SAP® Digital Supply Chain

Connect Digitally to Perfect Reality

THE BEST RUN **SAP**

The Importance of the Digital Supply Chain

Product cycles are compressing. Design variability is increasing. Demand is fluctuating. The expected speed of time to delivery is shrinking. These market realities place tremendous operational pressure on the entire lifecycle of your products and assets. And the only way to address these challenges is to deliver an end-to-end digital supply chain – from design and planning to manufacturing, logistics, and operations.

Industry 4.0 and the Rise of the Intelligent Supply Chain

Industry 4.0 principles and their enabling technologies – such as the Internet of Things and artificial intelligence – are opening the door to processes that are highly automated, integrated, and optimized. In return, companies are facing stiff competition from those that are reducing cycle times, improving product quality, increasing operational efficiency, and delivering customized products on a global scale profitably.

Relationships among manufacturers, customers, and suppliers are now disrupted, deepened, and highly integrated. For example, organizations are adding sensors and microchips to tools, machines, and products to create smart assets that receive and share real-time information with the business network. By powering the creation of brand-new ecosystems that can span multiple locations and industries, the system can generate data and merge it with enterprise data and product flows across internal borders.
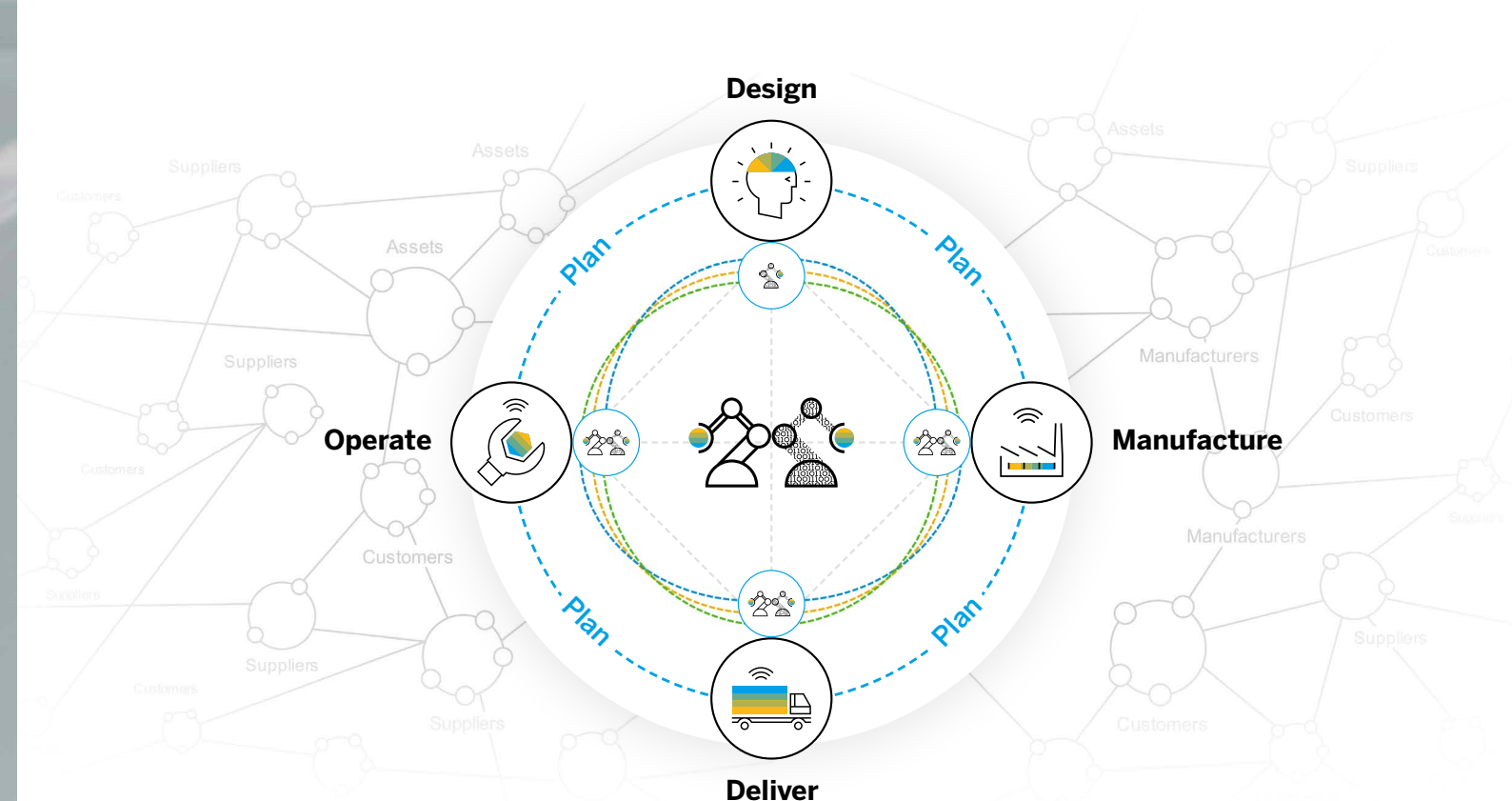
Delivery of a Great Customer Experience Through a Great Product Experience

