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Operationalizing Supply Chain Orchestration in Your Organization



Implementing supply chain digitalization and orchestrating external manufacturing and other critical supply chain relationships will deliver huge business value if your company is ready to act. How can all companies take advantage of this opportunity and what should leaders be preparing for to support this transformation? In this session, we explore insights captured from BSMA's diverse membership on:

- Creating SOPs to help guide these digital relationships.
- Driving cross-functional and cross-company collaboration and alignment between stakeholders.
- Managing change in the organization and building necessary agility.
- How audits and analyses can help drive fact-based decision-making.

Learn the critical things to think about as you start small and begin to scale up digitalization initiatives. Watch the video now.

Featured Speaker:

Franck Toussaint

Executive Director - Europe

Bio Supply Chain Management Alliance (BSMA)

TRANSCRIPT

TRANSCRIPT

Dan Walles: So, Franck, maybe you can talk a little bit about your background as well as your role at BSMA and what they're doing in the industry around supply chain.

Franck Toussaint: Yeah. So the background is a little bit long, but I will make sure I've been working in operation and supply chain for the life science industry in various positions for the last 20 years. I would say both for pharma, biotech companies, but also for international organizations such as WHO, World Bank and others in different positions.

Actually, we had some working groups that were collaborating, and I was managing a work group in Europe, and in the US, there was a group that was built around the symptomatic. Together, we joined forces to create BSMA.

BSMA was already a group active in the US, and so BSMA stands for Bio Supply Management Alliance, and the idea is to put together actors to work along the supply chain on, I would say, not really sharing the supplies, demands and purchase, but really sharing good practices, information, best cases.

So from there actually collaboration has been at the heart of our goal more than 10 years ago, but collaboration can start with just discussing with another company or discussing with your supplier. In that role, we've been accompanying the different aspects of collaboration, including the digital transformation and the collaboration with suppliers, clients, partners, competitors. Through that, the link with TraceLink

came quite naturally, I would say.

Dan: Great. So you talked about digital transformation. Maybe to get started, how can an organization assess their readiness to start a digital transformation project in their supply chain. Earlier today, we heard from George and others about how projects may get approved, but maybe you can talk about how they assess their readiness and how to understand their current position and what their gaps are.

Franck: I think it's really important to start with a readiness assessment. We've been working on some tools, one quite complex with 400 points, where we've been scanning organization in the different aspects of the organization from, I would say, all the processes from demand, planning, from supply aspects to distribution, but also some transversal aspect.

We look at the different tools that are in place, also the culture of the company, management styles, every aspect which at the end might influence, I would say, the supply chain digitalization project. So the idea is to give some maturity on different parts of the company, to know where it is. So it's not like a no debt, it's not like a control nor a fiscal analysis. That's really to support organization.

The idea is to know where it's maybe weak, maybe there should be more collaboration, where there is a risk in the organization. So that's better allocating also the aspects that are coming after when it comes to a project of transformation because the previous speaker was telling us about the journey, that's really the journey.

So we have to know which type of journey we will have. Will it be long? Will it be complex? Also on that aspect, we're also looking at the budget, the financial means, which are also needed for that transformation, as well as the human resource capabilities and other aspect.

Dan: It's interesting. So clearly, this is a cross-functional initiative involving a lot of different resources and skill sets across the organization, but have you found is

there a single group that is better positioned to lead the initiative? Is it something that should be led by IT? Is it something that should be led by supply chain? Clearly, both are involved, but who's really taking the lead at that point?

Franck: I would say it depends really on the company, the organization, also the people, because that's also a question of people at the end of the day. So from the different examples that have been successful, there were sometimes the supply chain groups or the operational excellence group.

I think of one company that had operations that were quite smooth, but they had a continuous improvement team that was quite ready to take that kind of project and that had a good knowledge of the whole organization.

Sometime when it comes from the IT, they need to get a good view on the operations and also the clients' needs, every aspect of the business itself. So it depends on the level of maturity of the business itself.

Sometimes we've seen project that were initiated by other departments that were, I would say, the trendsetter for the others of an internal change management process. I would say we have to take the best candidates to make it a success. So that's also a top management evaluation to know by which part they will start.

Dan: It sounds like it really can be any group, whoever's really the best positioned and with the right skill sets is...

Franck: Yeah. I've seen in some companies where the CIO is actually someone from supply chain. It's not like an IT guy. It's just like someone that has a good view on processes, organization in different aspects, and he can, I would say, translate the needs into some IT language for the teams to apply then the projects.

