
TRANSFORMING SUPPLY CHAINS WITH MARIA: A BUSINESS STORYBOOK ABOUT ACTIONABLE SUPPLY CHAIN DIGITAL TRANSFORMATIONS FOR HIGH IMPACT MARCIA D. WILLIAMS MIDDLETOWN, DE USA JANUARY 2020

These times are all about supply chain. During COVID-19, shortages of products including disinfecting wipes, hand sanitizers, and toilet paper make it unarguable the critical role that supply chain plays.

The book *Transforming Supply Chains with Maria* shows how supply chains deliver value that impacts both the top and bottom lines. It is about how supply chain digital transformations can help deliver results with a high ROI.

By following a story or novel style, like that in books “*The Goal*” or “*The Phoenix Project*”, Williams takes the readers through the following supply chain digital transformations:

- Strategic Sourcing
- Enterprise Resource Planning (ERP)
- Integrated Business Planning (IBP) or Sales and Operations Planning (S&OP)
- Procure to Pay (P2P) process

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Most of the story takes place at The Long Island NY Chocolates Co. located in Commack, New York. This medium-sized business with annual sales of approximately \$300 million is run by David Wall - CEO - together with his son, Tom Wall as the Chief Operating Officer.

The company is growing fast, organically and by acquisition. Such growth in a short period of time poses challenges for the Wall's. They are falling behind with deliveries made on time, which has caused lost sales and increased costs. With these eroding profits, both CEO and COO decide to find help, despite their sometimes-conflicting perspectives.

In their search for a solution to ease their pains, they find Maria, the main character of the story. Maria is not a heroine, but, has the drive to take the team at the Long Island NY Chocolates Co. through supply chain transformations. These transformations are like rollercoasters full of emotions, participants, and loops.

Throughout the story, the author introduces technical aspects, including six sigma tools, in a practical and simple way. At the same time, the author addresses the soft aspects – which are relevant to change management. The book has McKinsey, PwC, Harvard Business Review, Business Insider, Gartner, The Hackett Group, among other sources.

Chapter 1: The Supply Chain Transformation Begins

The first chapter describes the company situation that propelled a supply chain transformation. The focus is on the “why”. Williams shows how to articulate the business case with an example by showing the impact on the financial statements. This point is critical

for the stakeholders’ initial buy-in. The book emphasizes to start with the “why” to then explain the “what” and the “how”.

Nonetheless, just from the beginning of the book, the author conveys the challenges that arise when various team members from different functions are involved. Maria, the main character, is not well received by a large part of the team. Despite this, she is given an opportunity. This blend of technical and soft aspects continues in the rest of the chapters.

Chapter 2: The Sourcing Digital Transformation – RFIs, RFPs, RFQs, Online Auctions

The decision to start the digital transformation on the sourcing area obeys to various reasons. Williams highlights the importance of quick wins to achieve a fast ROI realization. Indeed, she indicates that the sourcing function is sometimes overlooked, although it has a great potential to increase the company’s profitability.

Another reason is that, in the story, Maria has little or no support from the team initially. The author suggests when there is no collaboration, or the systems do not provide reliable information, the suppliers’ records or sales can be the source of truth.

112 | In this chapter, Maria goes through different steps, from gathering and validating data until presenting the project results to the team. By adopting a pragmatic approach in this process, the author shares best practices, digital tools, and tactics to build a Request for Information (RFI), a Request for Proposal (RFP) package, and a Request for Quote (RFQ). Furthermore, online auctions are also covered.

Williams also advises on the importance of the criteria evaluation and the scoring, by considering the lowest total cost of ownership (TCO). The character Maria is successful in this transformation to then embark on a major one, Enterprise Resource Planning (ERP) in the next chapter.

Chapter 3: The Enterprise Resource Planning (ERP) Digital Transformation

Even though in the novel Maria goes from Quickbooks – a well-known and used accounting system in the United States – to SAP Business One, which is the SAP solution for small and medium-sized businesses, Williams focuses on the process.

