



How to achieve people and technology transformation in your supply chain

Global supply chain perspectives — Podcast transcript

Speakers: Rohit Ravindran (Microsoft Dynamics 365 Cloud ERP lead at KPMG in the US)
Chris Alagna (Partner and strategic advisor at KPMG in the US)
Maggie Dominguez (Director of ERP implementations at PGT Innovations)

Announcer:

Hi, and welcome to today's KPMG Powered podcast. Joining me today are three professionals in the field of people and technology transformation in supply chain management. They are Rohit Ravindran, Microsoft Dynamics 365 Cloud ERP lead at KPMG in the US, and Chris Alagna, KPMG in the US Partner and Strategic Advisor, responsible for guiding technology-driven enterprise transformation and for delivering Microsoft solutions. Also joining us is Maggie Dominguez, Director of ERP Implementations at PGT Innovations. Maggie's work in managing technology-enabled change and implementing Microsoft Dynamics 365 in global organizations is widely recognized. Welcome Maggie, Rohit and Chris. To get us started, what would you say is the key issue impacting the supply chain right now?

Chris Alagna:

Really it's supply chain visibility. Right now the issues in the supply chain are much lower, they're at the raw material level. They're at the component level. We're working with a customer right now in a different industry, in the healthcare industry. And they're trying to look at, you know, they're looking at outages of critical pieces of medical supplies and the outage isn't with their tier one supplier, it's three levels down. So we're looking at using Microsoft technology around some of the advanced technology with machine learning, analytics and order orchestration to alert a hospital when there might be say a plastics outage, three layers down for a customer that supplies syringes to that hospital. So really what we're seeing is it's not necessarily with maybe an end supplier of a business. It is three layers down and those businesses are looking for technology to alert them so they can make the decision and not be as reliant on their suppliers.

Rohit Ravindran:

If you look at the last, say 15, 20 years, it was you know, this thinking of just-in-time inventory. But now because of the pandemic and other reasons too, it has become more scenario planning just in case. And there is a human aspect through, you know, across tactical layers, you need to be more agile. Operational layers, you need more flexibility. From a strategic perspective, you need improved demand forecasting. And all of these have systems components, but then also people components. About how you're getting information, how is that information being made available to the right people so it can become the basis of right decision making, across planning, visibility to your inventory and stock and customer orders, as well as then at the backend, in terms of analytics and reporting. To be able to see what happened, what does this mean, what are some of the changes that I need to make? So all of these things across the planning, visibility and analytics for supply chain there are system aspects to it, but the people aspect to that is paramount.

Maggie Dominguez:

I know my supply chain has been over the past year, very nervous, very anxious, and making sure they're feeding all our production lines and that the costs are accounted for correctly. I think they're looking for those tools to help them make those decisions and have that visibility.

Announcer:

No, that's it, people are needing the tools that'll give them visibility. I'm interested in picking up on a point Rohit was making, would you say that when it comes to supply chain transformation, you encounter a lack of focus on the people aspect of transformation?

Chris Alagna:

Yes, and I would say we encounter quite a bit. And I would say the extra pressure added in today is that normally when organizations are looking to change, their external factors are somewhat static or not changing as fast as they are today, given the global pandemic and some of the related external supply concerns that we're seeing. So not only are people responding to external relationships, external sources of demand that are changing, they also don't have the tools necessary to respond to those. So you're seeing people in organizations have to not only deal with new relationships, trying to find new sources of demand, you're also having to find new tools to react to the changing landscape that's out there. So organizations are facing external changes, they're facing internal changes with employees, and they don't need have the necessary tools to respond to what they're seeing. So there's a whole lot of change happening for people. And I don't know if organizations right now are considering the impact that type of change is having on people, with the amount of change that they need to digest at one time in order to then fulfill what is ultimately the end goal of proper supply chain management, which is getting goods and services to their people on time and for the lowest cost possible.

Maggie Dominguez:

Well, in my experience, and I've done several implementations and have the privilege of bringing together six different legacy systems into D365 at PGT, I find that early ownership and early involvement of my teams, communication, and the second one is clear expectations. So this is also at an executive level, a teams level and at a user level, because the change isn't only for the people doing the work. It's also the executive management team, the people who are receiving the information and who are recipients of their jobs.

Rohit Ravindran:

By definition, any transformative project these days, particularly digital transformation projects, kind of get a level of anxiety across business and IT. And are we delivering value to the organization right now in the current state? Will there be place for us, you know, once the transformation happens in the future state? I think if those concerns are addressed and people have a level of comfort and assurance, then they will probably be able to come and, you know, perform at their highest level and adopt the system and actually feel empowered to make the system

successful. And that's a very critical aspect. It's all relationship driven, people not feeling that they're just being spoken to, but rather that they have a voice and they feel empowered. Often times what also happens is if something is going wrong or array, or can potentially go wrong and some people know about it, people who have been in the organization long enough, if they feel that their voice is not going to be heard then a red flag that could have been raised in a timely manner may not get raised. So those things are very important. The relationship aspect, the feeling of empowerment for every stakeholder across the organization, both at corporate and at the business unit level.