That's really important that that brings also to some key success factors is to define the goals and the objectives, which are not the same for every company. So we have to look at what will be achieved behind the project before setting up, and

that kind of actors can be a good person to give that overview.

Dan: When groups are starting, and you've been involved or leading some of these efforts, what are the common mistakes or learnings that companies go through initially that you would want to advise the audience on maybe things that they can avoid or be better prepared for? Can you talk a little bit about that?

Franck: I don't want to say there are many because that can be discouraging. So there are challenges to take account of and some are well known, but what I've regularly seen and what we noticed is lack of preparedness. First also lack of existing data, but also lack of financial planning for that kind of projects. So it's good to have planned the resources initially.

Some companies have to additionally raise fund for that, so there's to convince stakeholders. So really knowing about the impact and also translating it into the language of the decider to have the sponsor agreement.

Sometimes the CEO or the COO might have a financial background or an operational one or data one. So you have to speak the language that can convince or if it depends on the process-oriented organization or a cost-oriented organization. So these are important element.

Also on the teams, evaluating the staff and the capabilities to implement that kind of project, the time, because that's just not the fact to allocate a project leader, but he should keep time available to manage the project because that's good, like to give a flag, but then if the jobs remain the same for the rest of the day, a project might be affected, which also leads to the change management approach and building the teams around the project.

If we start in the wrong direction, we won't get the team going on and following up. So these are different aspects. Also sometimes companies under-evaluate the costs they have in non-quality or in errors because they don't see it. Sometimes it's hidden. They just see face cost but they don't see the benefits of an improved

process and quality.

So sometimes what we have to really do is to reformulate what might be the benefits in terms of lead time, in terms of competition, advantage, and other benefits, which are quite hidden benefits. So that might be very interesting for companies. So it goes with business cases where we demonstrate the value because the value can be in different spaces where we don't expect to have it.

Dan: Do you find that companies underestimate the time and the cost required from their teams to participate and drive an initiative like this? We all have our day jobs that we do every every day, and is this something that you can do on the side or do people underestimate that cost?

Franck: Yeah. The time is quite often underestimated depending also on the, I would say, the manager's experience. Some companies also have been through different projects already. So I have also people that have experience. What we see now also is that some leaders are changing from one company to another. So they bring their experience to a new company so that can facilitate the industry aspect.

One of the good thing is that I see with BSMA, we have also our event and I was discussing with some VPs and asking them if they were willing to enter some panel discussions. Most of them were saying, "I'm there to learn." So we see that there was a lack of maturity at some points globally that we see.

That's also an increase which require actually time, and that's an additional pressure. So that's something to put in mind when we discuss the product, but that's also an opportunity for people and really promising leaders into one company to take also important roles. That's also how we see things.

Yesterday, a company was telling me, "We're really working like in the '80s and we cannot motivate our team because we have tools from the past. We work like in the past, and we cannot keep talent." So digital transformation, being in a

company that works with efficient tools, is also important for the building of a team. So that's maybe a side benefit we sometimes forget.

Dan: Yeah. It's a good point. So it leads into kind of moving to the next topic of when you kick that project off and you initiate that project, how do you start to break down the silos between different functional groups that make up the supply chain and operations team in, say, a large organization?

Franck: We have different examples to make and to use to show the interactions that are actually effective within an organization. Sometimes it can be through gaming, actually. There are some techniques to show that one job of one person might have an impact on another. So making them realize that that's a teamwork.

Then there are many ways to really realize those aspects, and that's funny, because I had also a good example of one of our testimonial at BSMA. It was actually from Amazon Studio that was like another industry, but that was the first studio created since Netflix.

He's the COO, and they are working with their main competitor. They're distributing with their main competitor. They have digitized their supply chain from like 30 years ago. They are the top of, I would say, the example of a fully integrated supply chain where the suppliers are the same. You can be a supplier, a competitor, same distributor.

So this guy has used an example that we like because he said in his presentation, he was talking about broccoli and at the end he said, "You know broccoli, we always have to eat broccoli, that's good for the health, that's the same for digital in your supply chain. So put some digital in your supply chain, like some broccoli in your plate. Sometimes you don't want to eat it, but you need it."

That was the parallel we were doing really to show that even for the companies or the people that are not keen to it, you need it. That's good for you.

Dan: That's a great analogy. In working with the team, how do you get the team to build more agility into their processes? Obviously, digital transformation is new. How do you start to prepare for the agility that they need in performing their work?

