

ISM-HK Career Workshop II Supply Chain Consulting Market and Capabilities

Speaker: Florence Tang
4 February 2023



The better the question. The better the answer.
The better the world works.

EY 安永
Building a better
working world

Speaker Introduction



Florence Tang

Senior Manager, Consulting, Ernst & Young Advisory Services Limited

- Specialised in supply chain and operations consulting
- Experienced in driving business transformation to improve efficiency, effectiveness, resiliency and transparency
- Industries advised include Power & Utilities, Hospitality, Public Services, Airlines, Consumer Products & Retail, etc.

Megatrends creating challenges for clients across the globe

Unstable geopolitical landscape

- Trade war tension, Russia-Ukraine war etc.
- Prompting organizations to design a lean, holistic and integrated supply chain strategy and broaden the scope of supply chain strategy e.g. near-sourcing partnerships

Toyota

Leaves the Russian market

Supply chain agility

- Increased requirement for personalized products, short lead times, and great service driven by customers' digital expectations
- Forcing a reinvention of the supply chain and ecosystem to meet these challenges

Colgate-Palmolive

New digital capabilities



Digital disruption / Sustainability

- Digital innovation creates a new growth opportunity
- Supply chain footprint/sustainability are getting laser-focused to support growth and meet environmental expectations

WeChat

Integrated services with other markets

Cost management

- Higher customer expectations of quality and service, and more diverse routes to market
- Supply chains are under pressure to achieve new levels of performance while simultaneously reducing costs

Starbucks

Divide supply chain functions and opened a new production facility

Complex supply chain ecosystem

- The shift from linear to complex ecosystems against a backdrop of struggling for profitable growth
- Leading to a focus on cost and a shift towards lights-out operations – not just in factories but across the E2E value chain

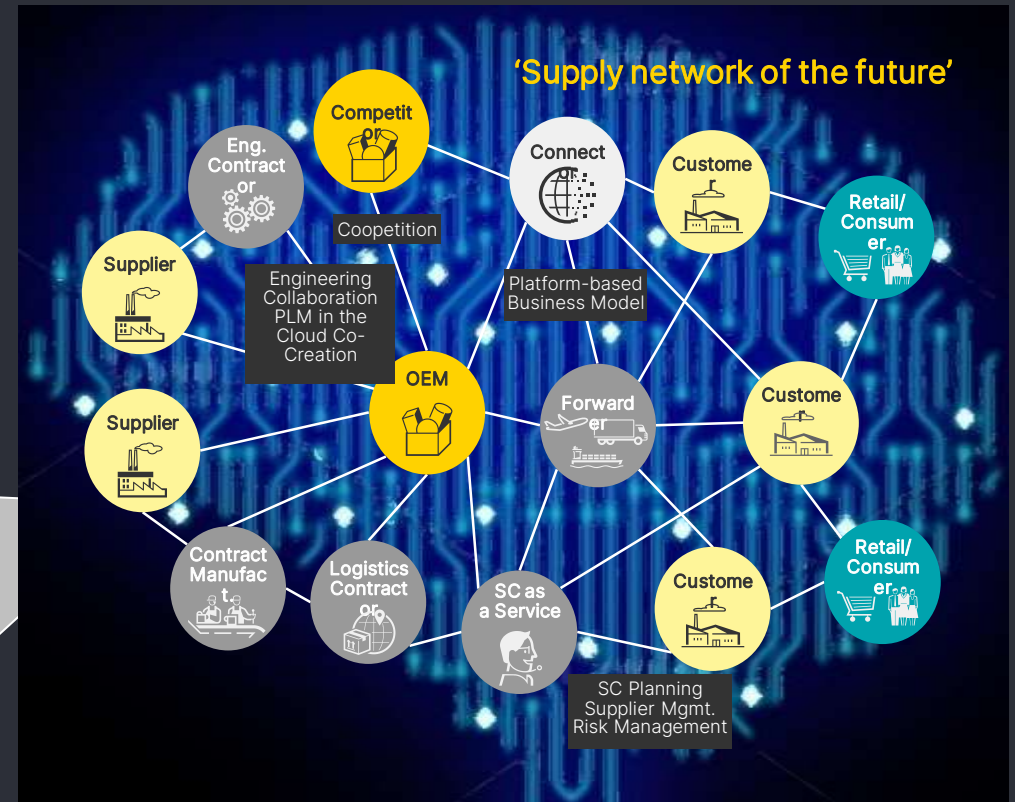
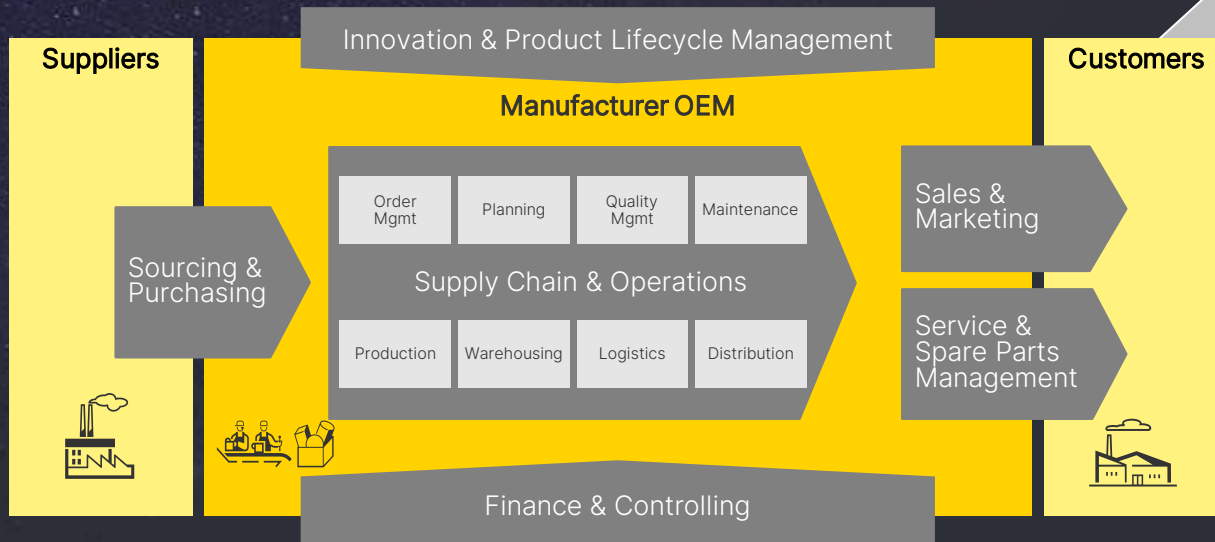
DHL

