



e c o s y s t m



# IoT Enabled Supply Chains

## The Quest for Business Value

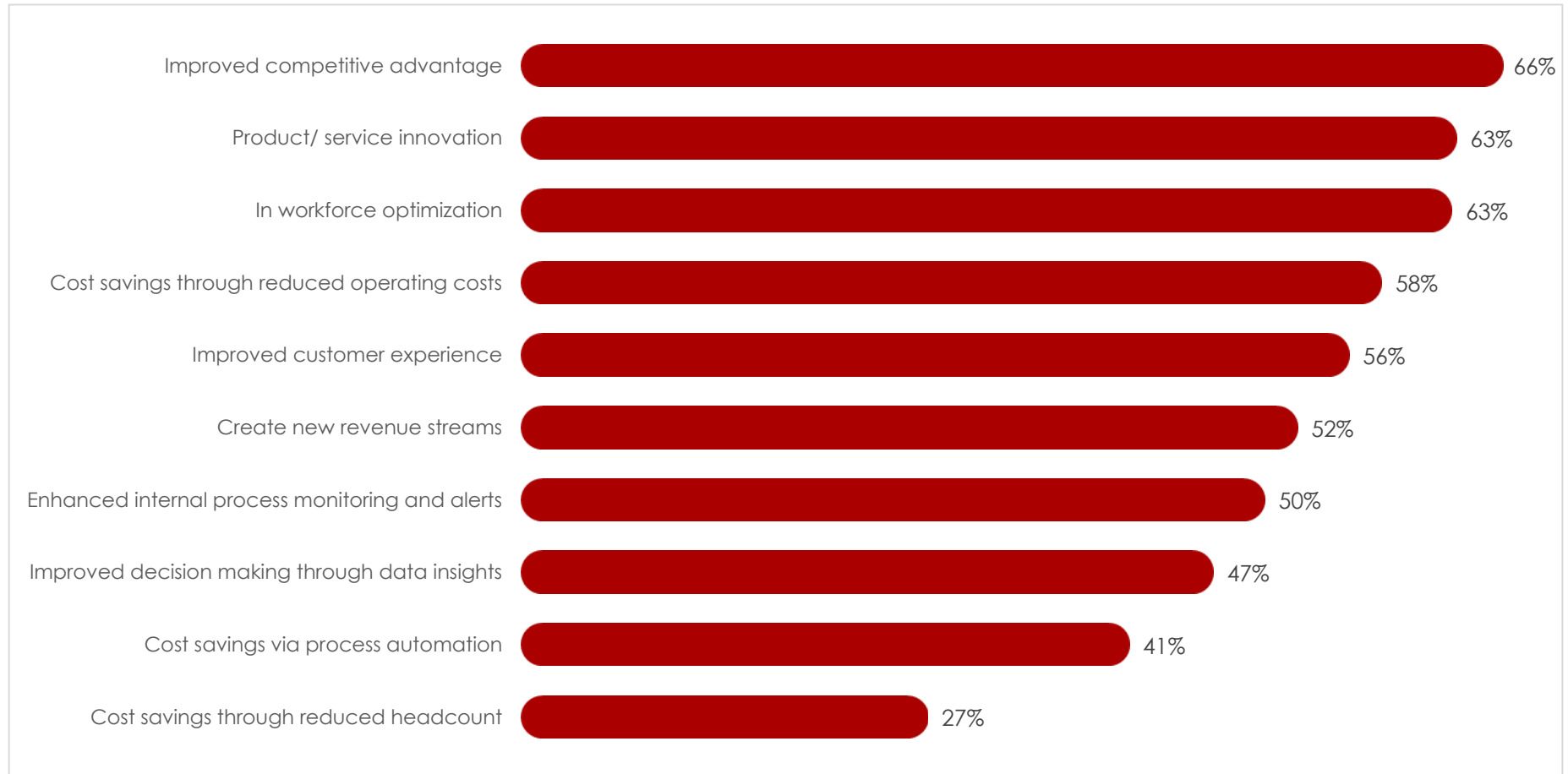
Dr. Kaushik Ghatak  
October 25, 2018

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# When it comes to IoT, expectations are high...

## Question

In which areas will your organisation benefit from IoT Implementation?