Success in this intensely competitive manufacturing environment requires a completely new approach to the supply chain, which can be redefined with a three-pronged strategy (see Figure 1):

1. **Unwavering customer centricity**

   Put the customer front and center of every supply chain activity by providing a unique, personalized experience. Deliver mass customization through a supply chain operations that adapt to the needs and requirements of specific customers.

2. **An established system of total visibility**

   Acquire and manage mass volumes of data across the customer base to unleash the promises of IoT technology and other advancements. Gain complete access to all supply chain information and track every customer request – from design to full-scale deployment and operation. Adopt a digital twin strategy for each product and customer connected to the supply chain to digitally inspect, monitor, and maintain products and assets.

3. **Reimagination of new-business innovation**

   Unlock all available data, supply chain intelligence, and advanced technologies to deliver new processes and services to customers. Improve processes and predict outcomes continuously while generating new revenue streams, reaching once-inaccessible markets, and developing new ways to compete and disrupt your industry.

The Three Pillars of the Digital Supply Chain

The key to embracing the three-prong strategy of the digital supply chain is unpacking the three pillars of digital supply chain and translate them into successful supply chain transformation.

Figure 1: The Three-Pronged Strategy of the Digital Supply Chain

Customer Experience — Customer Centricity — Total Visibility — Business Innovation — Product Experience

Supply Chain Sustainability with a Purpose

Today's customer is looking to do business with ethical companies that can prove the sustainability of their operational processes and practices, such as:

- Designing sustainable products that are biodegradable, environmentally sustainable, and ethically sourced, as well as generate minimal waste of natural resources and comply with fair trade policies
- Manufacturing processes that strive for zero waste and impact the environment minimally while increasing health and safety numbers
- Logistics processes that optimize loads to reduce miles covers, emissions, and carbon footprint
- Assets that are designed and operated in an energy-efficient manner that is safe for the environment and workforce

Driving sustainability supply chain processes are not only good for the environment, but also for customer satisfaction and often cost reductions.

The SAP Digital Supply Chain Portfolio

The SAP Digital Supply Chain portfolio addresses these challenges by creating a digital mirror of the end-to-end supply chain. With complete operational visibility and customer intelligence, you can set the foundation for a fully networked supply chain while digitally transforming the business as a whole.

By covering every aspect of the product lifecycle, SAP Digital Supply Chain delivers the speed of innovation, operational efficiency, and service effectiveness necessary to meet and satisfy customer expectations.

Design:
Go beyond manufacturing products by selling performance

Manufacture:
Become more responsive to customers with real-time visibility

Deliver:
Improve the speed, efficiency, and sustainability of your logistics and fulfillment processes

Plan:
Redefine asset management for an increasingly digital world

Operate:
Transform your supply chain into a network for demand-driven business planning

Learn More

To learn more about SAP Digital Supply Chain, call your SAP representative or visit us online at **sap.com/digitalsupplychain**.

SAP® Digital Supply Chain

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