



BEGINNER'S GUIDE

What Is Supply Chain Service Management?





STARBUCKS®

Starbucks is finding it effective to centrally manage operational incidents through Elementum. I know who on my team is accountable for managing them; and I know exactly what to tell customers and stakeholders. This is especially helpful as partners are working remotely.

- KELLY BENGSTON

SVP of Global Sourcing & Chief Procurement Officer



Vitamix®

It was quickly apparent that Elementum saved us time in unnecessary meetings, and helped us address root causes. The platform also allowed us to resolve incidents faster, and protect \$50M of revenue in under 4 months.

- CAIT RISACHER

Manager of Planning & Logistics at Vitamix

dyson

Elementum offers a very powerful value proposition for companies like ours, who are looking to future-proof their operations.

- JIM ROWAN

Former Chief Executive Officer at Dyson



Using Elementum, we've decreased our incident resolution time by 60%. The overall result is that we've increased overall on-time delivery, saved revenue, and increased customer satisfaction.

- SHAWN NIELSEN

Global Sales & Operations Manager at Blue Diamond Growers

CORNING

When it comes to the supply chain, it's all about how quickly a company can take action. With Elementum's real-time insights, our supply chain will be able to react immediately, instead of waiting weeks or months after a problem arises.

- CHERYL CAPPS

SVP of Global Supply Chain at Corning

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I. Introduction to Supply Chain Service Management

A. What You'll Find in This Beginner's Guide

This paper describes what supply chain service management is, why it's necessary, and how it works. It includes examples from client success stories, data from the latest research, and a thorough explanation of the power of adopting a supply chain service management platform for companies just like yours.

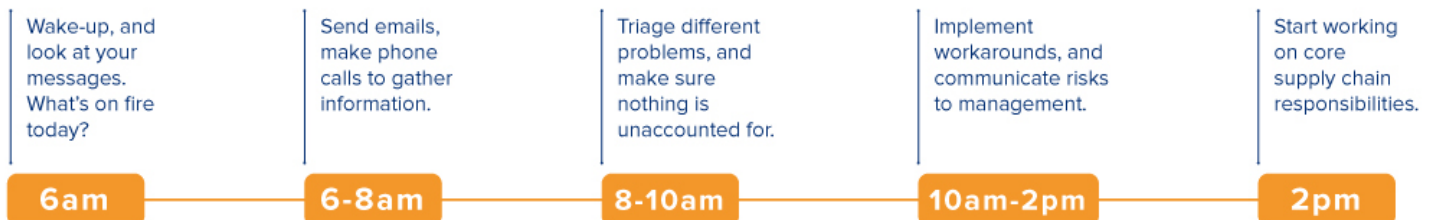
B. What is Supply Chain Service Management?

Supply Chain Service Management—often referred to as SCSM—is simply how supply chain teams manage processes that occur outside of the transaction systems. This includes any process within the end-to-end supply chain that is not entirely contained within a single transaction system.

The core concept of SCSM is the belief that supply chain processes should be managed as a service. Any time a process extends outside of a single transaction system, SCSM is used to manage that process as a service. A typical SCSM scenario could involve managing a late shipment. A Transportation Management System ("TMS") would trigger an SCSM incident, with all of the relevant information pulled from the TMS system, kicking off a workflow. In this case, the incident would alert the logistics team, which can sort and prioritize its queue of incidents based on importance. The customer service team and the carrier representative would be copied to the incident to simplify communications and actions. Over time, the data that is collected on each incident is used to identify trends and to implement preventative and corrective actions.

C. Why is SCSM Necessary?

Let's start by looking at the life of a typical supply chain professional:



We see this same routine play out in supply chains around the world. According to a study by PwC, only 41% of companies have an optimized response to supply chain disruptions that allows them to address incidents in a dynamic, flexible, proactive, and collaborative manner. The other 59% spend their day in reactive mode, with ad hoc approaches that result in constant firefighting of the same issues. As a result, over 60% of companies report a 3% or higher drop in key performance indicators due to supply chain disruptions.¹



¹ Vassiladis, Constantine, et al. "Supply Chain and Risk Management: Making the Right Risk Decisions to Strengthen Operations." PwC, 10 Feb 2021. <https://www.pwc.com/gx/en/operations-consulting-services/pdf/pwc-supply-chain-and-risk-management.pdf>

Incident resolution time has to do with quality: some take a day, some a few weeks. Before Elementum, we had no way of knowing. Now, these measurements give us the ability to focus our attention and resolve incidents faster.

- Chris Peri, Supply Chain Manager at GCC

While some industry veterans might jest that supply chain is synonymous with chaos, it's important to recognize that this type of unstructured, ad hoc problem solving isn't just inconvenient, but has real consequences:

1. **Time:** Fewer than one third of supply chain professionals view their processes as effective.²
2. **Culture:** Supply chain management positions are notoriously strenuous and hard to fill, with an industry-wide hiring shortage of around 54%.³
3. **Customer Satisfaction:** 84% of customers will not return to a retailer after a poor delivery experience,⁴ and 98% say that shipping impacts brand loyalty.⁵

By delivering supply chain processes as a service, SCSM ensures reliable, repeatable, and efficient processes across the end-to-end supply chain. With SCSM, firefighting is unnecessary, supply chain teams are not burned out, and customers are happier.