Source: Ecosystem IoT Survey 2018

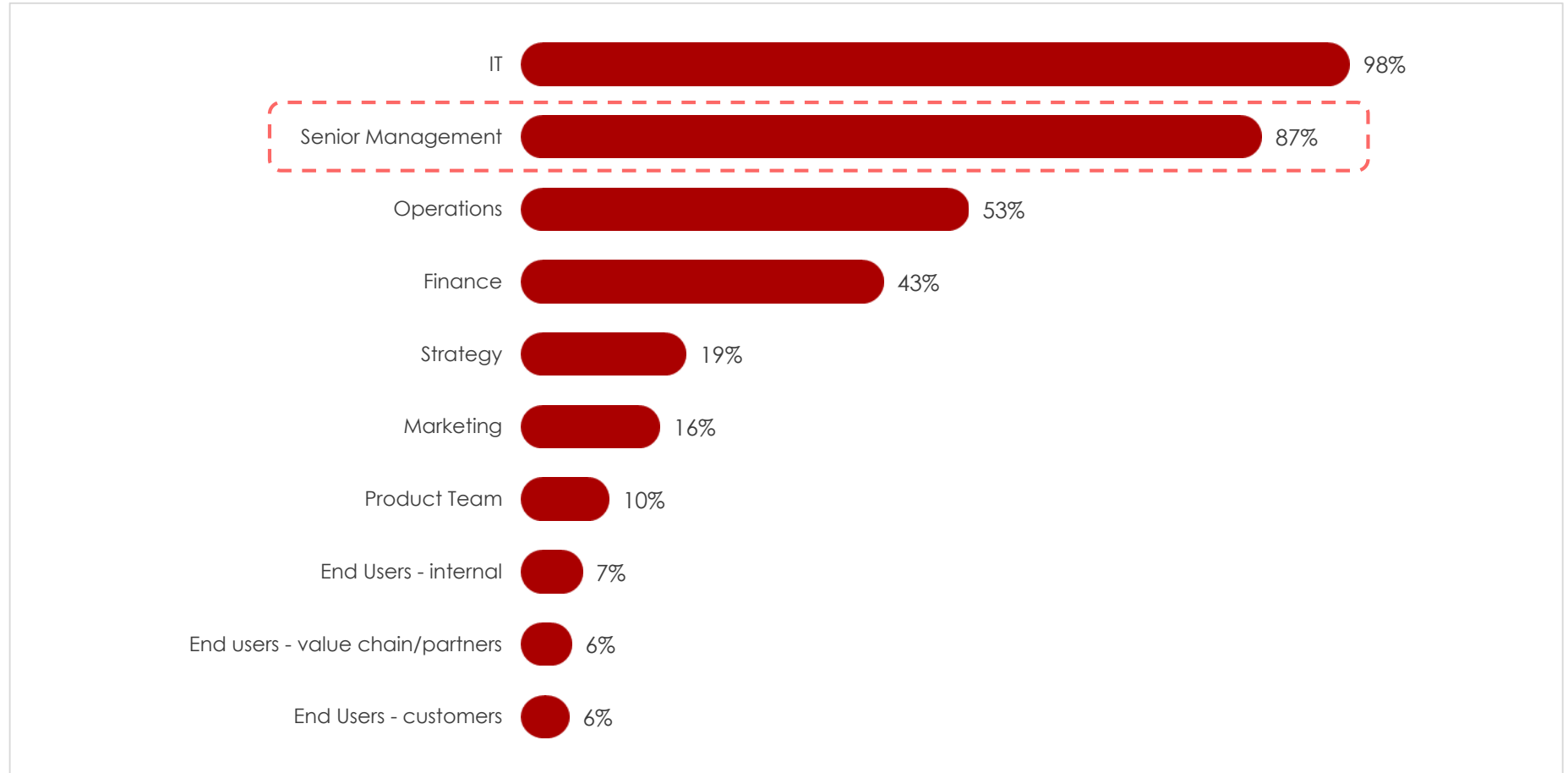
**Region:** Asia Pacific

**Industries:** Supply Chain Intensive

...intent is strong...

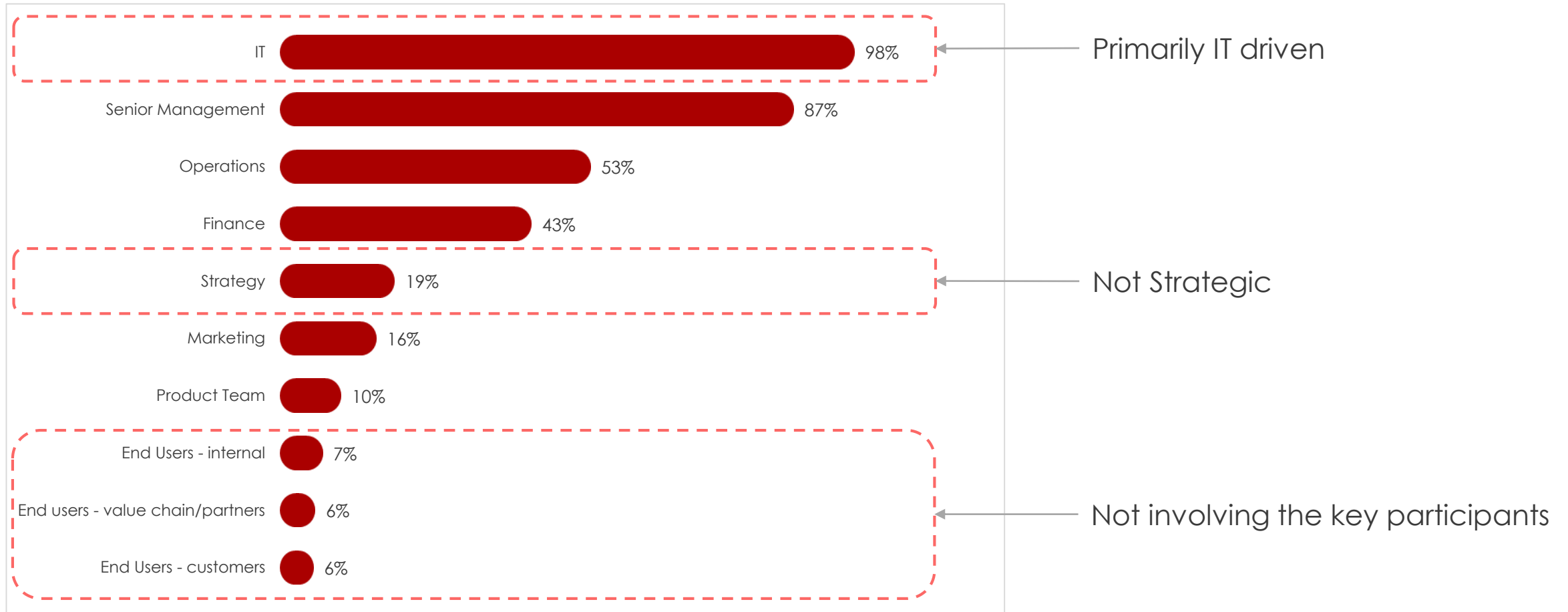
## Question

Which stakeholders does your organisation involve when evaluating potential IOT solutions?



