June 2015 – Article - Utilizing Big Data to Optimize Supply Chains

Hi Everone  
  
Recently I have been interviewed by Dustin Mattison from the Supply Chain Expert Community on the subject: Utilizing Big Data to Optimize Supply Chains

Please find below the transcript of the interview.

You can alternatively listen to the audio in the following link:

<https://community.kinaxis.com/people/dustinmattison1974/blog/2015/06/19/utilizing-big-data-to-optimize-supply-chains>  
  
Best regards,

Julio

Please tell us a bit about yourself.  
  
I interviewed Julio Franca who discussed Utilizing Big Data to Optimize Supply Chains.

I have been a management consultant for ten years. I spent the other ten years of my career working for Unilever in various parts of the world. I lived in a total of six countries. I have a total of 20 years experience in supply chain, a very broad scope. I was born in Brazil but grew up in different parts of the world because my family used to move a lot. We work with mostly consumer-goods companies around the globe in supply chain, procurement, logistics, and customer service projects.

Can you talk about the behaviors that are required for future supply chain professionals?

More and more, I think supply chain professionals are moving out of the supply chain box and looking more at business rather than supply chain strategies. Quite recently, I worked with a very renowned top-five multinational company in designing their five-year plan and supply chain strategy for one of their categories, which is about 2 billion euros of business and over. During the project, over three months, we came to the conclusion that we didn’t need a supply chain-specific category. What we needed was a business strategy. This business strategy would need a supply chain execution plan to deliver the business strategy.

The behavior is to be more of a business partners to look at an end-to-end view from customers to suppliers, be very entrepreneurial. I think the interpersonal skills are really important nowadays because, as supply chains are global, you need to work with different cultures, different time zones, even religions or orientations. The interpersonal role, it’s a big one. It’s also about leadership. Right now, in the past you used to have one person, one head of supply chain leading one company to one location, and right now you have many locations, very spread network all for one facility but also outsourced facilities.

Supply chain is all about leadership now; it’s big jobs, big teams, part of the team is managed directly by the individuals, and part of the team is managed indirectly, so a lot of influence and negotiation necessary. That’s the way I would summarize my view on the behavior side.

Why are the supply chain strategies evolving?

It’s quite rapidly. Over the 20 years of my career, I had large, three types of supply chain strategies. It was local-to-local, I would say 20 years ago. Then in the second step, it evolved to be regional or sometimes global strategies, where you could produce in one continent and manufacturing the second continent to deliver the third continent. Right now it’s, over the past three, maybe five years, depending on the industry, it’s fully integrated from customer toward supplier, tier one and tier two supply chain. Who knows what’s going to be next? One of the reasons I wrote the article through my work with the clients, there is a lot of talk and high expectations about how we can use all this good stuff, this big data available to us through customers, through suppliers, or even collected internally in the production or distribution facilities and how we can use these tons of data in a clever way so we can drive supply chain in the future. That’s my view on what the next evolution supply chain strategy is going to be like.

How do you effectively make the most out of supply chain systems?

I think it’s a very good question. At the moment, by far, systems are not utilized in the best way. I think as the supply chains moved to be local to regional, to global and also integrated from customers to suppliers, there are a lot of IT upgrades, integrations, improvements that have to be done, which is a work in progress. At the moment, most of the clients, most of the industries have a fragmented combination of systems, trying to be integrated. I think the guys who are making the best use at the moment, they are clever to integrate too much in sort of the traditional view of having one ERP, for example, SAP, across the globe, across customer to supplier. That, of course, would have a lot of benefit, but it’s a five-, ten-year project; it’s a huge investment and even difficult in terms of making it happen. I think the clever guys who are making the best use, they’re selecting the key areas, the key interfaces that are necessary to generate the most of the value in the short run and then creating a blueprint for the future to utilize big data, which, in my view, is not going to be with the existing platforms. I think it’s going to be through the cloud. More and more people collaborate through clouds, and I think not necessarily you have to buy software any more in the future to run your supply chain. You’re going to pay as you use the system. And as these clouds are going to be filled up, then harmonized, the integration should be more straightforward than what we have right now.

Thanks for sharing today on this important topic of utilizing big data to optimize supply chains.

Excellent, it’s been a pleasure. By all means, contact me if you need some more talks or help on the subject.