Announcer:

So let's turn now to the KPMG Powered Supply Chain enabled by Microsoft Dynamics 365 solution. What is it about the solution that helps establish and maybe instill a digital culture?

Chris Alagna:

I think a lot of times there's a lot of anxiety when you start a project like this and it's because most of the time you don't really have a clear path to get over the finish line with, you know, a high probability of success. There's no secret that a lot of these transformations for customers, you know, there's not a guarantee that you're going to be successful. And I think the one thing that the Powered Supply Chain offering does is it basically de-risks the project because the target operating model and the tools and everything in our Powered Supply Chain offering is based on years of working with all sorts of customers across multiple industries. And we take all that knowledge and put it into our Powered Supply Chain offering and then create basically a roadmap for a customer to go through a supply chain transformation journey from, you know, step one level one and a process, all the way down to the detail level and walk them through each step and have a set of deliverables, a set of activities and leading practices for them to draw upon as they look to transform. So they don't have to think about, oh my gosh, is this going to be successful? Because our Powered Enterprise Supply Chain methodology, target operating model, and all the deliverables are based on years of successful projects. So it in essence de-risks, and it allows the customer to do the number one thing, which is focus on their business, focus on the transformation, because if they follow our method, then, you know, it gives them such a high chance of success.

Rohit Ravindran:

I think Chris, myself, the marketplace that we address and the competition that we have often times, you know, a competition might come with a technology driven approach, if you will, a technology slam. Where I think KPMG distinguishes itself, is our approach is business-led and technology-enabled. And that's extremely important because the success of a project is much higher if it is business-led and technology is seen as an enabler of meeting business objectives. So I think that's a very important aspect. Getting all the business stakeholders upfront to understand what the change journey is going to be, articulate it and explain it to every person, every stakeholder as to what it means for them. During the change, during the planning phase, execution and post go-live.

Announcer:

Rohit, the point you make about stakeholder engagement, it's such a critical one. Maggie, perhaps you can tell us more about your experience of working with multiple stakeholders and working with KPMG in the US.

Maggie Dominguez:

My first experience with KPMG was on my previous implementation. I now have very high standards for my partners and what they deliver and what they support. I was very pleased that when the KPMG in the US team, and it's my first time that I worked with them on my last implementation, when they walked through the door, there was that sense of, yes, we have a plan, we have a methodology, we have processes, and this is what it is. If you let us work with you, we will help you on this journey and we can be successful. And all that came true. And all that trust that was built on that previous implementation is why KPMG in the US is assisting me now at PGT. And we're going through that journey again. And the first thing we have to do is build that trust within our C-class, our users, our teams, everything. And we do that with small, but very meaningful successes that KPMG does in their methodology. And you gain that confidence as a team and knowing that KPMG is there to support us. I mean, they're not when there's an issue and I've heard from many users and many team members that they run across something, they ask for support or help on that, and it's like, well, we'll get back to you. Or you know, let me look into that,

well maybe you should do some research on that. I've actually even heard that, but that's not KPMG style. I mean, they are in it with us. And I know I am very confident that my project manager that I work with will handle every issue that I'm handling.

Chris Alagna:

We're delighted that was your experience because, you know, a change in technology is hard enough. And if the team that is driving that change doesn't feel supported, you're not going to get the, you know, I mean, because in essence then you are going and selling this internally into your organization, which is extremely difficult and which is why our approach with Powered Enterprise and just our culture when it comes to enabling our customers from a business lens all the way down to making sure you feel supported on just the most individual task is why we do what we do. Because if you're not supported, you can't go sell it and sell it to the business and get the ultimate business outcome that you're looking for. So I'm glad that you brought up those points. But it is critical because if you yourself are unsure and you're doing your own research, and you're trying to enable this change, it doesn't enable you to be successful because you're the champion of the change internally to your stakeholders.

Maggie Dominguez:

You're right. Chris, it's the small things, right? It's not the big plan or anything like that. It's that one person maybe in accounts payable or the credit team or something, some very small thing, but building that trust with that person and knowing that they're not in there alone, and they don't have to go to, you know, research something to go find an answer. That they do have someone in the KPMG organization that will respond to it. I mean, it's okay to do the basic stuff, but we also rely on our partner to provide that same technology resource. So, how could we do this better? What technology would help us, would Azure Data Lake help, would Synapse help? Would, what is it, an add-in maybe to support a more complex, warehouse implementation or just accounts payable shared services. I mean, we rely not only on the technology answer and the process answer, but also on the improvement of that process and technology in our companies.