Source: Ecosystem IoT Survey 2018

# ...but, low involvement...

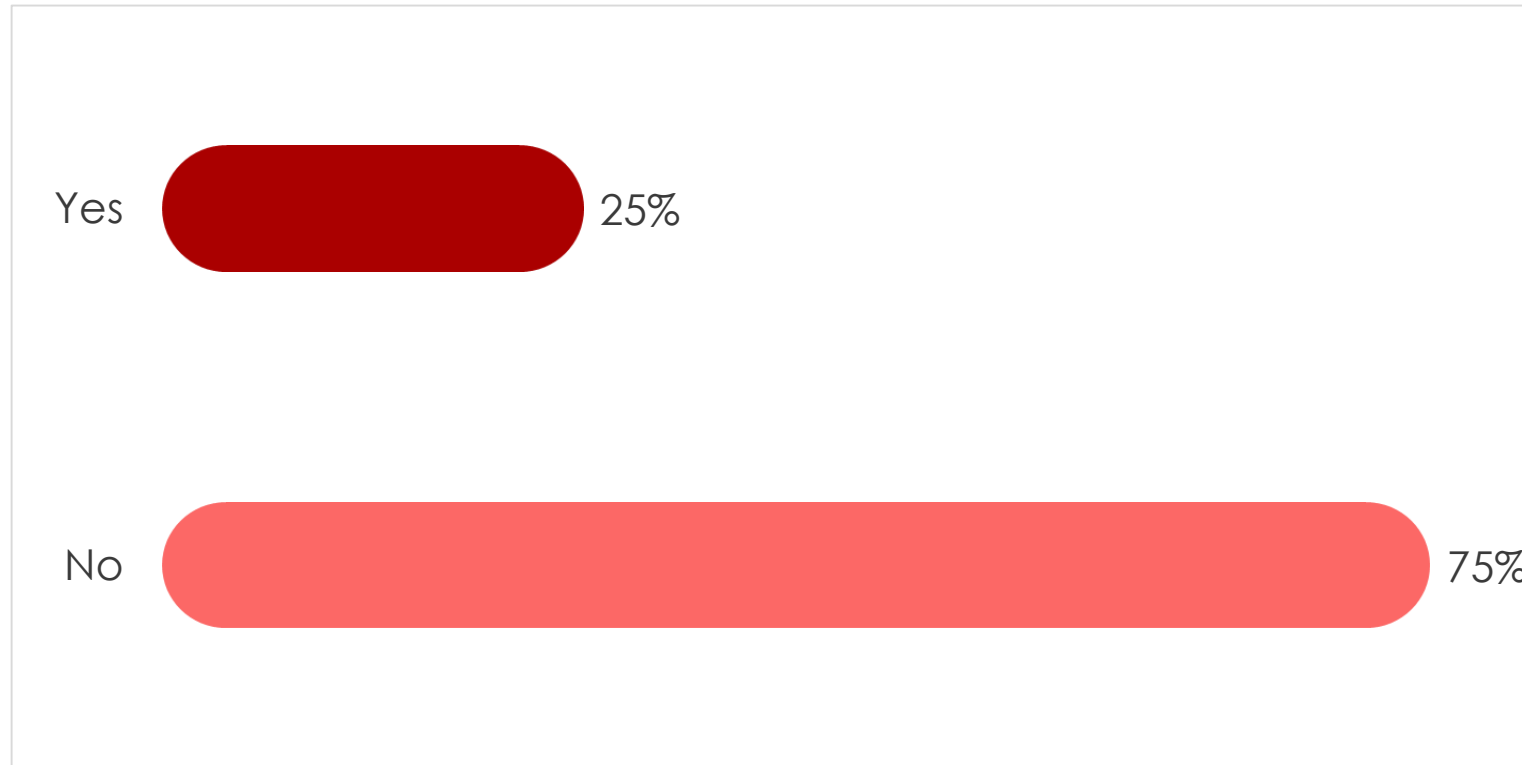


Source: Ecosystem IoT Survey 2018

...and sporadic, isolated attempts...