In this Beginner's Guide to SCSM, we'll teach you everything you need to know to run your supply chain processes as a service with SCSM.

D. What Does Good SCSM Look Like?

Good SCSM adds structure, accountability, and transparency to ensure day-to-day operations run as quickly and efficiently as possible. Good SCSM embraces a dynamic and flexible approach, allowing companies to proactively address disruptions before they impact customer satisfaction. It also enables continuous and substantial long-term progress. An optimized SCSM process would be able to identify an issue the moment it arises, assign accountability to the person responsible for handling the issue, and collaborate in order to resolve the issue. So say, for instance, that a critical part shortage occurs. SCSM allows your team to immediately see the shortage, notify the rest of the team that there's a problem (with all the relevant information included), identify a person who works with the provider, and communicate with them on how to solve the issue.

Since SCSM is a new concept for many people, let's start by describing what good SCSM does **NOT look like**:



Early-morning phone calls asking for urgent status updates



Excel files acting as the source of truth



Email chains that seem to include everybody except a clear owner



Firefighting as a behavior that's encouraged or even rewarded



Decision-making based on anecdotes instead of data



Leadership or oversight meetings run with outdated analytics that take obscenely long to prepare



Customers complaining about the same problems over and over

For anyone involved with supply chains, this type of management surely rings all too familiar. Unfortunately, so do the repercussions:

- Ineffective processes
- Inefficient resourcing
- Recurring disruptions
- Unhappy employees and customers

The end result is a combination of long-hours and short-term fixes. Trying to band-aid the system this way is like putting scotch tape on a leaking pipe. Sure, it might hold for a little bit, but we all know there's going to be a mess sooner or later.

Now that we're all clear on what SCSM is not, let's talk about what good SCSM actually looks like:

- Single source of truth for full transparency
- Cloud-based platform to properly queue and prioritize incident requests
- Clear ownership to ensure accountability
- Well-defined SLAs that eliminate firefighting
- Seamless collaboration with supply chain partners
- Meetings that leverage real-time dashboards, no prepwork required
- Active root cause analysis to permanently eliminate recurring issues

With SCSM, supply chain processes are managed as a service, and things look very different:

- All processes are organized and systematized
- Problem solving is streamlined and wasted effort is eliminated
- Issues are corrected proactively before they impact the customer
- Data is centralized, which enables long-term optimization

E. Common Barriers to Adopting SCSM

If we know the standard processes don't work, then what holds us all back from adopting SCSM right away? For starters, SCSM is a new concept empowered by new technology. That aside, here are the five most common reasons we hear for staying with the status quo:

1. Our team doesn't like change
2. The IT team has zero capacity to support a new system right now
3. Things aren't actually that bad
4. Things are too bad right now to do something new
5. SCSM sounds too good to be true

In this Beginner Guide to SCSM, we'll address each of these concerns. We'll also give you a blueprint for adopting SCSM in a way that best fits your specific supply chain.

F. What is SCSM Used For, and How Does it Work?

SCSM can be used to manage any supply chain process as a service. This includes any process in the plan, source, make, or delivery component of the end-to-end supply chain. Popular processes managed with SCSM include:

- Late or delayed shipments
- Stock transfer orders
- Supplier non-conformities
- Deductions, chargebacks, and penalties
- Service level disruptions
- Crisis management
- Load notes
- OS&D / returns
- And many more

In Exhibit 1, we show the most common use cases by function.

Exhibit 1: Common Use Cases by Function



As you'll notice, SCSM can be applied within functions (e.g. Planning, Production, Logistics, Procurement, and Customer Service) as well as across functions to support Crisis Management, War Rooms (virtual and in-person), or any process where data centralization and clear accountability are a priority.

In addition to enabling individual use cases, SCSM can also be applied to broader, multi-leveled initiatives. In these situations, SCSM aggregates multiple supply chain processes, sharing a common objective, and manages them collectively as a service. Examples of multi-process SCSM initiatives includes S&OE and CAPA for supply chain:

- **SCSM for S&OE:** Sales and Operation Execution (S&OE) is the on-the-ground methodology supply chain teams follow when responding to any incident that impacts service levels—from late shipments, to production issues such as part shortages, to quality issues. S&OE focuses on dealing with granular supply chain incidents that play out over a matter of days or weeks. That being said, one of the core principles of S&OE is rapidly responding to any disruption in order to

maintain service levels. When teams work without an SCSM process in place, they often fight an uphill battle of working with old information, slow response times, and costly last-minute expedites. Implementing a SCSM platform can allow teams to efficiently handle any incident through an established workflow. Elementum user GCC exemplifies S&OE in action. They used a straightforward four-step playbook for identifying incidents, assigning accountability, collaborating on their root cause, and resolving them. GCC also established weekly and monthly meetings that supported collaboration and created a positive feedback loop for reinforcing this structure. This process led GCC to drastically reduce the amount of time it spent resolving incidents, from 30 days or more to just under five.

