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Improving Supply Planning and Material Sourcing with Digitalization and Orchestration Data

Supply planning across external manufacturing activities and direct material sourcing performance are dependent on access to precise and timely data on forecasts, orders, inventory levels, shipment patterns, and more. Digitalizing supply chain transactions and orchestrating external manufacturing and other relationships can fuel more effective supply planning and decision-making. This session covers:

- Key operational use cases for improving external manufacturing and direct material sourcing operations.
- Operational processes and data transactions from forecast to product delivery that can feed planning.
- KPIs which can be improved and optimized from on-time, in-full (OTIF) order fulfillment and customer service levels to optimized available-to-promise inventory levels and safety stock margins.

Speakers also provide key insights on how to get started. Watch the video to learn more.

Featured Speakers:

Bill Walker

Senior Director, Partner Solutions Extensions

Kinaxis

Dan Walles

General Manager Track and Trace/Compliance

TraceLink

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Paul Dionne: Today, we're going to discuss some of the challenges that companies are facing, the opportunities that supply chain leaders have for better sourcing, distributing, making, and delivering product. I'm going to turn most of this session over to our speakers and let them take the ball and run with it.

Bill Walker: Thanks, Paul. Appreciate you. As you can tell by the pictures, Tulug and I not only used to work together, we decided to change facial hair. [laughter]

Bill: We appreciate the opportunity to spend these next three hours with you talking about the value proposition that we bring to...Sorry. 30 minutes.

We look forward to spending the next 30 minutes together with you to share with you the exciting and emerging partnership, the triumphant triumvirate, if you will, between Kinaxis, Genpact and TraceLink, as we look to bring our platforms, our

intellectual property, and our subject matter expertise to market to truly address what we see as some of the challenges and trends in life sciences and pharma.

I'm going to ask Tulug, in a few minutes, to walk through some of those trends, and some of those issues, and some of those challenges that we look to solve in the last couple of slides.

First and foremost, we hope that your experience at FutureLink has been as informative and as collaborative for you all as it has for me. This is my first FutureLink. I hope it's not my last. I'm very excited to have had the opportunity to network with customers in common, with partners in common, and especially customers to come.

With that in mind, Tulug, I don't know if you want to talk real quickly about some of the complexity that we're realizing.

Tulug Kenanoglu: Absolutely. Thank you. Thank you, Bill. As Bill mentioned, we go way back.

Bill: Way back.

Tulug: Genpact has been around longer than I have been with Genpact. I've been with Genpact only about a year, but Genpact has been working with the likes of Novocorp Pharma, I think that was the example, and Zentrix, so both sides of the equation, for a long time now.

As part of that relationship and as also evidenced with some numbers, the observations that we have is that supply networks, supplier networks are not getting any less complex. In fact, it's going completely the other way around.

If you look at some of the numbers that were presented by analysts, API manufacturing specifically, about two-thirds of that API manufacturing will go to CMOs. What does that mean? The brand owners will be working with multiple

CMOs, and CMOs will be working with multiples of those.

It's not just a small one-to-one type of relationship, but a much larger type of relationship. This is not going to happen in the next 50 years, etc. It's pretty quickly going to happen given that we're in 2024 already. We're looking at by 2030 -- 2030, right? Yes [laughs] -- that that whole complexity is going to grow even more than it is today.

The other thing that we have seen -- and we follow all the analyst recent research basically -- is telling us that this collaboration is a key focus. It's not that there is no collaboration, obviously, but it's becoming more and more a focus of how to improve the collaboration. It's a key focus area for supply chain leaders.

In the next 12 months -- and I would argue that it's going to be a constant interest beyond the 12 months as well -- it's a key focus area that's going to continue to grow. Thank you.

One thing that we are seeing is that, and it's not limited to life sciences. Multi-enterprise networks are not always synchronized. I'm not going to say they're not synchronized at all, but that synchronization is hard to find.

A lot of the planning decisions, execution, they still happen in silos within the enterprise and outside of multi-enterprise networks. That's still very, unfortunately, very siloed. When you extrapolate to supply chain trading partners, that becomes even more evident.