Automate the process with robots

How we position supply chain of the future

The old world: linear value chain

Traditionally, creators have been selling products and services through linear value chains. Companies owned a dedicated part of the value chain, competing with competitors.



The new world: supply chain ecosystem

Digital ecosystems do not work linearly. They are shaping market networks and enabling hybrid forms of cooperation and competition: cooptation. Ecosystems create and serve communities and harness their creativity and intelligence. Entities may play multiple roles in an ecosystem.

Supply chain solutions bringing real values to clients

Strategic architecture



- Rapidly re-define and integrate your **supply chain strategy**.
- Alter your global trade flows, global tax models, supply chain operating model and network footprint.

Transparency and resiliency



- Design and build **agility into your supply chain footprint and supplier network**.
- Improve your disruption response through real-time monitoring and scenario planning.
- Shift the mindset of your people and partners towards visibility and trust versus control.

Cost reduction & cash extraction



- Drive a step change in your **supply chain cost and working capital profile** allowing you to fund the transformation.

Sustainability



- Embrace **social compliance, green consumerism and the future of a circular economy** by engaging suppliers and industry partners, aligned with available incentives to drive competitive advantage and societal outcomes.
- Link corporate responsibility to organization vision and personal purpose

Digitally networked supply chain



- Move from doing digital to being digital.
- Implement **supply chain technologies** that open up new revenue streams rather than simply efficiencies.
- Close the talent gap in digital fluency.

... and more

Past supply chain consulting project experience

Third party risk management for a leading hospitality group



Initial supplier screening during **supplier pre-registration and supplier registration**



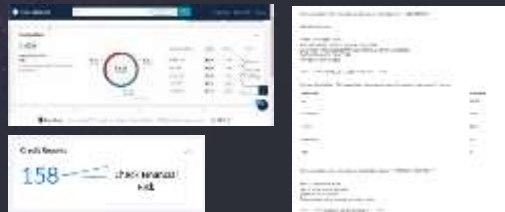

Supplier risk assessment after **issuing Tender/RFQ**

Supplier Risk Determination - PCE - With Subcontractor						
Item	Name of Supplier Risk Category	Score	Risk Rating	Risk Weighting	Weighted score	Sub-score
1	1. General Risk	100	High	0.10	10.00	
2	2. Financial Crime Risk	50	Medium	0.10	5.00	
3	3. Business Resilience Risk	75	Medium	0.05	3.75	1.00 - 2.00 = Low
4	4. Technical Risk	200	High	0.20	40.00	2.00 - 5.00 = Medium
5	5. Sustainability Risk	100	High	0.10	10.00	1.00 - 5.00 = High
6	6. Information Security Risk	50	Medium	0.10	5.00	2.00 - 4.00 = Critical
7	7. Sustainability Risk	50	Medium	0.10	5.00	
8	8. Regulatory and Country Risk	100	High	0.10	10.00	