- **SCSM for CAPA:** Corrective and Preventative Actions (CAPA) is a well-established decision-making framework that takes a data-driven approach to problem solving. Companies can deploy CAPA within SCSM in order to address and resolve recurring supply chain issues, by setting up an established protocol for identifying incidents and working through them. Elementum user Blue Diamond, for instance, chose to implement CAPA and use Elementum's SCSM platform to support the process. Over the course of a one-month training program, Blue Diamond employees created an incident categorization system that identified and categorized eight incident types and 30 subtypes. From that point, employees began identifying and reporting incidents, while the platform's analytics drove actionable insights that allowed leadership to address root causes and bring about corrective actions. With a clear workflow and permanent incident resolution at hand, Blue Diamond decreased their average resolution time by 60% and protected at least \$250K of revenue in their first CAPA alone.

II. SCSM's Place in the Enterprise

A. What are the Core Components of SCSM?

SCSM is composed of Collaborators, the SCSM Platform, and Data Elements (Exhibit 2). Any participant in a process is considered a collaborator in the context of SCSM. However, collaborators have varying responsibilities based on their roles and relationships to the process. Common collaborators include:

- **Supply Chain Manager:** is responsible for running processes and tracking and closing incidents in queue
- **VP Supply Chain:** reviews incidents dashboard and manages resource allocation accordingly
- **Carrier:** provides status updates on late or delayed shipments and attaches relevant information
- **Supplier:** provides status updates on supply disruptions and attaches relevant information

These are just a handful of examples. As you can imagine, anyone in the supply chain can be a collaborator. The key in SCSM is that all collaborators are using the same SCSM platform, which can be understood in the following way:

THE SCSM PLATFORM: This is where the actual work gets done. Just as the smartphone replaced the flip phone, so has the SCSM Platform replaced Excel and email. Yes, those tools will get the job done, but the SCSM Platform allows you to do it faster and safer and with a lot of extra benefits (See Exhibit 2: Core Components of SCSM). Within the SCSM Platform you will find:

- **Workspaces:** a single source of truth for all processes in-queue (Workspaces can be viewed by incidents or by data element)
- **Incident details:** details for every incident within a process (For example, incident owner, due date, priority, type, etc.)
- **Tasks:** a list of action items to close out an incident
- **Workflow:** rule-based owner assignments
- **Collaboration:** centralized, auditable communications internally and with third-parties
- **Notifications:** rule-based alerts
- **Dashboards:** personalized views based on role and responsibility
- **Analytics:** real-time data insights and trend analysis
- **APIs:** automated dataflows from transaction systems
- **Omnichannel:** accessible via desktop or mobile

DATA ELEMENTS: With data elements, you can manage your supply chain processes based on your company's priorities. If your supply chain is organized by customer, then manage your processes by customer. Alternatively, if you manage certain processes by supplier, then manage incidents by supplier. Workspaces (known as Element Workspaces) in the SCSM Platform can be configured by:

- Customers
- Products
- Suppliers
- Sites
- Carriers

Master data is pulled via API to support the different Element Workspaces.



B. Where does SCSM Fit in the Supply Chain Technology Stack?

There are four types of technologies used to run a supply chain:

1. Transaction Systems (Authoritative Data)

- These are the systems that run processes foundational to your supply chain (e.g. invoicing, procurement, planning, booking & tendering, etc.)
- More recently, these systems also include the data warehouse where all master data is stored.

2. Integrators

- This is the middleware between your transaction systems and the systems used to make real-time decisions.
- Examples of middleware include TeraData, Mulesoft, DellBoomi and some low-code/no-code tools

