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Insights from the Leadership Series 2.0: Digital Transformation of the Supply Chain

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An effective Digital Transformation Strategy (DTS) for supply chain functions requires foresight and creativity. Covid-19 pandemic has accelerated the digitization of processes. Unchanged though is the need for leaders of change to be laser focused on the needs of the end customer. In this report we summarize some of the highlights of the Leadership Series 2.0: Digital Transformation in Supply Chain Conference held on January 28, 2021. It was organized by the Supply Chain Canada Ontario Institute. The George Weston Ltd. Centre for Sustainable Supply Chains at the Schulich School of Business, York University was a sponsor. Three insights seemed to be shared across speakers:

1. A DTS enables resiliency in responding to customer demands
2. An effective DTS provides the critical visibility needed to drive sustainable supply chain management change.
3. It is important to involve suppliers as partners in DTS implementation.

The first session in the Leadership Series 2.0, **'Future of Supply Chain: Transforming and Building a Resilient Supply Chain'**, John Bayliss, Senior Vice President, Logistics and Supply Chain at Walmart Canada (a retailer) defined Digital Transformation in Supply Chain as the, "Acquisition of data, both, internal and external, to improve decisions and the dynamic flows of end-to-end supply chain".

According to Serge Carestia, VP of Supply Chain at The Home Depot (a home improvement product and service retailer), digitization meant, "Appreciating the use of digital information in implementing customer-centric strategies". At Home Depot, online orders skyrocketed as the pandemic forced other brick and mortar stores to close. Digitization enabled the company to scale up and manage customer expectations. For example: More online customers meant a greater volume of accurate information streamed to customers as to when they could expect their order delivered.

There are many time-consuming processes involved in managing a successful supply chain. Steve Liberty, EVP, Global Supply & Technical Operations at Apotex (a pharmaceutical manufacturer),

said that the digitization of clerical processes makes product flows visible leading to faster more accurate supply planning decisions. Yogi Tagra, VP of Supply Chain Services at Ontario Power Generation (an electricity utility), said automation in the workplace can free employees to focus on more value-added, knowledge worker tasks that contribute to increased productivity.

The panelists in the second session on **‘Managing Supply Chain Complexity, Leveraging Data to Improve Performance and Deliver Outstanding Customer Service/Experience’** acknowledged that the complexity of a supply chain is often compounded by various factors such as shifting consumer preferences, variable lead times, and a proliferation of goods and services to cover too many individualized customer demands. These factors push organizations to seek greater upstream transparency into the activities of suppliers to facilitate better planning and control.

Nico Weidel, VP, Supply Chain & Logistics, Hudson’s Bay Company (a major Canadian retailer), said that building resilient supply chains starts with understanding the organisation’s objective and then focusing on the metrics that are crucial to delivering outstanding customer experience. Data and metrics should support operating improvements to standardize products on-hand but also manage critical supply relationships.

Danny Wang, VP of Sourcing & Procurement at Canada Goose (an apparel brand and manufacturer), suggested that newer digital technology platforms may put supply chain information systems within the reach of small and medium-sized enterprises (SMEs). Current Business Intelligence (BI) dashboard software and services can provide a “lens of perspective”. “Analytics has no ego, it reports what it sees”, added Peter Turney, a consultant, and session moderator.

“Even as leaders we have to be continuously curious” said Lani Lindsay, VP of Replenishment and Supply Chain at Walmart as she moderated the third session on **‘Exploring the Transformational Benefits of Blockchain, Machine Learning and Artificial Intelligence in Smart Supply Chain Management’**. According to Ms. Lindsay innovation and development stem from curiosity—The curiosity to identify opportunities to cut costs, improve customer satisfaction and product is what motivates the adoption of new techniques and technologies. For example, Walmart Canada built an intuitive graphical dashboard of key business performance metrics to focus discussions amongst the management team. Walmart has invested in its ERP system’s capability to standardize and automate repetitive clerical processes such as invoice generation and order placement in response to inventory levels.

The fourth session on **‘Digital Innovation Through Analytics and Procurement Transformation’** opened with a question posed by its moderator Michael Van Keulen from Coupa Software (a software company), “Why is digitization important to the supply chain?” Jackie Wang, SVP Chief Procurement Officer at Scotiabank (A bank and financial services company) responded, “Just as there are tools perfect for cooking or craftsmanship, there are tools for the supply chain industry He went on to suggest that using digital procurement services, procurement teams can potentially provide more value to the company and increase cost savings

Denis Klurfeld, VP of Procurement at Accor (hospitality company), insisted that procurement teams must be in line with the company's objectives. Tharshini Markandaier, the Chief Purchasing Officer, City of Richmond Hill, said that procurement teams should be equipped with digital procurement services to respond adequately to stakeholders and make appropriate decisions faster.

The final session on '**Developing Strategic Supplier Relationship Management and Engagement Strategies**' emphasized some basics about good supply chain management known prior to the current in DTS. Such as a desire to target the right customer with the right product sourced from the right supplier. Wael Safwat, Head of Procurement (North America) at Black & McDonald (a trades service provider), pointed out, is how the pandemic stressed the importance of being proactive in adapting to change and managing the supplier-vendor relationship.

Kristie Syndikus, VP of Procurement at Maple Leaf Foods Inc (A Canadian consumer packaged meat company), shared that Maple Leaf Foods have been using digital capabilities to monitor quality standards and ensure all KPIs are met by their suppliers. "Supplier development has to be built on a strong foundation of longevity".

Steve Radewych, SVP of Supply Chain Operations at Spin Master (a toy manufacturer) and Ms. Syndikus noted the challenges of getting greater visibility into suppliers and customer operations to address environmental and social sustainability goals. Maple Leaf, in pursuit of a zero environmental emissions initiative had to develop their capability to assess conformance on every shipment. Minimizing the number of suppliers to engage and streamline what is asked of them in terms of data makes the implementation easier of the monitoring and control offered as a key benefit of any DTS.