Ongoing monitoring of supplier risk during **post contract management**

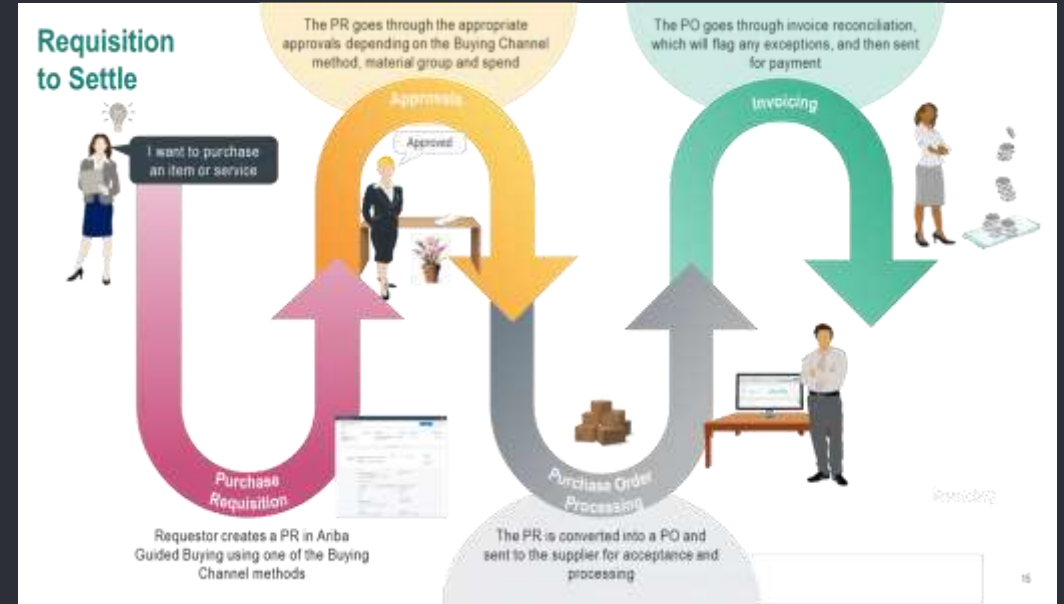
Supplier Risk Level	Periodic risk management assessment and monitoring cadence
Critical	Review supplier risk ratings every 2-3 months
High	Review supplier risk ratings every 3-6 months
Medium	Review supplier risk ratings every 6-12 months
Low	No monitoring cadence to be reviewed