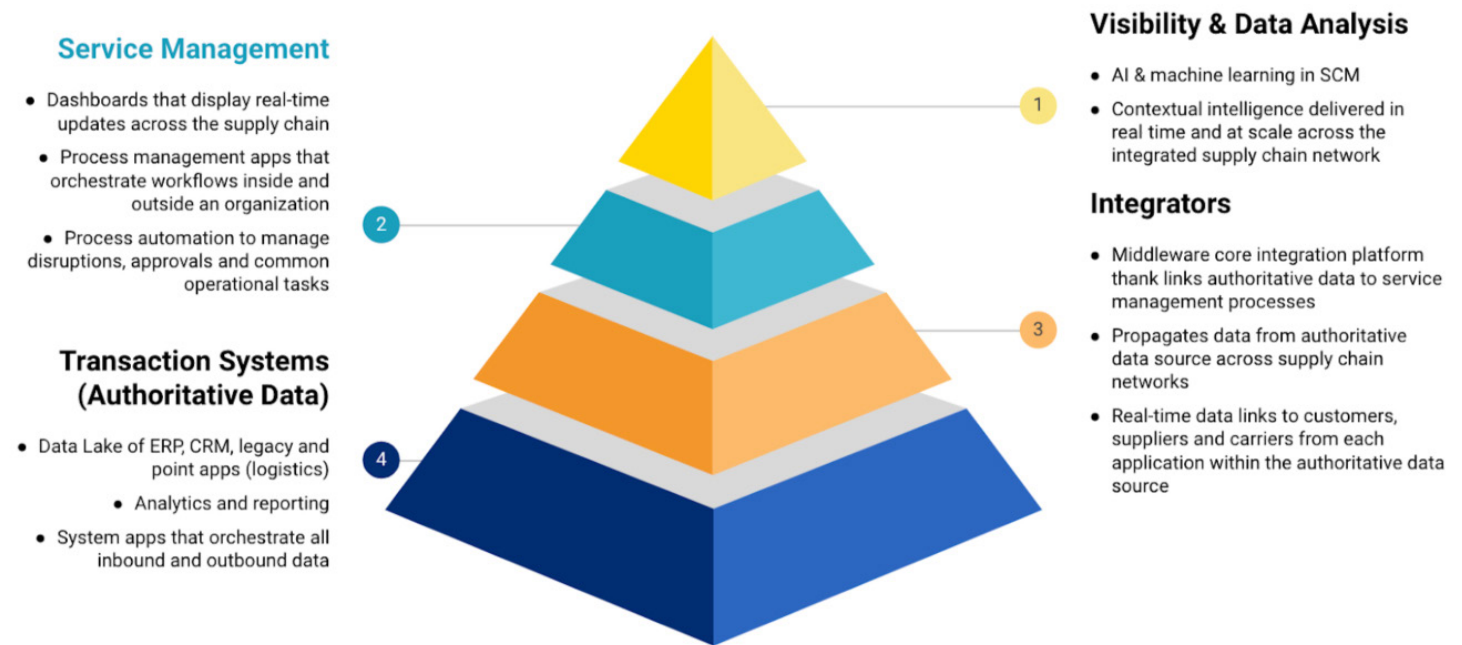
3. Service Management

- These are the process management apps that orchestrate workflows inside and outside an organization in real time.
- Service Management is where SCSM operates

4. Visibility & Data Analysis

- These applications provide real-time visibility and contextualized intelligence across the supply chain network
- Examples include BI tools, visibility apps, chat apps, and low-code/no-code tools

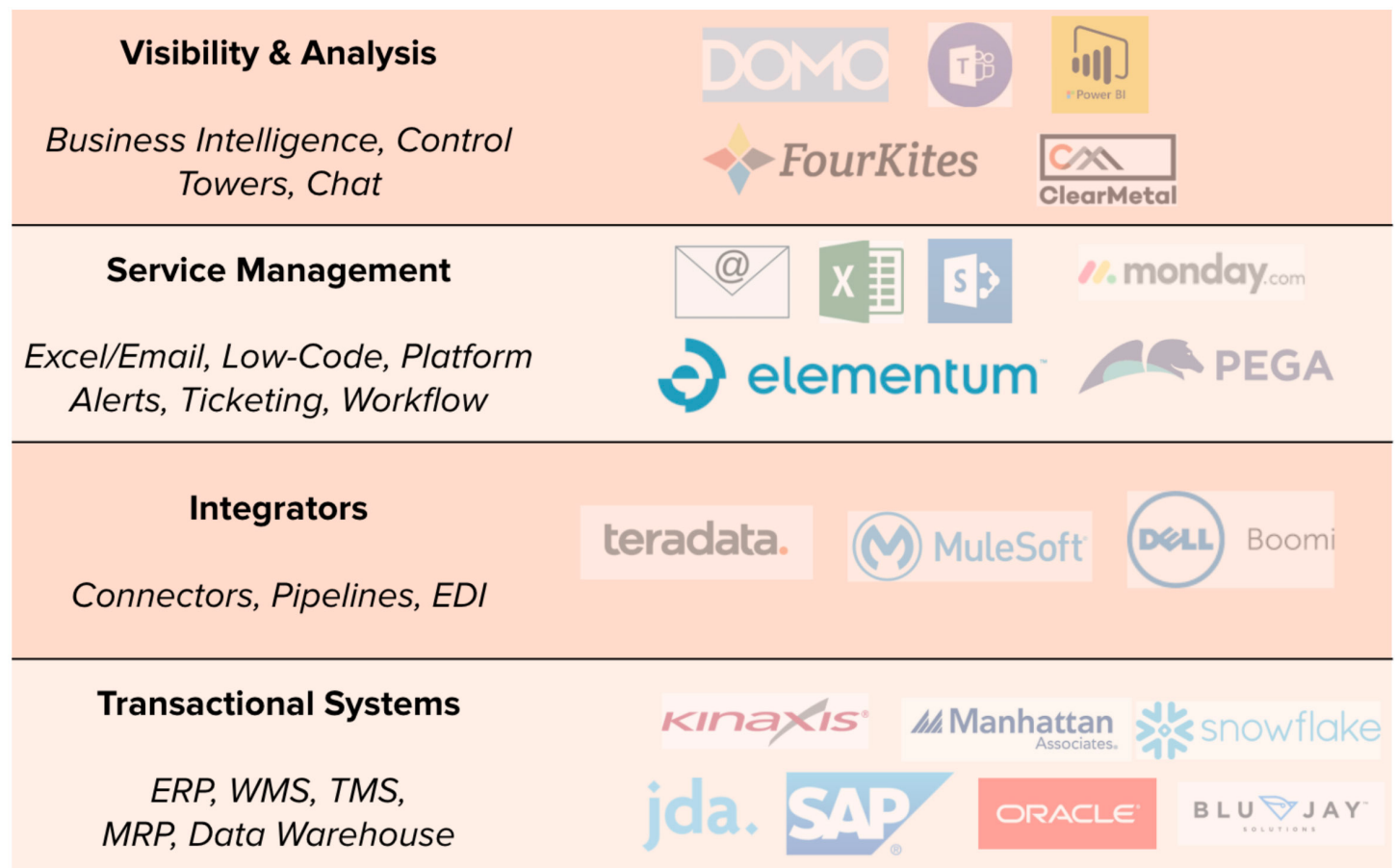
Exhibit 3: The Supply Chain Technology Stack



