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MOVING TO A "Thinking" Supply Chain

Supply Chains Face a World of Change

Today's supply chains need to be more customer-centric. Top drivers of future change are:

Selling directly to the consumer with data driven, demand-aware precision.

Seizing new markets and opportunities with collaboration at the forefront of business.

Fostering growth by responding quickly to change with accuracy and integrity.

Leveraging new technology for complete digital transformation.



Source: IDC's *2016 Supply Chain Survey*

Digital Transformation Drives Disruption

33% **of market leaders**
will find their business disrupted by digitally-enabled competitors by 2018

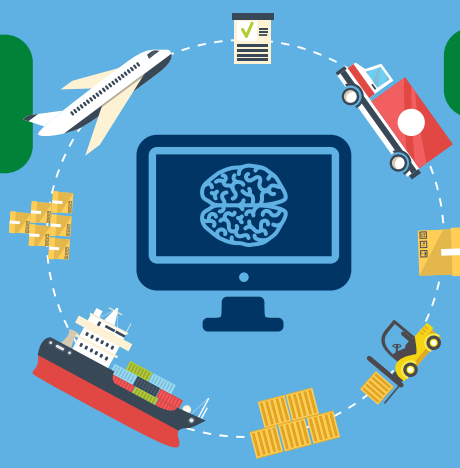
Supply chains that embrace traditional data sources such as
ERP and CRM
and emerging sources such as **social and sensor data have a competitive edge.**

40% **of manufacturers**
describe their analytics as either at or below average

Source: IDC's *2016 Supply Chain Survey*

Success in the digital era requires a "thinking" supply chain, one that is:

- Openly collaborative through cloud-based commerce networks
- Conscious of cyber threats
- Able to learn from past actions
- Enabled with comprehensive and fast analytics
- Easy for people to interact with



Without a digitally-enabled supply chain, companies may find themselves out of business.

50%
of industry growth in the next 5 years
will come from manufacturers with business model and customer capabilities founded on digital competencies.

The Benefits of a Thinking Supply Chain



A thinking supply chain provides better network connections, talent curation, and knowledge retention.

It can institutionalize processes, leverage visibility, and functions as a trusted advisor. It also senses, analyzes, optimizes, and acts upon vast amounts of IoT data in real time, with analytics seamlessly integrated to business processes.

How to Proceed

Technology partners will be key.

75% **of manufacturers are outsourcing or looking at outsourcing their B2B capabilities as a precursor for digital transformation**



Curating knowledge is important as baby boomers retire.

25% **of manufacturers have adequate documentation and knowledge retention plans**

86% **of companies believe their data analytics capabilities to be less than best-in-class**

Sources: IDC conversations with manufacturing companies; IDC estimate

Think platform but engage with applications. The thinking supply chain must seamlessly move across applications and in how it leverages data sources.

IDC Analyze the Future

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