### Question

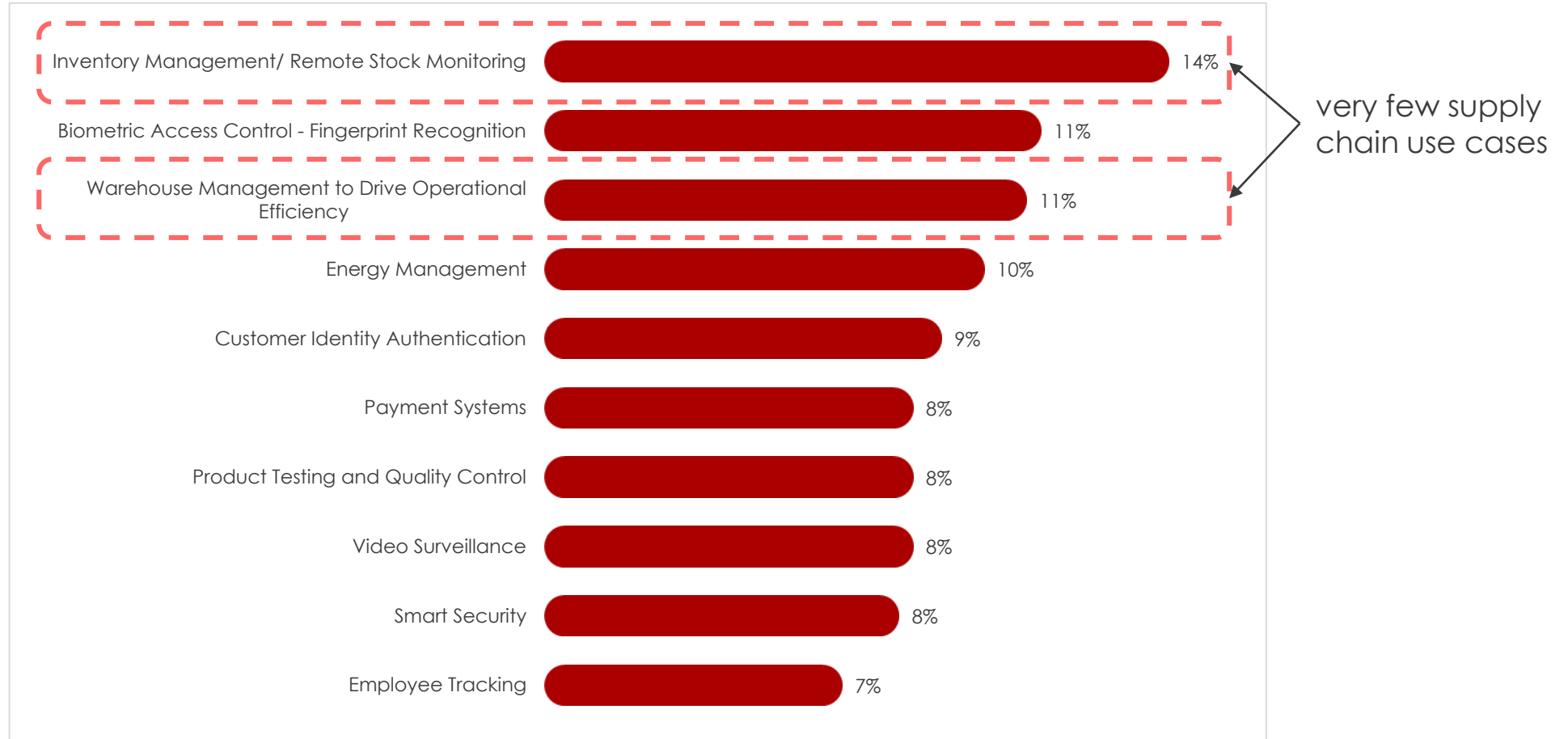
Does your company have a specific team focused on evaluating, deploying and supporting IoT solutions?



...are limiting value realization for high value use cases in supply chain.

## Question

Which of the IoT use case areas have been part of your biggest IoT projects?



Source: Ecosystem IoT Survey 2018

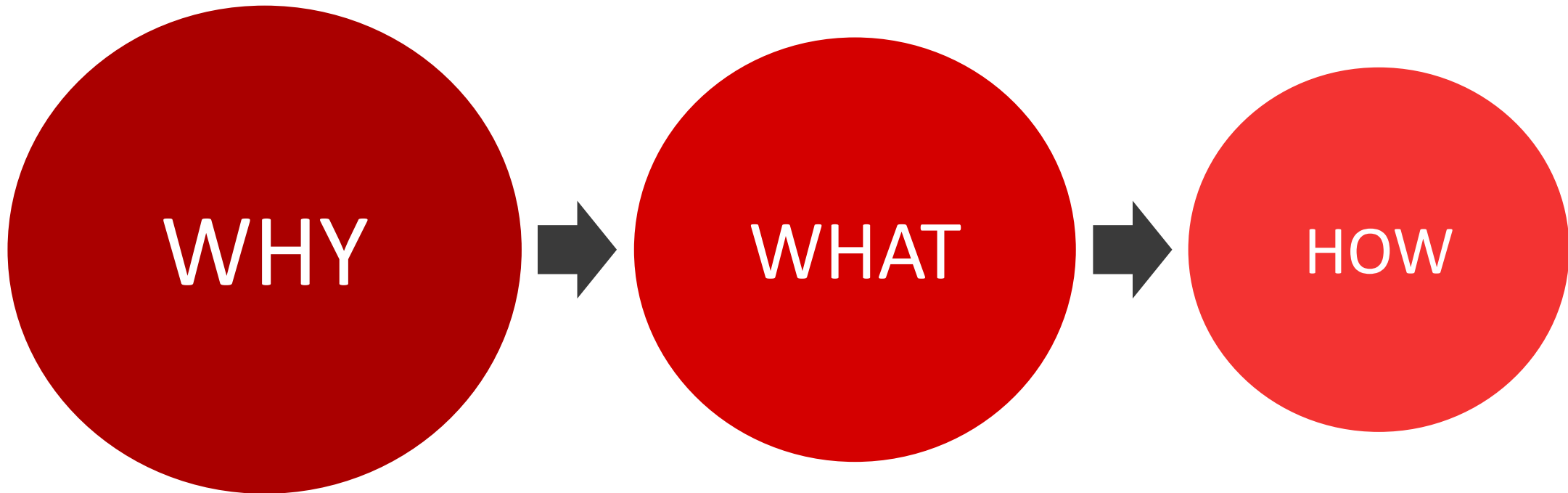


One wonders why.