In general, data flows from bottom to top with the Transaction Systems feeding the other layers. However, in a high-performing organization, data is also flowing from top to bottom, achieving full end-to-end digitization.

In Exhibit 4, you can see a list of common providers by layer.

Exhibit 4: Sample Universe of Supply Chain Technology Providers



C. Why is the Service Management Layer Important?

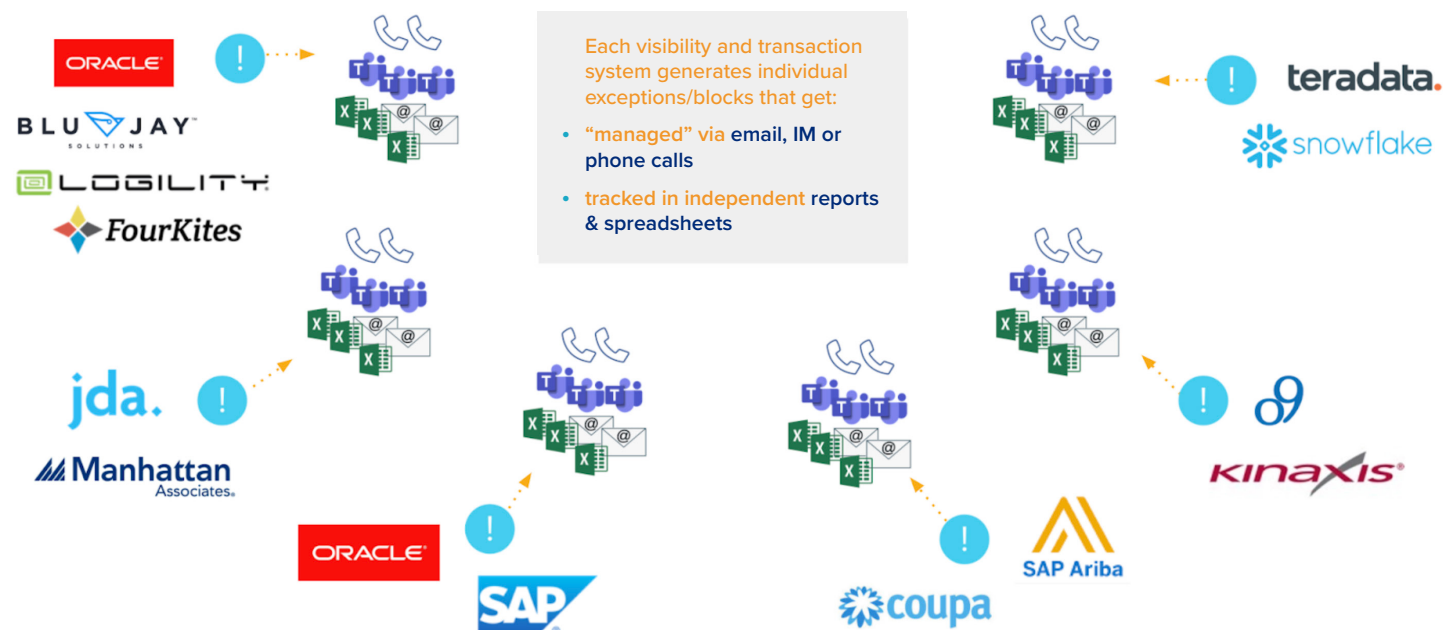
Without proper Service Management, supply chain performance will always be suboptimal. To illustrate this point, let's apply an analogy of the Supply Chain Technology Stack to the human body. In this analogy the following comparisons hold true:

- Transactions Systems = The Respiratory System. In the body, oxygen is the key to life. In supply chain, the transaction systems are the key to functioning operations.
- Integrators = The Circulatory system. In the body, the circulatory system disperses oxygen and nutrients so they can be used by the rest of the body. In supply chain, the integrators pull data from the transaction systems to be used for all other needs and means
- Visibility & Analysis = The Nervous System. Just like the nervous system in the body, the Visibility & Analysis tools and apps sense real-time changes to inform actions in the business
- Service Management = The Muscular System. Powered by all the other systems, the muscular system is what actually moves the body forward. Similarly, powered by the other layers of the tech stack, Service Management is what actually drives the majority of meaningful analysis, decisions, and actions (i.e. processes) that run the supply chain.

