

INTRODUCTION

THE CHALLENGES

This cannot be happening! Late again with a launch for Walmart, all because of a corrugated box! It wasn't in the bill of materials. You rushed a PO with a domestic supplier and had no option other than to pay for expedited freight. And those negotiated savings with a supplier in China? Gone.

You are on your way to a meeting with Finance to show how you plan to increase EBIT by quarter and by month. How is that possible when you have so many fires to put out every day? How can you think of scaling operations and taking your organization or business to the next level when you are facing all these challenges? You take a quick break to get some coffee. Back at your desk, you find this book that I wrote for you.

THE SOLUTION

This book is about how supply chain digital transformations can help you deliver results with a high ROI. A recent publication from McKinsey¹ notes that the biggest future impact on revenue and EBIT

¹ McKinsey, (2017). *Digital transformation: Raising supply-chain performance to new levels*, <https://www.mckinsey.com/business-functions/operations/our-insights/digital-transformation-raising-supply-chain-performance-to-new-levels>

growth is through digitizing supply chain; companies can expect an increase of up to 3.2% in EBIT and 2.3% in annual revenue growth.

“The biggest weapon a company has to outperform its competitors over the next three years is the digital supply chain, which will dramatically improve revenue and reduce costs while delighting customers. A true winning play” (Sam Palmisano, former Chairman and CEO, IBM and Founder, Center for Global Enterprise (CGE)).²

This book is based on my personal experience with some alterations to illustrate certain points better. The companies are fictitious, while the challenges described are ones I have found in several companies rather than being specific to one business in particular.

In this business storybook, I tell you all: the good, the bad, and the ugly. Maria Sanchez—the main character—has many demands to balance. She has various roles. She has successes and failures. She has strengths and vulnerabilities. She is human, just like you. And, like you, she is determined to succeed, be passionate about what she does, and she works hard too. She has a growth mindset, as Carol Dweck³

² Digital Supply Chain Institute, (2017). *Digital supply chain transformation guide: Essential metrics*, https://www.dscinstitute.org/assets/documents/Digital-Supply-Chain-Transformation-Guide-Essential-Metrics_DSCL_Oct2.pdf

³ Carol S. Dweck, (2006). *Mindset: The new psychology of success*. Carl S. Dweck is the Lewis and Virginia Eaton Professor of Psychology at Stanford University. Dweck is known for her work on the mindset psychological trait. She taught at Columbia University, Harvard University, and the University of Illinois before joining Stanford University’s faculty in 2004.

would describe it, and she has grit, as Angela Lee Duckworth⁴ would indicate.

You will find practical and technical tools that are most appropriate to use in cross-functional projects with large numbers of stakeholders. You will also find different approaches to improve soft skills, absolutely relevant in major supply chain digital transformations. The focus is on strategic sourcing, enterprise resource planning (ERP), integrated business planning (IBP) or sales and operations planning (S&OP), and procurement, that is, the procure to pay (P2P) process.

WHO THIS BOOK IS FOR

1. Directors and executives of mid-sized and large businesses who work in critical functional areas, such as Supply Chain (including Sourcing and Procurement), IT, Marketing, and Finance.
2. If you are wondering whether this book is for Latinas or women only, it is NOT. Indeed, this book highlights the importance of diversity. With only women or only Latinas, you wouldn't reap the benefits of diversity.
3. Even though the main focus of this book is on supply chain digital transformations in mid-sized businesses and large enterprises, many tools and concepts offered can be applied to small companies and startups.

⁴ Angela Lee Duckworth, (2016). *Grit: The power of passion and perseverance*. Angela Lee Duckworth is an American academic, psychologist, and popular science author. She is the Christopher H. Browne Distinguished Professor of Psychology at the University of Pennsylvania, where she studies grit and self-control.

WHO THIS BOOK IS NOT FOR

1. If your interest is in digital transformation within warehousing and logistics—for example, bar coding or RFID technology, then this book is not for you, although your interests would be a great topic for another book.
2. If you are looking for the IT aspects of deployments—for example, the technical requirements of interfaces, then this is outside of the book's scope, which has been written from a functional supply chain perspective.

THE PURPOSE

If what you have read resonates with you, I am confident that this book will leave you with new insights that are strategic and, equally as important, executable. Over my 15 years of experience, I have helped companies like Alcoa (aluminum), Cummins Inc. (automotive), Lindt Chocolates (food), and Coty (beauty).

“Marcia brought a high level of expertise and diligence to our project at Lindt, helping to define and validate requirements for our supply chain planning project.” – John Vaughan, IT Analyst, Lindt Chocolates.

“Marcia is results-driven, strategic, and focused on cost savings. She has strong practical experience with Six Sigma tools and processes to provide valuable results to the bottom line.” – Mark Farney, Sourcing Manager, Cummins Inc.

“Marcia was responsible for designing, developing, and implementing our new ERP system, SAP B1. She offered to see this project through along with handling critical auxiliary issues related to accounting and

developing a multimedia training for my employees. I have the highest opinion of her and am deeply thankful for her contribution to my company.” – Michael Benzaken, CEO, Nubenco Enterprises.

RIDE THIS SUPPLY CHAIN ROLLERCOASTER

Ready to jump into the pages? Or are you still undecided and considering other priorities? According to McKinsey,⁵ only 43% of the average supply chain is digitized. This means that companies are foregoing a 2.3%–3.2% increase in EBIT. You don’t want to be one of them.

Before your meeting, be prepared. This is your opportunity to make a significant impact. This is your time. Join Maria in her supply chain digital transformations. Learn from the mistakes and failures that she experiences and claim your head start. The moment is now.

These transformations are like rollercoasters full of emotions, participants, and loops. There will be higher heights, new perspectives, and full action, so fasten your seat belt and go...Read this book, take action, and deliver high impact results!

⁵ McKinsey, (2017). As referenced before, <https://www.mckinsey.com/business-functions/operations/our-insights/digital-transformation-raising-supply-chain-performance-to-new-levels>