It's not because of a lack of will or desire, but it's more about what people haven't been focused on recently. If you look at it, a lot of this results in exceptions in the value stream.

These exceptions, when we cannot avoid the exceptions, but how these exceptions are being captured, how the impacts are captured across if you think about a very complex multi-enterprise network is really impacting overall performance.

This is resulting in some delays in response, disruptions are not being addressed as quickly as possible. What does that mean? It's driving up costs, and also the impacts.

If you're not able to respond to these disruptions as quickly as possible through collaboration, through the right processes, right technologies, right people, then the impacts are actually even getting bigger. It is quite pervasive.
If you think about this overall collaboration network is fairly fractured today. From the source to deliver, we see this. There's a lot of disparate systems people are using. Different organizations have different systems, different processes as well, and they are all disconnected.

Getting this information, harmonizing the type of information that you're looking with one CMO to another CMO, it is becoming increasingly more complex as you add yet another CMO to be able to expand your network.

Without necessary algorithms to be able to support -- and there's various algorithms that can support this collaboration -- this inefficiency is really becoming more prevalent. Again, as I mentioned before, it's just driving cost up.

There is another thing that it drives up, and it's a big focus area for a lot of organizations today. It's the ESG cost. Emissions is one indicator, but not the only indicator, but one of the things as well. Inefficiency not only in cost, but also emissions, basically, is driving up.

Not being able to collaborate effectively is also leaving you more vulnerable to these disruptions. Having slow decision processes not supported by data, not supported by necessary technology process, it's really making it challenging to be able to respond effectively.

We're asking [laughs] the planners to run faster, to make decisions more quickly, but we're not necessarily providing them with the right tools in the form of, again, data, technology, and processes. They're only human beings, so they can only

achieve a certain amount. You cannot expect more from your planners than what they can do. [laughs]

If you could go to the next slide. There is a good answer. I'd love this representation of the supply chain because supply chains are not really linear. This is a good representation of...Maybe somewhat aspirational for certain organizations, but this is how we look at a supply chain.

It's an interconnected view of different activities working all together seamlessly, being able to collaborate and connect at different levels. Connection is an important keyword here because that's what we're hearing from TraceLink.

Part of what excites us as Genpact is that this supply chain orchestration vision itself and approach is something that we've been focused on. That's why our partnerships with Kinaxis, TraceLink and the likes are supporting what we can achieve working together with our partners and deliver this supply chain orchestration approach.

The whole idea is to get rid of these silos, not only within your organization, but hopefully, with the right support from technology, data, process. You're going to hear those words from me all the time. Just a little warning. As long as you break those silos with this approach, there will be a big gain in efficiency. There's some real value that you can achieve.

As I mentioned before, our focus here is life sciences, but this is something that we are seeing in not only one industry, but across multiple industries that we're working with. The whole approach is trying to break these silos, trying to bring people together within and outside of the organization in a multi-enterprise network.

There are some numbers to support the supply chain orchestration approach. If you look at this, this is not across just one industry or just one organization, but it's across the whole supply chain. There is good evidence that organizations that

focus on supply chain orchestration are already gaining value.

Within the first 12 months of approach, supply chain orchestration approach deployment, if you will, organizations are achieving significant value in multiple KPIs. It's not just one area, but multiple KPIs. The degree varies from the maturity of the organization, the industry.

There's a lot of things, but one thing that is undeniable is that the value that most of the organizations are achieving. The 30 percent that are not achieving anything in the first 12 months are most likely already are focused on a supply chain orchestration.

They've already started down that path, or maybe they are so far behind that they first need to get to some other levels within their organization. 70 percent of organizations that are focusing on this, the value that they're achieving, that's an exciting number. That should be a good motivation for everybody to start looking at this supply chain orchestration as a focus area.

Bill: Thank you, Tulug. How do we deliver on these challenges of a fractured collaboration network? First and foremost, it is embracing concurrent, probabilistic and predictive techniques. No longer will the surviving supply chains be able to operate in a true siloed environment.

It is incumbent upon all of us that not only we internally, from procurement, through supply, through demand, through inventory, through logistics, through production, through co-man, co-pack and supplier collaboration, can we make decisions independent of each other.