To build on this analogy, the difference between active, world-class Service Management and passive, reactive Service Management can be as stark as the difference between an Olympic athlete and a back-up on the junior varsity squad. With proper service management, the supply chain muscles are firing on all cylinders, and the business really has the opportunity to reach its full potential.

Moving beyond the analogies, we can clearly see the importance of Service Management when looking at organizations that do not have formal Service Management systems in place. Without Service Management, data-flows from the other layers are unstructured, managed through emails, phone calls, Excel files, hallway chats, and faxes (yes, faxes!). The result is thousands of decentralized processes with inconsistent behaviors and results. Moreover, there's zero institutional learning, preventing any systematic improvements. In Exhibit 5, you can see a visual depiction of this with each transaction system triggering its own decentralized processes.

Exhibit 5: Supply Chain Operations Without Service Management



With active Service Management, processes are formalized and standardized. Consistency, efficiency, and effectiveness all improve. Moreover, centralization of these processes enables systemic learnings that can be applied for structural, long-term improvements.

D. What are the Benefits of SCSM?

The benefits from SCSM fall into two categories:

1. Universal process improvements that are common to any organization that applies SCSM, irrespective of the specific supply chain process(es) or industries it's being used for and within.
2. Operational improvements specific to the supply chain process to which SCSM is applied. These can also vary by industry.

Universal Process Improvements include:

- **Happier employees and a proactive culture:** A more stable workflow ensures a more stable and productive work environment that can help employees find their work fulfilling. Implementing a standard and results-oriented SCSM workflow shifts an employee's mental outlook and the company culture from a battle-weary approach to a straightforward protocol that applauds incident reporting as part of a recognized workflow.
- **Eliminates chaos & firefighting:** Yvonne Pozderac works as the Demand Analyst at home goods manufacturer Vitamix. Before deploying an SCSM solution, the company's supply chain team lacked visibility and accountability into incidents, resulting in seemingly endless email chains and in-fighting. "Elementum," she says, "has allowed us to end the 'reply all' emails, to collaborate across teams within supply chain and the business overall, although everyone is working remotely. Collaborating across Elementum has also been the foundation to help us facilitate our weekly S&OE meetings. It very clearly identifies the most critical issues and lets us all rally around them to quickly and effectively solve them."
- **Increased productivity:** A more focused strategy for resolving incidents eliminates the guesswork and gives employees more time back in their day. When employees spend less time in reactive mode and combing through data, they're able to shift their focus towards more long-term goals.
- **Increased reliability:** Clear peer-to-peer accountability allows teams to establish a clear workflow for dealing with incidents, prioritize their resolution, and deliver on SLAs.
- **Faster resolution times:** Companies that work with an SCSM platform can expect their incident resolution times to drop drastically.
- **Fewer errors and improved problem-solving:** With a data-driven problem solving approach and analytics that demonstrate the root cause of incidents, Supply Chain Management will encounter fewer errors and have better capabilities for problem solving those that do arise by:
 - Replacing anecdotal decisions with data-driven decisions
 - Powering leadership/oversight meetings with real-time metrics and dashboards
 - Dealing with fewer recurring issues overall and over time
 - Identifying trends and root cause analysis

“Elementum has allowed us to end the ‘reply all’ emails, to collaborate across teams within supply chain and the business overall, although everyone is working remotely. Collaborating across Elementum has also been the foundation to help us facilitate our weekly S&OE meetings. It very clearly identifies the most critical issues and lets us all rally around them to quickly and effectively solve them.”

- Yvonne Pozderac, Demand Analyst at Vitamix

“Elementum is a very easy to use and understand platform that has a structure that allows for a quick learning curve. It brings together data that's more understandable for the average user.”

- Shawn Nielsen, Global Sales & Operations Manager at Blue Diamond

1. Operational Improvements Supported by SCSM

SCSM supports hundreds, if not thousands, of operational improvements. Common processes for operational improvements can be categorized into buckets, including:

Logistics Processes:

- OTIF Improvements, Late Shipment Mitigation, Stock Transfer Orders (STOs), Load Notes, Detention/Demurrage exceptions, Pre-shipment Issues
- *"Moving 60% faster than you were initially ensures that you get product that you need where you need it when you need it."* - Shawn Nielsen, Global Sales & Operations Manager at Blue Diamond

Supplier Management Processes:

- Supplier cost recovery, Supplier non-conformances, BOM Price Discrepancies, PPE tracking
- *"We were never able to look at the cost per delivery issue before, never mind being able to track which carrier or vendor was involved. Now with Elementum, we've been able to discover specific trends that have really had a big cost savings benefit across the business."* - Teresa Keck, Director of Customer Experience at McGee & Co.

