence are being actively pursued by companies. However companies are still struggling to adopt digital technologies and leverage their data assets to develop deeper insights into their supply chain thereby improving customer experience and becoming a data driven organization.

How can TMT companies harness digital technologies and data assets to reimagine supply chain business processes to support new business models and seek profitable growth? In short, how can companies build a connected supply chain as a competitive weapon in building an intelligent enterprise?

Let's start with the basics.

What is Industry 4.0?

1800 Industry 1.0	1900 Industry 2.0	1970s Industry 3.0	Today 2015+ Industry 4.0
The invention of mechanical production powered by water and steam started the first industrial revolution	Mass production, with machines powered by electricity and combustion engines Introduction of assembly lines	Electronics, IT, and Industrial robotics for advanced automation of production processes Electronics and IT (such as computers) and the internet constitute the beginning of the information age	Digital supply chain Smart manufacturing Digital products, services, and business models Data analytics and action as a core competency

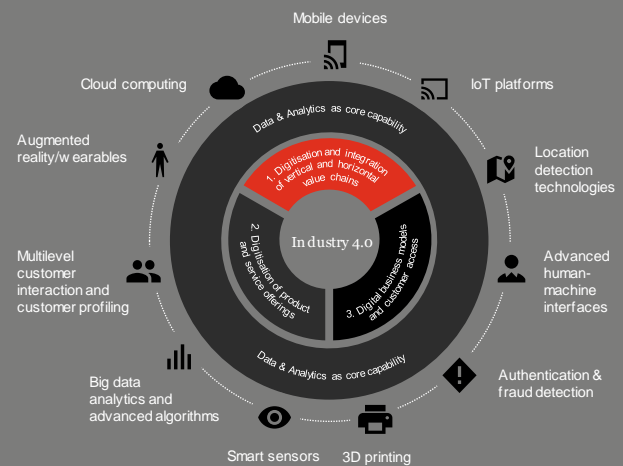
A transformation in production and automation was brought on first by steam and water power (Industry 1.0), then by electrification (2.0), and more recently by the digital computer (3.0).

Industry 4.0 is the current version of Industrial Revolution using automation, connectivity and data exchange to get an “End-to End Digitization of Processes and associated Physical Assets”. The other terms synonymous with this are “Digital Enterprise”, “Perfect Production”, “Digital Supply Chain”, “Industrial Internet” etc.

The chief enablers for this rapid transition are the following technological advances

1. High Capacity & Reliable Connectivity
2. Development of Sensor Technology
3. Big Data & Analytics (ability to record, consume & analyze large volumes of data in lesser time)
4. Artificial Intelligence

Industry 4.0 framework and contributing digital technologies



These technological advances combined with companies willing to adopt them has resulted in the concept of Industry 4.0. The main features of this revolution include, but are not limited by, the following:



1 Digitization and integration of vertical and horizontal value chains

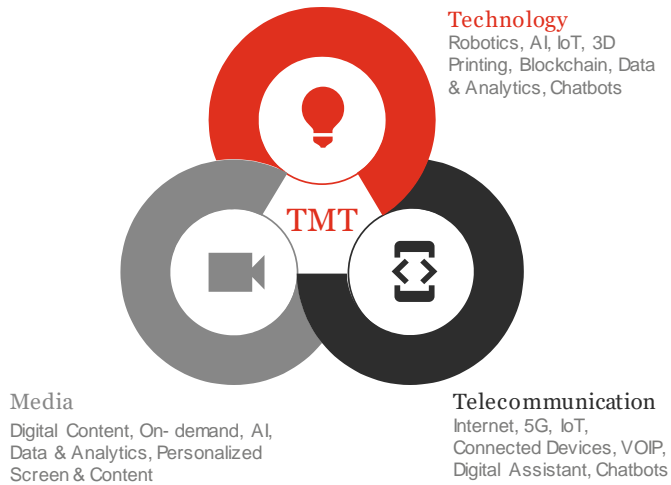


2 Digitization of product and service offerings



3 Digital business models and customer access

How is this effecting TMT companies?



The drive to digitization is affecting the technology, media and telecom sector in a number of ways.

Technology companies are in the forefront by not only adopting new technologies but by being involved in innovating new technologies and defining business applications for them.

These companies are also seeing a higher adoption of their products by customers who are looking to be abreast of the emerging technology landscape.