This process starts with defining the “must have’s” and “nice to have’s” to then identify any gaps against the functionalities of potential solutions. It continues with the evaluation criteria, selection, planning, and rollout of the new solution, to conclude with training.

Throughout this process, Williams explains concepts and tools through Maria’s actions. Again, in this chapter, the author emphasizes the importance of clean, accurate, and complete data for a successful implementation.

Along these lines, the author introduces the six sigma methodology. Such a methodology applies statistics to problem resolution. Some of the tools are KJ, Process Map, Cause and Effects Matrix (C&E), and Failure Mode and Effects Analysis (FMEA).

Consistent with a pragmatic approach, the participants in the story face several challenges including inadequate Chart of Accounts (COA), obsolete SKU's, incomplete BOM's, SOs and POs not properly maintained, among others.

The blend of technical and soft aspects is also present in this chapter, in particular, what pertains to communication in cross-functional teams. Short videos or narratives are suggested over the traditional PowerPoint slides.

Although the book was published before the pandemic, Williams indicates that a proven approach is to have onsite together with remote work. Indeed, she states that remote work fosters having and retaining talented people.

Chapter 4: Sales and Operations Planning or Integrated Business Planning

This chapter is supply chain at its core. Precisely, Covid-19 has unveiled how critical S&OP is. As the name denotes, it refers to how sales and operations relate. The underlying concept is that businesses intend to match offer -their production- and demand from their customers. IBP or Integrated Business Planning adds the financial aspects into the mix.

Once again, in this part of the story, through Maria and the team at the Long Island NY Chocolates Co., the author focuses on the process and data employed. She covers the following:

- Forecasting
- Demand planning
- Master production schedule (MPS)
- Capacity planning
- Material requirements planning (MRP)
- Distribution requirements planning (DRP)
- Inventory management and optimization

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In addition to being process and data oriented, the author explores the solutions that technology can bring, depending on the stage that the company is and explains how to implement an S&OP cycle.

This section includes communication aspects and with no surprise, Williams favors the use of visuals, which includes tools such as Power BI from Microsoft to analyze and select the data to show – based on the objectives – to the different participants involved.

The ERP and S&OP transformations have many bumps on the road. The author takes advantage of this by making suggestions on how to effectively learn from failures. In this business storybook, Maria, is not a superhero. She has successes and failures; strengths and vulnerabilities. This makes the novel a quite close resemblance of the realities of transformations and change management.

Chapter 5: The Procurement Digital Transformation – Procure to Pay (P2P)

The Procurement Digital transformation takes place in a Fortune 500 company. In contrast to the other chapters in which Maria goes through the full process, in this one, Williams centers her attention on the relevance of training on a continuous basis.

The author observes that in many instances, training is provided as part of the initial rollout plan, but those efforts become futile when employees leave the company or change jobs. New hires may experience a challenging time without the proper onboarding.

Williams states that there are two main types of training plans:

1. A strategic plan that covers the purpose, roles and responsibilities, deployment challenges, potential solutions, and metrics; and
2. A practical training that targets all team members using the application daily – in this case, SAP Ariba, as the procure-to-pay solution.

In this chapter, the readers enter the world of Indirect Procurement, to know its challenges and opportunities. The guidance and practical approaches provided can be applied to other solutions besides Ariba. There are also explanations about the role and importance of Indirect Purchasing and its differences with Accounts Payables and Shared Services.

The author makes key points about blanket POs and catalogs. Like the rest of the chapters, it contains the typical blend of technical and soft aspects, as well as successes and failures.

The Supply Chain Transformation comes to an end

As this is a novel, I cannot tell the end. You need to read the story to know. Nonetheless, as I have indicated in my published review at Amazon, this is an excellent book, a must have for anyone who is connected in some way to Supply Chain. It is well thought out and well written. I have been in Supply Chain for 30 years and I am very impressed.

Chris Cox