# We are probably not asking the questions in the right sequence...

Instead of answering the **WHY** (business case) and the **WHAT** (use case)

Focusing a lot on the **HOW** (mechanics)





# ...and witnessing the classic business-technology disconnect.

The CXO



## STRATEGY

Customers  
Markets  
Products  
Organization  
People

The Geek



## TECHNOLOGY

Analytics  
AR/VR/AI  
IoT Platform  
PAN/LAN/WAN  
NFC, Bluetooth,  
WiFi



# We need to introduce the 'Business Process' Link...

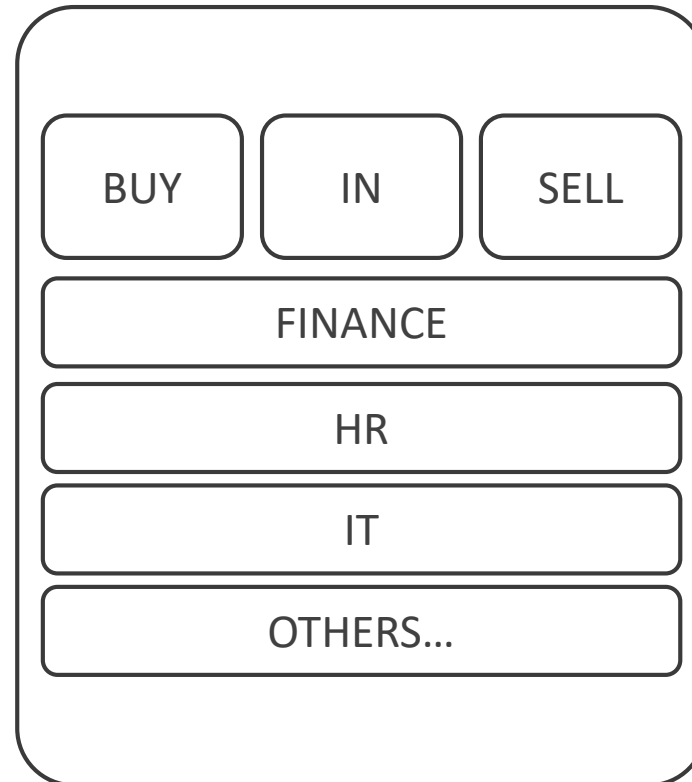
The CXO



## STRATEGY

Customers  
Markets  
Products  
Organization  
People

Technology impacts Processes.  
Processes enable Strategy



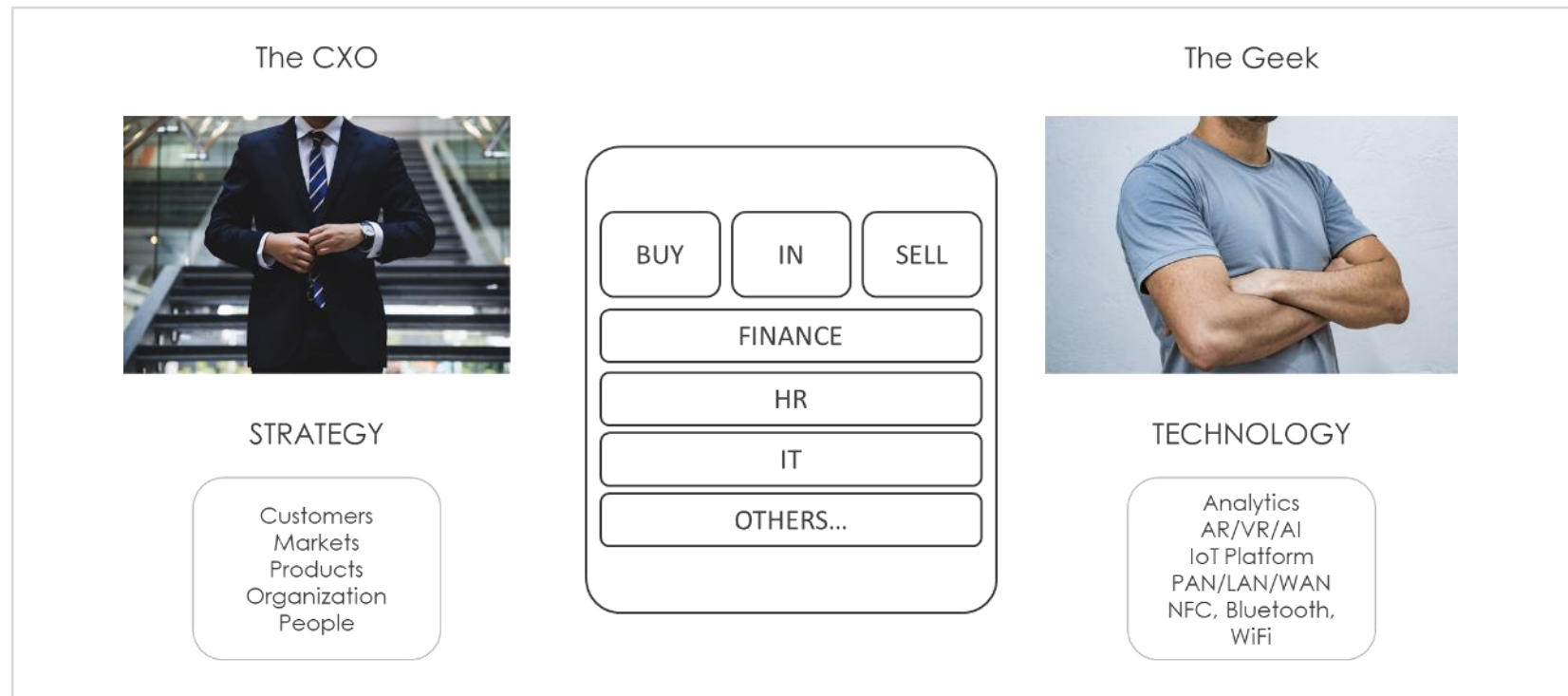
The Geek



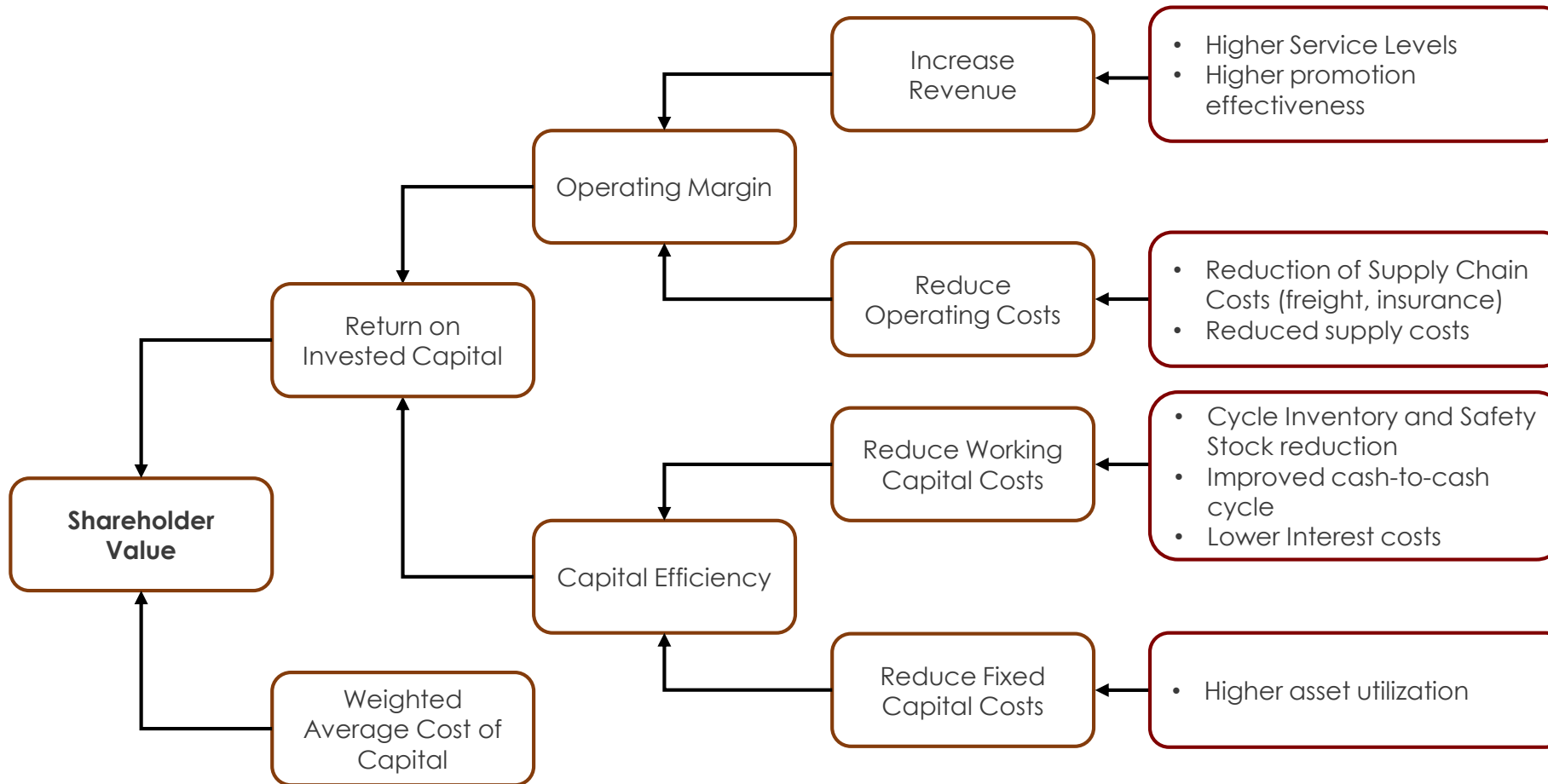
## TECHNOLOGY

Analytics  
AR/VR/AI  
IoT Platform  
PAN/LAN/WAN  
NFC, Bluetooth,  
WiFi

...and measure and articulate the 'Business Value' of IoT.