I akin the collaboration network to a spider's web. If you've ever seen a successful spider's web, it is grounded in many different areas, and the spider is able to sense, in a real time, where a threat, an opportunity, food, resides and finds its way into that spider's web. Anywhere, anytime, always.

That's what we're looking to bring through our partnership together with TraceLink, is this true unified collaboration network. We need to bring a new approach to a difficult problem.

One, we are looking at a unified data fabric that helps to create that digital twin of the entire multi-enterprise supply chain, internal and external, to enable decision automation that increases agility, and flexibility, and resiliency.

Secondly, a unified data fabric makes it possible for those intelligent planning algorithms that we rely upon, a fusion of heuristics, optimization, and AI. For us, AI is not just artificial. It is the amplification of intelligence. It is the application of intelligence. It is getting that intelligence to the humans in the supply chain to make decisions faster.

Last but not least, it requires a platform that can support these collaborative workflows to align trading partners around a common strategy and an execution plan. We were pleased at the Kinaxis customer conference in May, Kinexions, to have our strategic partner in TraceLink join us in announcing our vision for solving for digital orchestration across the N-tier supply chain.

It is a combination of our respective platforms with the subject matter expertise and the intellectual property of our partners to bring all of that resiliency, concurrency, and visibility to you.
One of the things that we are particularly proud of at Kinaxis and Maestro, many of you may know us as RapidResponse, our AI data fabric-powered platform has grown from RapidResponse to Maestro, and has grown from supply chain planning into supply chain orchestration.

What we're excited to be able to do is to establish a true end-to-end N-tier supplier visibility as a single source of truth for all planning, execution, and orchestration. That's from the Kinaxis side. I don't know, Paul, if you've got some thoughts on the TraceLink side of this opportunity together.

Paul: I think the two companies play together very well. They're almost like different pieces of a puzzle. TraceLink is bringing that network into the relationship. We're able to bring a user interface that allows people to receive transactions such as purchase orders and purchase order acknowledgments to create reports that their industry partners can see.

You saw that in the previous ones. As we continue to move forward, we will be providing the ability to download standardized reports from a catalog that other companies can provide out to our users.

There are many things that TraceLink is bringing, and of course, Kinaxis has the expertise in supply chain management, sales and operation planning, and the ability to integrate with other systems that are in that ecosystem of the company.

Of course, we've heard in other presentations, many companies will have 12 to 15 different systems within their own ecosystem, and then they're talking to partners who also have 12 to 15 systems. Being able to send transactions into the appropriate system of the partners and get transactions back in a quick, efficient method.

One of the things, of course, that I think has to be continually underscored is the elimination of manual steps in this process, the elimination of human errors that can be introduced. You can imagine a simple decimal point in the wrong place can cost a company millions of dollars.

Being able to digitize all of this to send it electronically from system to system, and minimize those potential mistakes that human beings...We're all human for a reason. [laughs]

Bill: It's in that vein that our partnership is unique in our industry. I think we've all experienced disparate systems that claim to be fully integrated, when in fact, what it is it's a data exchange. It's throwing data across the hedge, hoping somebody's on the other side to catch it, and knows what to do with it.

Our partnership is built around a co-innovated, tightly coupled, real-time exchange not only of data, but then what to do with that data, so that our respective platforms are then able to make recommendations to accelerate scenario planning so that we can make decisions faster.

The faster we make decisions, the better we're able to serve our customers and our customers' customers, and in this room, that means improving and saving lives.

We didn't go into this altruistically. We did obviously want to be able to validate that our joint, tightly coupled offering would resonate with this community and this ecosystem.

Leading into this formal announcement that we did in May at Kinexions, we asked an esteemed member of your community his thoughts on what a Kinaxis and TraceLink partnership might look like. I don't want to speak for Frank, nor infer anything, so I'll let you read the words he shared with us when we first announced it at Kinexions, and we reaffirm and recommit here today at FutureLink.

With this value proposition of a Kinaxis and TraceLink tightly coupled offering to solve for the end-to-end N-tier supply chain orchestration, clearly, the next question is where do we start?