Franck: Well, that's a lot. That's always in a change management approach. It can be long to talk about, but that's going through the same systems of really showing the impact that one can have on another. This agility is also exercised naturally because we're in a world now where we have to be agile more and more.

So we've seen that in the supply side in the different aspects when you scale up your organization. So try always to put that in the teams, but also by really upskilling the people. So we focus a lot also on development, different skills, so that people can adapt to new project, new development, AI tomorrow and other aspects.

Dan: Right. We talked a lot about the value of digital transformation, supply chain orchestration to the business as an organization, but ultimately, these projects, the success is based on the individuals that are participating in the process. How do you help get the individual to recognize the value to them personally?

Franck: That's like a little bit what I explained by really reinforcing the capabilities by being in such projects or by valorizing the impact that they might have on an organization, but also in our industry for health care and life science, also for the patient.

So getting really an opportunity to save more lives at the end of the day, but yeah, the different aspects for people to realize might be different also from one different groups of people to another. So that's good to have the different approach that might lead to that.

That's also another challenge we see typically in companies that have quite old setup is sometimes some conflict of generation on generation, but people that were used to work with a tool that was working, and so people have to work

together in those projects. That requires really to listen to everyone and to keep everyone acting together.

What I wanted to say also regarding value creation is that one word that we say is that like besides a pharma product, a biotech product, a treatment, there is a lot of value that could be brought by supply chain.

Typically digital supply chain transformation can be very efficient. So what we ask also is that, "Do you have like 30 value points beside your product? Do you have right inventory? Do you have visibility on the stocks? Do you aggregate your CMOs? Are you on time for deliveries? What is your inventory ratio and other aspects?"

So we try to look at the customers' return. Are they happy for that? Are they requiring for more in different aspect? That's generally the case. The customer require always more and more, and sometimes it's very difficult to make the difference on prices nowadays. There are a lot of pressure, a lot of competition, different reimbursement pressure as well. So operational excellence can make really the difference for a company.

So that's what also we emphasize when talking about the digital supply chain aspect, that's a way we need to create value for the clients, for the company. So we try also to explain to the people within a company that by working on that project, they can make also the company better than others.

Just not only the product, also that's maybe for the thing that is well known, but really sometimes companies do come to one on another because they have good visibility or they manage their stock or they do automatic replenishment. So at the end of the day, they secure, I would say, their client relations.

That's also a key competitive advantage for the company is that that's also something that has to go through the organization to the top management as well.

Dan: Great. So maybe as we start to wrap up here, what would you recommend for folks in the audience that are going back to their organizations and are starting to either participate or being asked to pull strategies together around digital transformation. Maybe some couple of points on how to start or recommendations on where to start.

Franck: Yeah, I think it's always good to start with what are the goals behind it, and the real goals, it can be in the direction of different departments or different part of the company, but knowing what are the goals.

Start to get prepared as well to anticipate those challenges of finance, talent and other aspects in order to not oversell a project that might be difficult to realize afterwards. So that's good really to prepare it correctly, to have a kind of road map, although it requires to be improved afterwards.

That's good to do a first scan of the technologies that are out of the market like here. That's good to learn about it. So that there is already a game plan, an idea of the journey in terms of resources to try to identify internally who might be the good leaders to involve in a project and actually to be ready to sell internally a project.

Also knowing what will be the decision factors of the decision maker to accept that project. So sometimes I see some frustration of project being rejected. For me, that's always a question of value at the end of the supply chain digitalization, but that can be the value that was badly sold or maybe the value was not perceived.

So maybe that's good to work with partners or potential service provider in saying, "How can I present that to my board, to my decision maker so that it gets validated?" That's another way of collaborating. We're not like with one supplier, one client. Not the same here that's really collaborating on the project. So that's a good example.

Dan: Yesterday, we heard a lot about identifying areas where quick wins can be

established within the organization as part of these projects. Are there certain supply chain processes that you've seen that are better to start with over another one, or is it really unique to the organization? Have you seen any trends in that area?

Franck: I see a lot of challenges in the demand side, and so that's what we always say, that it start with that if we want to pilot an organization in a good way. That's quite often a difficult part because it becomes also more and more difficult to plan, to analyze the demand, because also it's difficult to recruit within teams.

People are leaving quite rapidly, so it's difficult also to get data. Sometimes the data are not good. So that's generally a good start of a project because I would say if I have to say a figure, 90 percent of the time, people have to say something on that part, and they say it should be improved in some way. So that can be something on which they can be a consensus to start discussion, but just one example, that's not like...

Dan: Great. Well, I certainly appreciate you joining us today and and spending some time with us.

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