Record and report supplier risk issues during **post contract management**

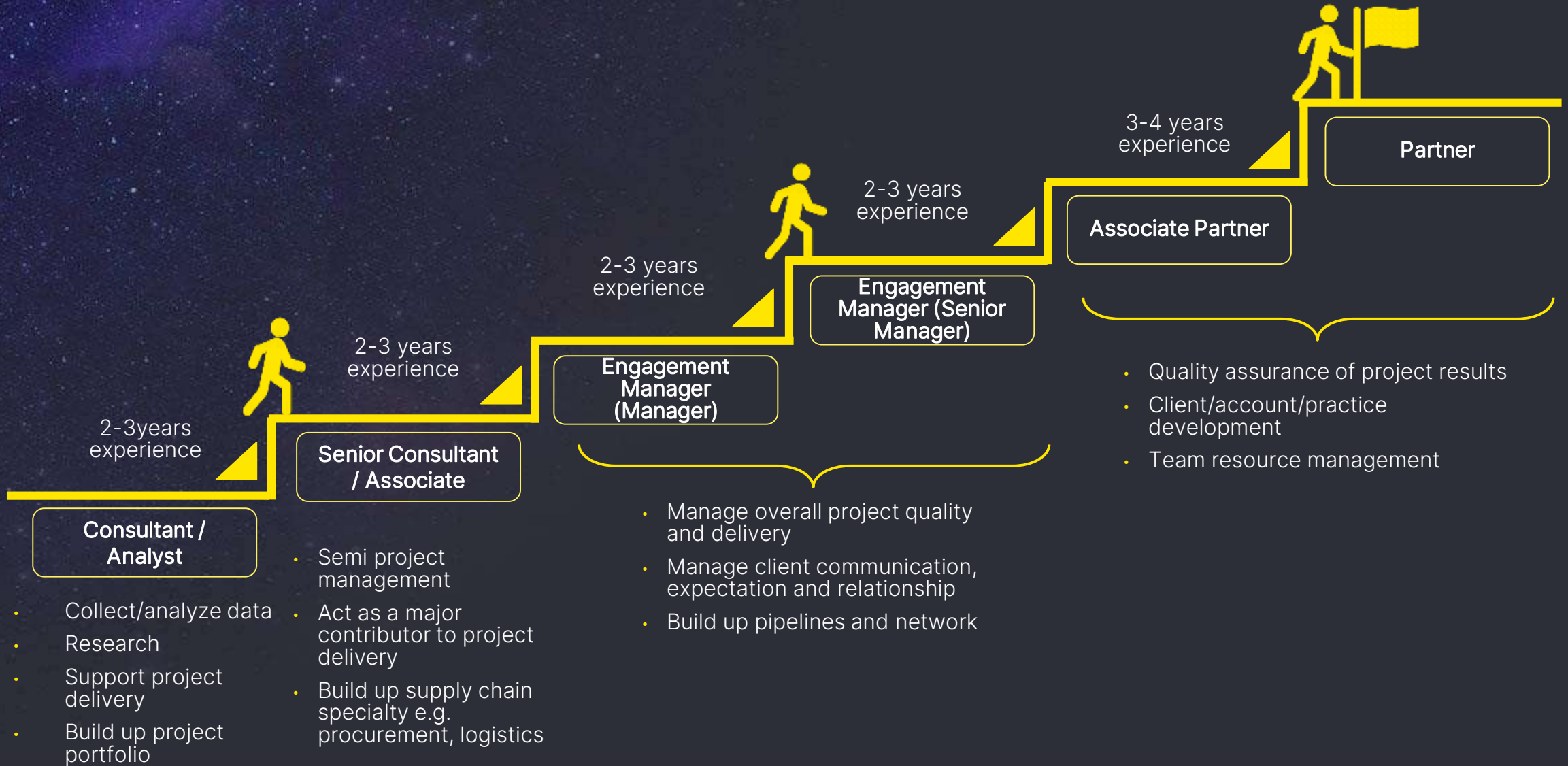
Supplier Risk Management Log											
#	Report Date	Status	Supplier name	Description of Risk	Incident severity	CAT Team involved	Project / Tender / Purchase	Dept. to consult (if applicable)	Risk Domain	Follow-up action	Approval Date
1	15-Nov-2021	Closed	ABC Company	ABC Company is recently added to US sanction list	Critical	Racing	Project	Legal & Compliance	Regulatory and Country risk	Timely engagement with ABC Company	03-Dec-2021

Global Ariba implementation for a leading pharmaceutical group



- Illicit relevant **localization requirements** of individual market on top of global procure-to-pay system design
- Discussed and handed over localization requirements to **technical factory**
- Performed testing and **controlled start** with client users as a pilot run
- **Deployed** Ariba system in 15 markets over 2 waves
- Provided **hypercare** for 2 weeks for each wave to ensure smooth delivery and quick fix to identified issues

Career path for supply chain consulting



Typical tasks

Capabilities and skills that are important for a supply chain consultant

Soft skills



Problem-solving

Create business plans to assist clients in overcoming challenges



Analytical skills

Look into the issue and find the root causes and solutions



Communication

Communicate effectively with team members and clients



Time management

Deliver project tasks on time and efficiently



Presentation skills

Visualize data and allow effective communication with the client

Hard skills

Knowledge of supply chain domains

- ▶ Supply chain strategy
- ▶ Supply chain risk management
- ▶ Supply chain analytics
- ▶ Inventory and warehouse optimization
- ▶ Distribution network optimization
- ▶ Transport strategy optimization

Process re-engineering / target operating model

Supply chain technology design, implementation, operation and maintenance

How to be prepared for the role



Online program

- Gets to understand the process of a project delivery roughly



Join industry groups

- Look for industry-related social media groups to join on sites such as LinkedIn and keep active
- Join business groups that meet up on a regular basis in your area



Certification

- Earn certification from an industry association, develop and demonstrate your expertise in consulting



Get hands-on experience

- Gain relevant industry experience via internship / placement
- Volunteer to take on additional projects that could expose you to supply chain areas

WRAP UP



The macro-environment has posed some of the toughest supply chain strategy challenges



As a supply chain consultant you have the opportunities to be part of the strategic work and produce significant value for clients



There are multiple ways to get yourself prepared for consulting work nature and equip yourself with solid supply chain domain knowledge

THANK YOU !

Ms. Florence Tang | Senior Manager
Consulting | Ernst & Young Advisory Services Limited

☎ Phone: (+852) 9265 6766

✉ Email: florence.tang@hk.ey.com

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