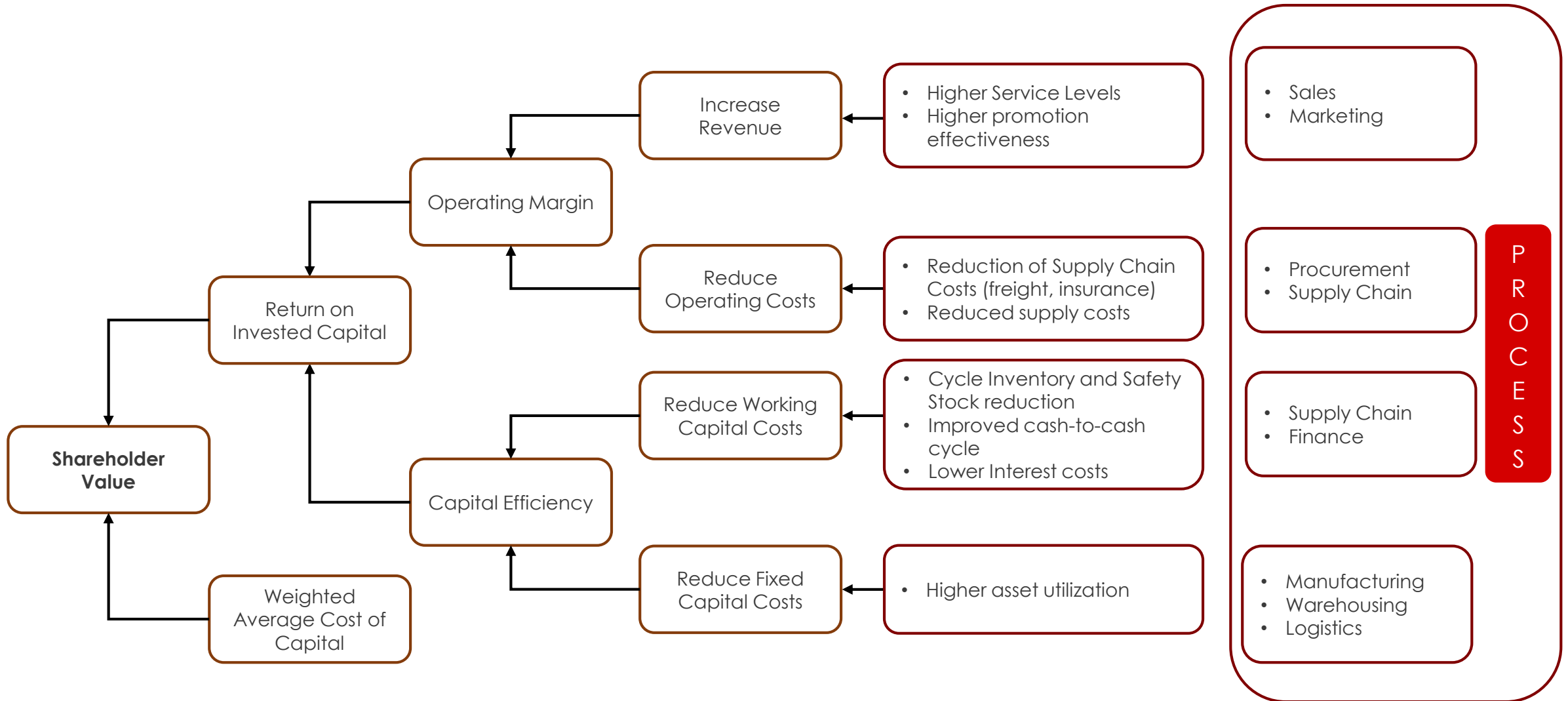
# An ROIC Model approach can help



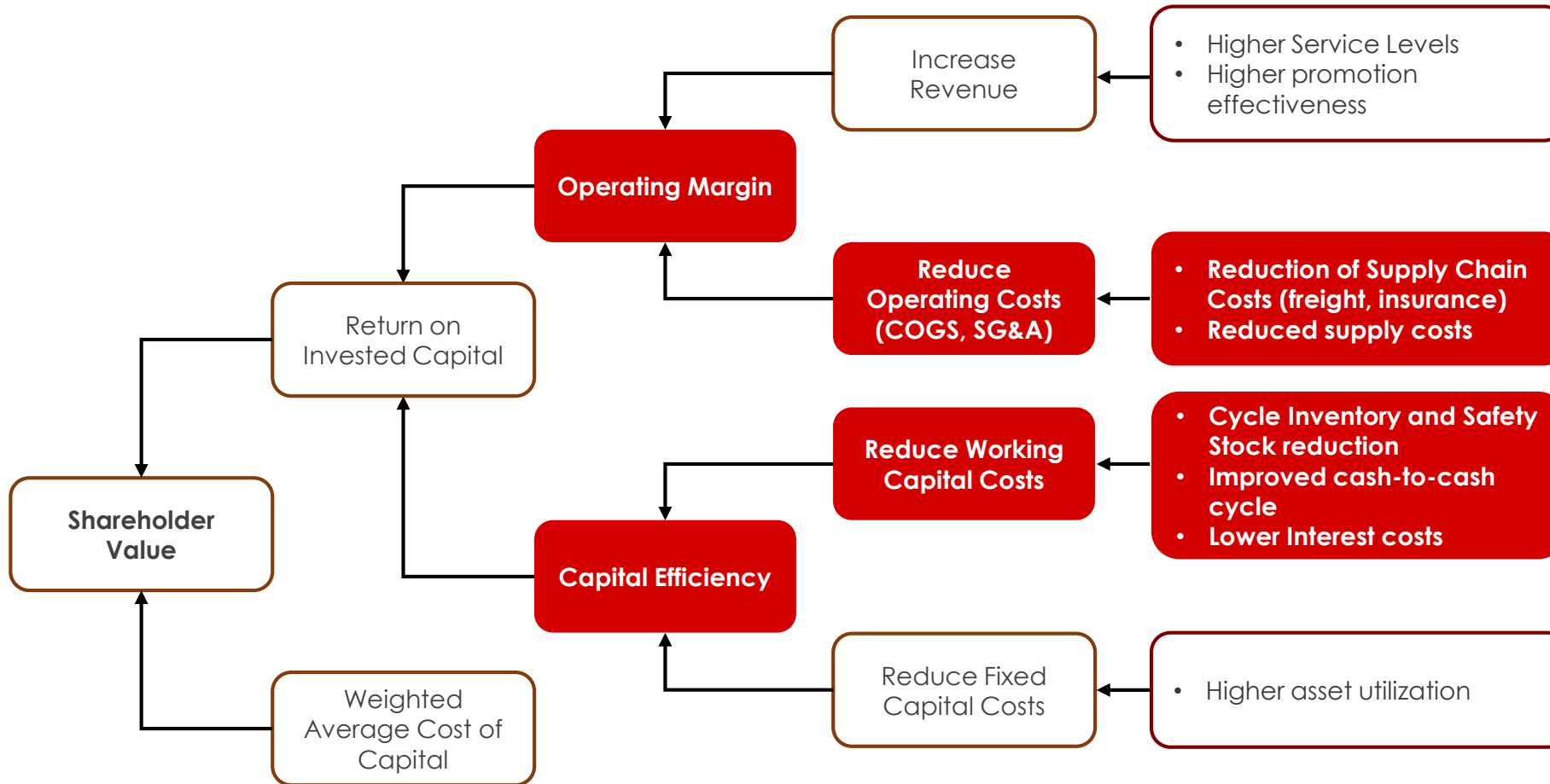
Business Capabilities provided by IoT

- Supply Chain Visibility
- Increased Responsiveness
- Increased Flexibility
- Risk pooling of inventory
- Higher forecast accuracy
- Higher OEE