Tulug: Thank you for the great lead in, Bill. The two organizations, our two great partners, they provide great solutions. How do we bring those solutions over to you? Our starting point typically is what we call an enterprise transformation assessment.

That really helps us to understand from the four words that I used before, data, technology, process and people point of view, where you are, where the potential opportunities for improvement are, and where are you in the overall maturity in your industry or across industries with your supply chain within and externally to your supply chain?

That gives us an idea of where the organization is. With that, what we do is then we start focusing on, OK, now we know where you are, what would be the next step for us? What are the areas where we can really focus on where we can make an impact, and make that impact quickly?

You don't want to wait for a three-year long project to see whether it's going to be successful or not. You do want to see an indication of, can we address some of these key areas that are really important to you that we have identified? Can we address that with a combination, again, with those four words, [laughs] but with the support of our partners, how do we address these?

There's a very easy way to answer that question. Of course you do want to see the demos. We saw a really great demo just a minute ago. That was great. You've probably seen some demos from Kinaxis folks as well.

First step is just to see a demo, so just to get a feel of it, but the key thing is for us, it's how do we quickly get to something that you can work with. The idea is to get an incremental, so it's not in one shot, wait for three years thing, but get some tangible outcomes for something that you can start, and looking at, OK, is this really going to help me achieve X, Y, Z?

We saw some great examples earlier about the strategies, different objectives, five-year plans, etc., but it boils down to what can I achieve in a very quick period of time? We call this a rapid start prototype methodology.

It's a very quick three-month activity where you start seeing a very focused impact area not for the full enterprise potentially, but for a small portion of it. After that, once we see OK, this is something that's going to work for us collectively, then you go to the next iteration, which is a pilot phase, and multiple iterations for rollouts, etc.

That all comes afterwards, but the key thing is how do we quickly see the impact in our 90-day, three-month, 12-week [laughs] opportunity. That's how we approach

as Genpact.

Again, this is a little bit of a different way, but it shows you where we're coming from. I did mention the assessment phase. Initially, what we do an enterprise transformation assessment that allows us to focus on these in different impact areas.

The standard demo, as I mentioned before, it's just to give you a flavor of the type of solutions that you're working with. Then the key portion of this program for us, as far as we're concerned, is this rapid start prototype itself because that gives you, does this solution work in my environment, does it address some of my key concerns, and can I see that impact very quickly?

It's evaluation, if you will, for a combined solution. As I mentioned, pilot phase, rollout phase, these are standard phases that you see. I'm not going to go into the full details of that because we already talked a lot about it.

Bill: When we look at this methodology and we look at this approach coupled with the tightly coupled integration, I want to go back to the analysis by the professor of supply chain at Texas Christian University.

70 percent of your peers in supply chain across all industries believe that they will have a material improvement in KPI achievement in less than 12 months if they're able to properly and systematically deploy...
[background music]

Bill: an end-to-end N-tier supply chain planning and orchestration network platform.

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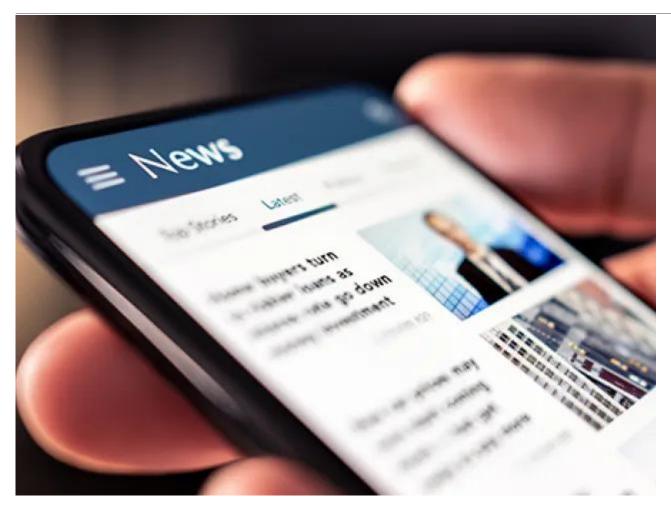
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