Chris Alagna:

Yeah Maggie, you bring up a good point there on the improvement side, in the evolution. And I think that's one thing that the Powered Enterprise, you know, it's not like we've created something that we pour concrete around and it stays static. It's you know, that Microsoft, anybody that has experience implementing Microsoft Dynamics, or the Microsoft platform knows that there's constant innovation. And one of the values of that platform is taking advantage of that constant innovation. So one of the things that we try to do within our Powered Enterprise Supply Chain offering is always stay constant and up-to-date on what the technology is. So it's not just one offering, it's an offering that continually improves over time. Which, you know, I'm glad that you see that, but that is a goal too, of the offering is to always continuously add the new innovations, both from the business side that we learn from working with many of the fortune 500. And then also from the technology side, working with one of our, you know, great alliance partners, Microsoft, put it all together and then give that to our customers as a way to help transform.

Announcer:

If I am working in supply chain management, and there is a step change planned, what are some of the action steps I can take that are going to make a difference?

Chris Alagna:

I would say it's really important when you embark on a digital transformation journey to have a broad vision of where the organization is going. And it's really the why – why are we doing something? It's transparency, right? So I think any transformation starts though with a broad vision of where the business is going, being transparent, why, but then when it gets to execution, really divide it into bite size chunks that the organization can consume and people can consume, because I think people need to see the broad vision. And then when you start with a project, if you start with a project that's that broad, things get lost, right? And the execution starts to lack it's broad vision, but definable execution in bite size chunks, as I would say, is one of the tidbits that I would I would leave for

listeners. You need to think broad, but you've got to execute at a very defined level that users can absorb and make sure that that change ultimately yields business outcomes that the organization is looking for in that broad vision.

Maggie Dominguez:

I think that with the great resignation, employers are really trying to keep talent on board. I would look for security, is my job going to be here after this transformation? How is this going to affect me? I think considering those feelings in the organization is really important from day one. So I think yes, knowing where you're going, being transparent, and being measured, and how you present the information to the organization helps relieve the anxiety and the insecurities that may develop. Are project blockers actually. Those two emotions tend to make projects a little bit more difficult sometimes. I think this is one of the most overlooked challenges on a project. I wish that in my career, when I first started, that someone had said to me don't focus so much on, you know, the technical, the process, project management and the goals, the milestones, but focus on what your team is feeling and how they're interacting and how they're producing. And what's going on there. If somebody had told me that at the very beginning of my career, my career would've been a lot different.

Chris Alagna:

I couldn't agree more. I mean, projects don't fail because of the technology, they fail because of people.

Maggie Dominguez:

Exactly.

Chris Alagna:

The software does what it does. The software is almost just a cultural fit of your organization. It's another tool. You know some organizations are more fit for SAP. Some are more fit for Microsoft, some Oracle, that's cultural depending on what your organization is, but the success is driven by people.

Rohit Ravindran:

Yeah. I was just starting to say about the one team mindset, between the system integrator, once selected, and the organization that is embarking on the transformation journey. I think if the project team continues to feel that, you know, there is the SI and then there is the organization's team, then it is not going to be set up for success. I think if there is going to be a one team mindset, that is very important with clarity of roles, responsibilities, and actual investment in each other being successful. That's the spirit in which, you know, Maggie and we have worked in our past project, as well as in the current project that's ongoing. And actually I can share a quick story. I think there are users who Maggie has shared with me who would not speak up in meetings in the past. And now they do, right. And they have such knowledge, such insight about the process. And can you imagine that knowledge, it was not being, you know, brought to the success of the project because they did not feel they had a seat at the table. Their voices were not heard. Sometimes they were not even invited to meetings. So now, now what has happened is it's actually different. People are proactive about raising their hand. We celebrate small successes together. If things are not going, you know, in the correct pattern, it is not about finger pointing. It is about, okay, what went wrong? How do we correct it? How do we get it back on track? It's a collective single team mindset. And I think that probably to me is a very key ingredient for being able to be successful and repeat that success.

So it's not just the method that KPMG professionals bring to the table, it is the culture of how we operate, how we work as one team with clients, and are actually invested in their success. You know you sometimes use the word 'trusted' advisor and we take a lot of pride in that, but that trusted advisor tag is something that you don't get on day one. That is something you have to earn by how you interact and build those relationships with people like Maggie and her stakeholders, her one ups, one downs across the organization. How do we make all of them successful? I think that's what makes them feel, yeah KPMG professionals are looking out for me and we are in this together.

Announcer:

Thank you so much, Chris, Rohit, Maggie, it's been wonderful.

Chris Alagna:

Now this was, this was fun. This was fun.

Maggie Dominguez:

Thank you so much.

Rohit Ravindran:

Thank you, Maggie.

Announcer:

And to our listeners, Join us again next time.

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