# An ROIC Model approach can help



# A simple use case

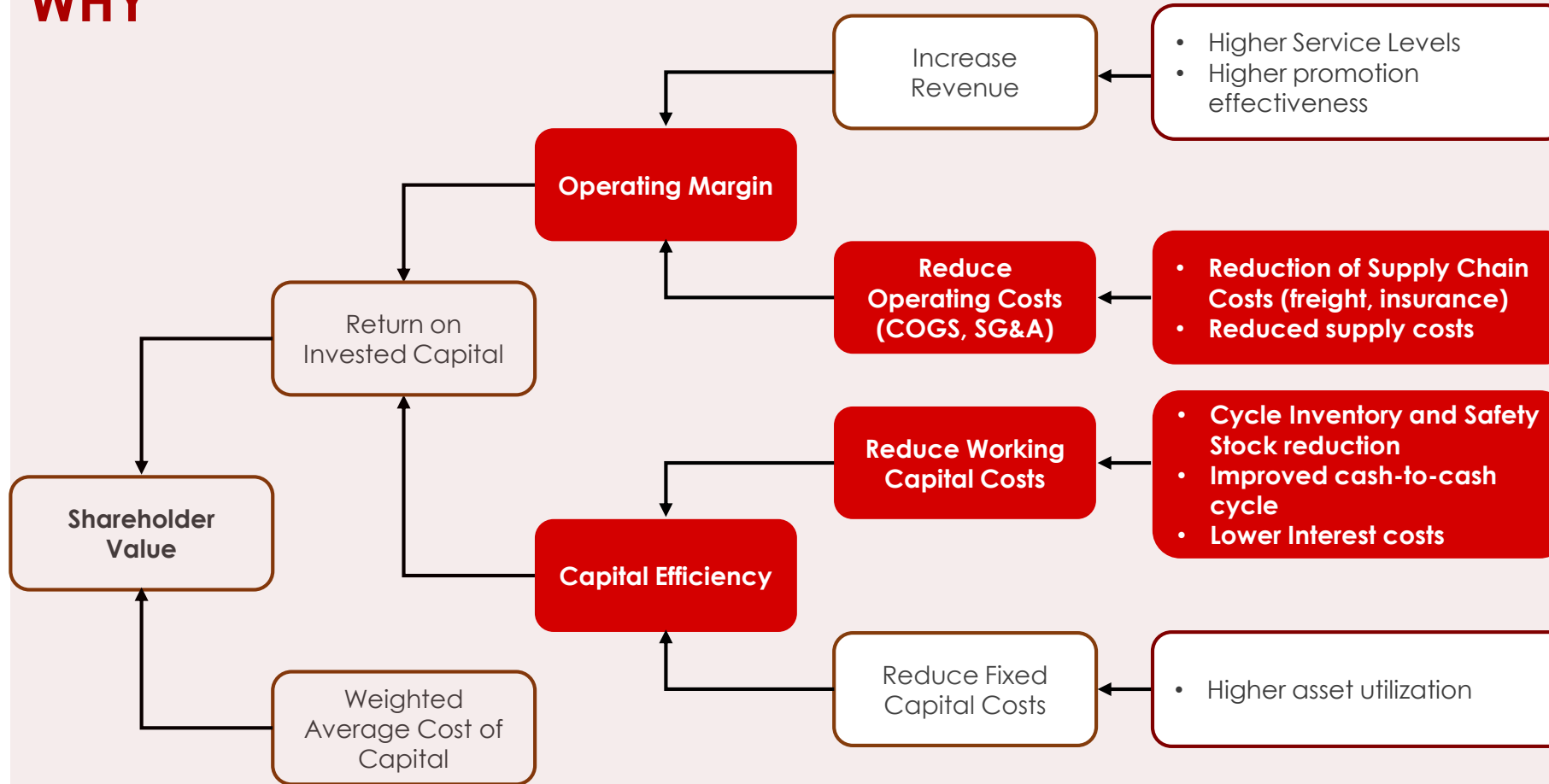


### FMCG Company in Singapore

- Good revenue growth
- High customer satisfaction
- Decreasing operating margins
- Low capacity utilization

# The WHY and WHAT for our FMCG company

## WHY



## WHAT

Business Capabilities provided by IoT

- **Supply Chain Visibility**
- Increased Responsiveness
- Increased Flexibility
- **Risk pooling of inventory**
- **Higher forecast accuracy**
- Higher OEE

# Few approaches used today to establish business value

## Move the Needle

- Estimate the impact of % improvement in key operating and Financial KPIs

## Process and Systems Improvement Benchmarking

- Benchmark data from past customer implementations
- Developing a maturity model of qualitative and quantitative improvements in key metrics

## Discounted Cash flow models for Business Case

- Identifying and qualifying all value elements
- Calculating costs and benefits ensuing each year
- Calculating NPV, IRR over a 4-5 year period
- Calculating Payback period

## Developing a Value Based Roadmap

- Mapping Business Value to Feasibility of implementation
- Prioritizing low hanging + Must do initiatives in the short to medium term
- Developing 3-5 year roadmap of business and capability building





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# THANK YOU

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