Media companies are finding new and efficient ways to market and deliver their products to both existing and net new customer populations.

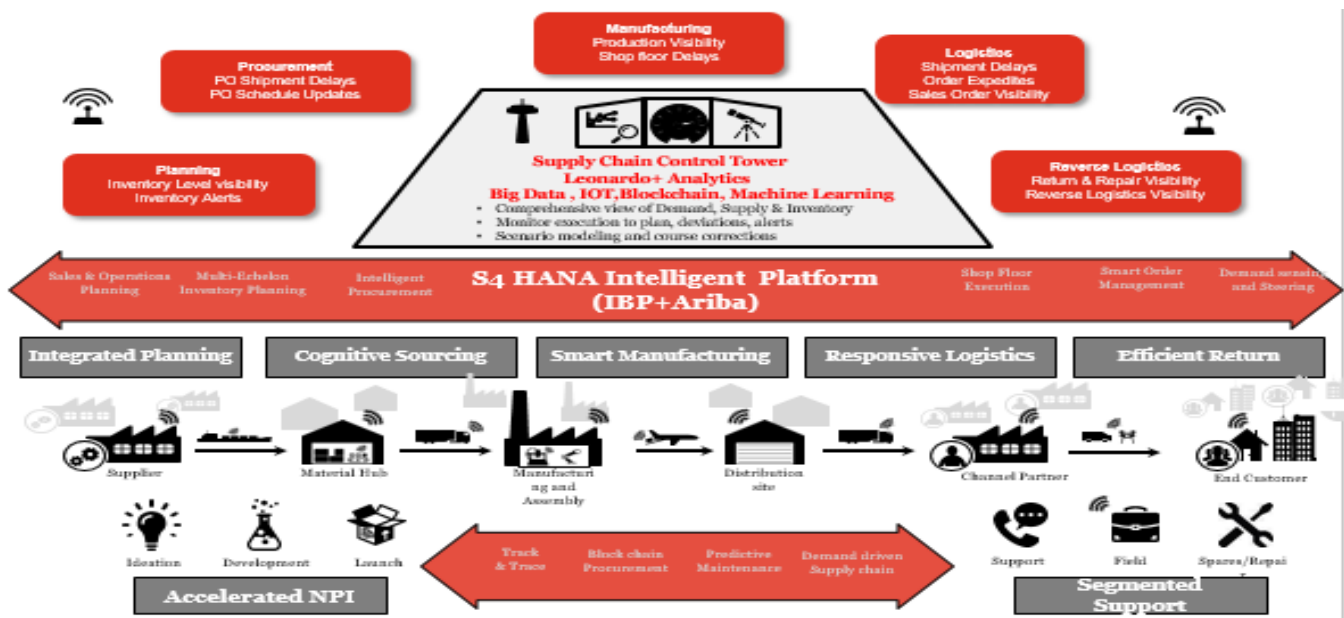
Telecom companies are riding on this wave with 5G, VOIP and innovative internet offerings.

As the digitization trend continues and companies seek to achieve profitable growth, the following supply chain trends will have a large impact on TMT industry business.

How PwC can help improve supply chain performance and enable Industry 4.0 with SAP's intelligent enterprise?

As evidenced above, companies within the TMT space utilize a different type of operations & supply chain model than the traditional manufacturing companies. PwC possesses a unique blend of business, experience and technical expertise necessary to assist TMT organizations in transforming their business and solving supply chain challenges.

With our deep supply chain and benchmarking experience PwC can assist TMT clients in solving their most complex supply chain business problems by leveraging the full capabilities of SAP's Intelligent suite of applications including S/4HANA, Integrated Business Planning, SAP Ariba and extending the solution to leveraging IOT, ML, AI, Blockchain to become an intelligent enterprise and building a connected supply chain.

