

EXECUTIVE SUMMARY

SHOCK ABSORBER FOR THE DIGITAL SUPPLY CHAIN

CAMELOT-STUDY: DEMAND-DRIVEN BUSINESS CONCEPTS ACCELERATE THE ROI OF DIGITAL SUPPLY CHAIN INITIATIVES

In many companies, initiatives for the digitalization of supply chains do not result in the desired improvements in profitability, growth, and efficiency. The reason for this is simple: Digitalization accelerates processes that no longer meet current requirements. The innovative concept of “Demand-Driven Adaptive Enterprises” is the answer to the new volatile normal state of global supply chains. It involves the management of a company entirely in accordance with customer demand and provides for – figurative – shock absorbers to cushion the impact of supply chain fluctuations. A new study by consulting specialist CAMELOT Management Consultants investigated how far along companies are with the implementation of this concept.

For the study “Multiplying the Digital ROI – the Demand-Driven Adaptive Enterprise”, CAMELOT surveyed managers from over 40 companies from the chemical, pharmaceutical, and medical technology sectors, as well as from mechanical and plant engineering and the consumer goods industry. The Demand-Driven Adaptive Enterprise concept spans the operational, tactical, and strategic areas of an organization and enables companies to successfully adapt their supply chains to the complex and volatile economic conditions of today. “All successful companies will work according to this concept in the near future. This is confirmed by our consulting work: Supply chain experts and managers in companies are generally very quickly won over by the approach,” comments Dr. Josef Packowski, Managing Partner at CAMELOT, with respect to the results of the survey.

Key advantages of the Demand-Driven approach

Most study participants see reduced stock (almost 30%) as the biggest advantage of the Demand-Driven Adaptive Enterprise approach. Those surveyed view the improvement in supply capability (almost 25%) and flexible and agile supply chains (23%) to be nearly as important. Strategic benefits such as higher revenue and profits, optimized working capital, and higher customer satisfaction are interestingly not listed.

Spread of Demand-Driven concepts

With respect to their own company, over 60% of firms do not consider themselves to be Demand-Driven or only to a minor extent (1-3 points out of 10). By contrast, 6% of participants view their company as being highly Demand-Driven (8 points out of 10). Of those surveyed, 16% say that they have already created a roadmap for Demand-Driven concepts or are developing one. However, with a figure of over 80%, the vast majority of participants have not yet planned any concrete steps.

IT systems and recognition by top management are the biggest challenges to implementation

Raising awareness among top management (33%) and the adaptation of current IT infrastructure (almost 30%) are seen as the biggest challenges in realizing the concept. This is because, although the benefits of a Demand-Driven agenda are definitely a task for top management, it is currently mainly driven by those responsible for supply chain management (over 60%). In 14% of companies, however, the topic has already reached CEO and COO level.

You can download the complete study free of charge at www.camelot-mc.com.