SCDigest Supply Chain Digitization Benchmark Survey 2016

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Summary Results for Survey Respondents
Full Report will be Sent in a Few Weeks
Total Valid Respondents: 203

What is your role?

Procurement/Sourcing	6.7%
Manufacturing	2.7%
Logistics Demand Planning	7.7%
Supply Planning	5.7%
Sales-Marketing	5.0%
Finance	1.0%
IT	12.4%
COO	2.7%
Other	21.2%

What best describes your industry?

Consumer Packaged Goods	12.5%
Apparel/Soft Goods	5.0%
Footwear	1.0%
Consumer Electronics	6.0%
Consumer Durables	5.0%
Retail	8.0%
Wholesale	4.5%
High Tech/Electronics	5.7%
Chemicals	2.3%
Auto/Auto parts	5.0%
Transportation/Logistics/3PL	11.1%
Industrial Manufacturing	12.3%
Pharma/Life Sciences	6.8%
Building Products	1.7%
Paper Products	1.0%
Other	12.1%
	100.0%

Approximately what size are the revenues of the relevant company or business unit?

Under $100 million	30.4%
$101 – 500 million	15.9%
$501 million to $1 billion	10.1%
Over $1 billion but less than $10 billion	21.8%
Over $10 billion	22.7%

Overall, how aggressively is your company pursuing strategies/technologies for "digitization" of the business, however it might be defined?

It is a major initiative	42.6%
Some emphasis	37.7%
Not much emphasis	16.9%
Don't know	3.0%

How aggressively is your company pursuing strategies/technologies for "digitization" specifically in the supply chain?

It is a major initiative	37.1%
Some emphasis	40.6%
Not much emphasis	19.8%
Don't know	2.5%

How clear does it appear in your leadership team what it means to "digitize" the supply chain?

Very Clear	26.8%
Somewhat clear	45.9%
Not very clear	27.3%

Does your company have what you would consider a clear digital supply chain strategy?

Yes	21.8%
No	41.1%
Partial	37.1%

Do you view supply chain digitization as more operations or IT focused?

Mostly operations focused	36.9%
Mostly IT focused	20.3%
About equal	42.8%

How much are each of these aspects of digitization a part of your company's current supply chain strategies on a scale of 1 to 7, with 1 being the lowest and 7 being the highest?

x

	Average Score Current	Average Score Future
Internet of Things (IoT)	3.2	4.2
Mobile applications	4.1	4.9
Advanced analytics	4.6	5.4
Big data	4.2	5
Digitizing manual processes	4.5	5.4
Cloud-based applications	3.9	4.8
RFID	2.9	3.5
Augmented reality	2.4	3.1
Supply chain visibility	5.1	5.9
Supply chain systems integration - internally	5.2	5.8
Supply chain systems integration - with trading partners	4.6	5.6

What other areas of digitization is your company pursuing not represented in the above list?

Comments will be added in full report

Any comments on supply chain digitization strategies or aspects generally?

Comments will be added in full report

Of these same areas, which three do you believe can drive the most value? Please select three choices

	% Placing in Top 3
Internet of Things (IoT)	29.9%
Mobile applications	29.9%
Advanced analytics	51.9%
Big data	15.3%
Digitizing manual processes	28.7%
Cloud-based applications	12.2%
RFID	5.5%
Augmented reality	1.3%
Supply chain visibility	58.6%
Supply chain systems integration - internally	34.8%
Supply chain systems integration - with trading partners	43.9%

What best characterizes your views on the Internet of Things (IoT) specifically in terms of enhancing your product offerings to the market through new capabilities and services?

Major opportunity	35.3%
Modest opportunity	34.7%
Not much opportunity	17.7%
Not really relevant to our products	10.3%
Not sure	2.0%

What best characterizes your views on the Internet of Things (IoT) in terms of improving supply chain performance/reducing costs?

Major opportunity	43.8%
Modest opportunity	40.6%
Not much opportunity	9.8%
Not sure	5.9%

How would you rate the opportunity for improved supply chain performance from IoT technology in different areas of the supply chain?