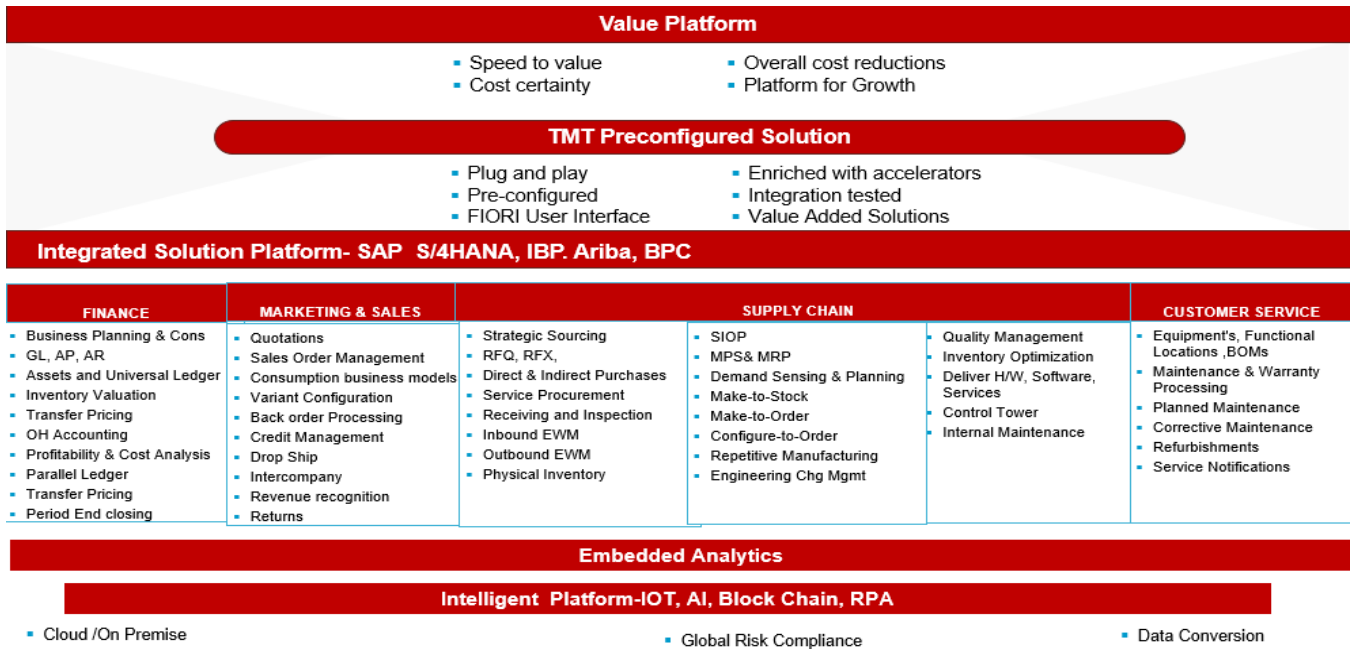


The following chart illustrates Connected Supply Chain enabled by S/4 HANA that provides real-time visibility, connectivity, and intelligence...

Supply chains operate along the traditional Supply Chain Operations Reference (SCOR) model. PWC can help companies realize several benefits across the various dimensions of connected supply chain as illustrated with our Pre-Configured TMT solution.

Plan	Source	Make	Deliver
<ul style="list-style-type: none"> • Integrated finance, sales marketing and manufacturing planning • Strategic, tactical & operational planning • Scenario simulations with pricing, profitability, revenue projections • Better planning capabilities with segmentation • Improved forecast accuracy with demand sensing • Proactive supply chain health monitoring • Optimal safety stock levels with inventory optimization • Optimizing complex supply chain network costs 	<ul style="list-style-type: none"> • End to end procurement transformation and insights • Single solution for direct, indirect procurement and services • Mitigate supplier risk by continuous monitoring of compliance, financial and operational risks • Negotiate best value sourcing agreements • Track spending patterns and cut procurement costs • Reduce maverick spend with contract compliance • Improved live calculation of KPIs to track spend 	<ul style="list-style-type: none"> • Faster and frequent runs with live MRP • Reduce Manufacturing cycle time • Improved productivity in order fulfillment • Improved collaboration for manufacturing execution • Improved manufacturing intelligence with real time in-sights into shop floor operations • Visual manufacturing and improved collaboration • Reduced fixed assets service and maintenance cost via asset intelligence network • Improved inventory levels and reduce TCO with simplified landscape 	<ul style="list-style-type: none"> • Advanced warehouse management capabilities such as slotting, optimization labor & task management • Planning & managing warehouse capacities. • Live inventory management with transparency for material flows • Improve inventory flows with inventory turnover analysis • Material ledger availability • Simplified apps for shipping specialists • Transportation management • Serialization
			<p>Return</p> <ul style="list-style-type: none"> • Reverse logistics
Enable			

Business benefits illustrated above can be rapidly realized with a accelerated solution deployment enabled by PWC's TMT S/4HANA solution.



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