Inventory Processes:

- Excess inventory, stockouts and shortages, Aging, Safety Stock, Item Discrepancies, Allocation Management, Demand Spikes, Quality

Customer Service:

- Order Tracking, Complaint Management, PO Tracking
- *"For our customers, the end goal is that you just have product there on time, in full. So we can't wait for a performance scorecard for last quarter. We want to have the data in real-time so we can stay ahead of it. And that's what Elementum brought to the table for us."* - Cari Talbot, Senior Director of Supply Chain at Ken's Foods

Claim & Penalty Management:

- Over-short-and-damaged (OS&D), Write-Offs, Mis-Picks, Lumper Fees, Chargebacks, Missed Delivery Windows, Other OTIF penalties

Event Management

- Crisis Management, War Rooms, Special Events, Chronic Events (e.g. COVID-19), CAPA
- *"When it comes to the supply chain, it's all about how quickly a company can take action. With Elementum's real-time insights, our supply chain will be able to react immediately, instead of waiting weeks or months after a problem arises."* - Cheryl Capps, SVP of Global Supply Chain at Corning

Refer to Appendix A for a more comprehensive list of operational processes managed with SCSM.

Whether SCSM is applied to universal process improvements or operations-specific process improvements, the benefits fall into three categories:

- **Increased Revenue:** Grow and protect revenue through (1) running a faster, more efficient supply chain and (2) proactively managing supply chain processes as a service.

Direct impact:

- Increasing fulfillment during demand spikes
- Mitigating late shipments, production delays, or quality issues to increase OTIF

- Reducing stockouts and facilitating inventory reallocations
- Reducing chargebacks and penalties to protect net revenue

Indirect impact:

- Higher service levels and OTIF leading to higher customer satisfaction and increasing market share

- **Decreased Costs:**

Direct impact:

- Reduce costly expenses that result from reactive supply chain management, such as expedite fees, customs fees, and spot purchases (material or capacity)
- Reduce inefficiencies, such as holding costs, excess safety stock, and spoilage
- Eliminate penalties from missed delivery windows, mis-picks, OS&D, and more

Indirect impact:

- See the points described below in productivity

- **Increased Productivity:**

Direct impact:

- Eliminate firefighting. Spend less time tracking down problems, collecting data, asking questions, and looking for answers
- Eliminate unnecessary visibility, chat, and project management tools/modules that do not actually facilitate faster, more accurate execution

Indirect impact:

- Apply all the time saved to other important responsibilities
- By solving problems faster, there will be spillover benefits to lower costs and higher revenue

2. Common Challenges Encountered When Adopting SCSM

Similar to adopting any new model of business, we do see a set of common challenges when adopting Supply Chain Service Management for the first time. These challenges can best be described through the people-process-tools framework. To start, we can address challenges related to People. These challenges fall into two types: Organizational and User challenges.

- Organizational challenges are often culture-related. The company has been doing things the same way for years and probably even decades, which creates layers of complexities. As a result, it can be difficult to evolve into a new way of doing business. It's like peeling back an onion. Every time you think you're ready to introduce the new model, you find there's another legacy system or process that's in the way. Overcoming organizational challenges really depends on Leadership. Is Leadership ready to embrace the new way of doing business in order to support process and system changes? With the right benefits (see Section II.D) and a reasonable adoption plan (see Section II.E), the answers should always be "yes."
- Users can also be reluctant to change. However, unlike organizations, which have layers of complexities that have been accumulated over many cycles, user challenges are more straightforward. With proper training and a clear explanation of how the changes are beneficial (e.g. saves time, higher accuracy, etc.), new users can quickly become SCSM's biggest advocate.

- Process challenges generally occur when the new process is (1) not clearly defined or (2) when companies attempt to transition by running old processes and new processes simultaneously. As part of any rollout plan, it's critical to create standard operating procedures that clearly define the new roles and responsibilities within the new process. Additionally, best practices call for a clean cutover to the new SCSM processes. Trying to maintain redundancy with the old processes only creates confusion, plus it frustrates users with double work.
- Tool-related challenges largely relate to enterprise architecture. When introducing a new management system, you will want to complement it with a modern technology stack. As discussed in Section II.B, enterprises leverage many different types of tools to support their supply chain needs. It's important to have a plan with how SCSM will fit within the supply chain architecture: for example, which systems will SCSM technologies pull from and which ones will they feed. Common challenges include trying to maintain multiple sources of truth, which defeats the purpose, and dealing with constrained IT capacity to complete preferred integrations. Fortunately, with SCSM, integrations are not necessary to get started. It's very much possible, and even recommended, to start simple and then expand as the people, processes, and tools are ready.
- Virtually all of these challenges can be avoided by working with an experienced SCSM partner, who understands your business and your needs. See Section III.E for best practices that ensure your company's successful transition to SCSM.

E. What are the Levels of SCSM?

In the simplest form, we can think of supply chain management as generally having two dimensions: **Action** and **Effort**. Action can be reactive or proactive, and Effort can be manual or automated. For the vast majority of companies, supply chain processes are managed reactively and manually. This results in the ad hoc, chaotic, labor-intensive, and error prone processes that's commonplace to most supply chain organizations. With SCSM, you can aim to move up the maturity curve to a proactive and automated supply chain.

Action: Reactive to Proactive

- We're all too familiar with the reactive model. It starts with an email, then there's an Excel spreadsheet with various shades of red-yellow-green, and it generally ends with an escalation and many more emails. There's limited structure, meaning that problem solving is ad hoc and ownership is shared or undefined.
- In the proactive world, processes are structured, with clear ownership, due dates, and deadlines. Additionally, process triggers are well-defined to initiate the process as soon as there's an exception or service request. Lastly, data is centralized such that root causes can be identified and permanently addressed.