	Major opportunity	Modest opportunity	Not much opportunity	Not sure
Machine/production monitoring	39.9%	34.0%	15.1%	11.0%
Real-time inventory visibility	54.9%	34.0%	5.3%	5.8%
Understanding product flows/dwell times	44.5%	36.0%	11.2%	8.3%
Quality/safety monitoring	35.4%	37.9%	16.4%	10.3%
Truck/driver performance	36.0%	36.6%	18.2%	9.2%
Field Service	37.3%	33.4%	20.5%	8.8%

Any other areas of opportunity for IoT?

Comments will be added in full report

What statement most accurately reflects your views?

RFID will play an important role in our supply chain over the next five years	26.2%
RFID will play a modest role in our supply chain over the next five years	37.8%
RFID will play very little role in our supply chain over the next five years	25.6%
Not sure	10.4%

Overall, what do you see as the largest barriers to supply chain digitization, on a scale of 1 to 7 with 1 being the lowest and 7 the highest?

	Average Score
Lack of clarity of what it really means/what to do	4.9
IT resources/budget	4.7
ROI/value	4.6
Lack of internal systems integration to support digitization	5.1
Not an executive priority	4.3

What percent of your suppliers are well integrated with you electronically?

	10% or Less	**11-30%**	**31-50%**	**51-80%**	**Over 80%**
Currently	28.70%	25.40%	18.90%	15.60%	11.40%
Goal by 2020	4.20%	2.50%	18.40%	35.70%	39.20%

How would you rate your company's visibility into each of the following supply chain areas?

	Near complete visibility	Good Visibility	Fair Visibility	Poor	Not sure/NA
Real-time inventory - internal	17.8%	33.1%	29.7%	14.5%	4.9%
Real-time inventory - trading partners	4.9%	15.1%	33.7%	37.3%	9.0%
Global freight moves	6.2%	19.6%	40.5%	26.8%	6.9%
Constraints that can impact supply chain execution	5.6%	9.0%	43.2%	35.3%	6.9%
Manufacturing activity/production levels	14.5%	22.8%	23.5%	25.4%	13.8%
End consumer/customer demand	4.8%	20.6%	40.7%	30.4%	3.5%
Major customer forecasts	6.9%	22.1%	36.6%	29.5%	4.9%

What statement do you believe is most accurate relative to supply chain over the next 5 years?

Being highly digital will provide significant competitive advantage	65.6%
Being highly digital will provide some competitive advantage	24.2%
Being highly digital will be needed to just maintain current competitiveness	8.3%
Being highly digital will not be that important	2.1%

Which statement best reflects your company's overall supply chain digitization strategy?

We have a holistic digitization strategy	10.4%
We are developing a holistic digitization strategy	40.7%
We have a piecemeal digitization strategy	32.3%
No real digitization strategy	16.6%

What do you expect at your company with respect to investment in supply chain digitization over the next three years?

Will increase significantly	25.9%
Will increase moderately	38.3%
Will stay about the same	19.1%
Will decrease - not much focus	2.9%
Will decrease - we've already made needed investments	13.8%

The following three questions help provide some context into the overall environment in which supply chain digitization How significant an issue is a lack of full integration/visibility between order management, transportation management and warehouse management systems at your company in terms of execution problems, such as expediting, incomplete or late customer shipments, inadequate warehouse space, etc., on a scale of 1 to 7, with 1 being almost no issue and 7 being a very common issue?

Average Score	4.4

In terms of your supply chain agility, how long does it take for your supply chain to respond to an unplanned event (such as a natural disaster, your competition dropping its price, etc.)

One week (as our planning cycle is weekly)	18.3%
Almost instantly (our planning and execution systems are connected in real-time)	23.2%
Don't have a systematic way to respond, or make ad-hoc /manual changes to plan	45.8%
Not sure	12.7%

How would you rate your current level of forecasting technology across the areas below with 1 being low and 7 being high?

	Average Score
Basic forecasting software	3.9
Statistical algorithms	3.5
Pattern recognitions powered by data science	2.9
"Causal" analysis	3.4
S&OP-based consensus number	3.8

How would you rate the attractiveness of each to improve your forecast accuracy in the future with 1 being low and 7 being high?

	Average Score
Basic forecasting software	4.1
Statistical algorithms	4.4
Pattern recognitions powered by data science	4.9
"Causal" analysis	4.8
S&OP-based consensus number	5