Effort: Manual to Automated

- In supply chain, millions of processes are managed everyday through transaction systems. These processes include ordering, invoicing, planning, booking, tendering, and many more. However, when processes are not self-contained in a transaction system, then they are almost always managed manually. Enter: email, Excel, and phone calls. With SCSM, these processes are meant to be automated. With APIs into and out of the transaction systems, data lakes, and visibility tools, it's possible to automatically trigger, route, and resolve supply chain processes as a service. See Appendix A for the types of processes that can be automated as part of SCSM.

Across Action and Effort, there are also degrees of maturity. As SCSM processes mature, there will be increasing levels of structure, company-specific configurations, and user-specific personalization.

Like everything else in SCSM, there's a progression from reactive to proactive and manual to automated. Even in a 100% manual environment, the proactive benefits of SCSM can be significant. Over time, efforts can become more proactive and more automated to add additional value.

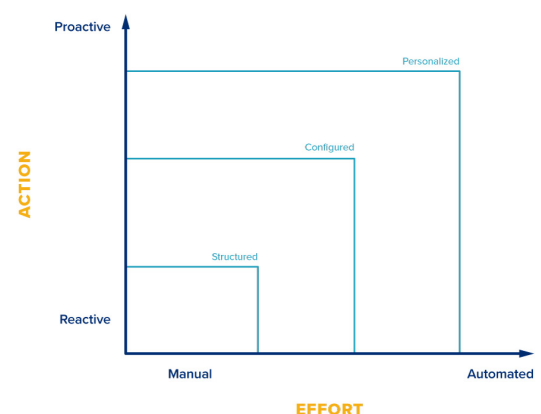


Exhibit 6: Levels of SCSM

III. Adopting SCSM

A. Why Make the Move to SCSM?

Supply chain challenges are not new. The world has been dealing with critical supply chain issues since cavemen had to figure out how to bring six-ton wooly mammoths back to the campsite. Fortunately, for all of our sakes, the problems have graduated beyond life-or-death, but we're still stressed by supply chain challenges virtually every minute of every day. This begs the question: if we've been surviving with supply chain challenges for generations, then why change now? This question is somewhat facetious. In this Beginner's Guide to SCSM, we've already gone through the many benefits of shifting to SCSM. The two questions we are really asking are, first, "Is it worth the effort to change?," and second, "Why change now?" Let's take these questions one-by-one, starting with the latter:

Why Change Now?

- **Financial:** Shifting to SCSM saves time and money. The costs of running reactive, manual supply chain processes may be pre-baked into the budget, but that is money that can be redeployed elsewhere. For example, OTIF-related deductions frequently cost suppliers 1% of revenue or more. With SCSM, the costs associated with these deductions can be reduced by 80%. Most companies report substantial savings within 90 days of switching processes to SCSM. Every day running a supply chain without SCSM is a day with unnecessary expenses.
- **Team morale:** There's a reason why burnout and turnover are high across supply chain teams. The constant firefighting takes a toll. With SCSM, firefighting is eliminated, which means there's more time to get work down and fewer late nights spent chasing down the latest crisis.
- **Major Disruptions:** As we saw in 2020, the challenges facing supply chains are only becoming more intense. While we do not expect a global pandemic every year, we are seeing a number of concerning trends. Whether it is a pandemic or a natural disaster or a trade war, major supply chain disruptions are essentially a new normal. Due to a number of factors that have been well documented elsewhere, we expect these types of disruptions to become more and more common in the future. Managing major disruptions in a reactive, manual model is highly inefficient and ineffective.
- **Consumer Demands:** Another trend is higher expectations from consumers. Call this the Amazon Effect, but consumers expect near-immediate delivery of any product at any time. In the last couple years, these expectations have expanded from B2C purchases to also B2B purchases. In a digital world, buyers of any type have limited patience, and companies are only as good as their latest delivery. Again, managing more SKUs with shorter lead times is not feasible with the same supply chain practices. It is just a matter of time until there is a major breakdown.

While 73% of supply chains experience pressure to improve and expand their delivery capabilities,⁶ a whopping 63% of companies do not use any technology to monitor their supply chain performance.⁷ SCSM is the fastest, most efficient way to make a major improvement to your supply chain's performance.

6. "Aligning the Supply Chain in the Age of Delivery Economy," Project 44, Feb 10 2021, <https://www.project44.com/resources/aligning-the-supply-chain-in-the-age-of-the-delivery-economy>

7. Duester, Ralph. "The High Cost of Invisibility." Inbound Logistics, Feb 10 2021, <https://www.inboundlogistics.com/cms/article/the-high-cost-of-invisibility/>

B. Is it Worth the Effort to Change?

Simply, put, yes! However, instead of us trying to explain why, we'd rather you hear it directly from some of our customers who have made the change to SCSM.

How SCSM Helped Ken's Food Reduce Chargebacks and Gain 8-10X Faster Resolution Times

Food manufacturing company Ken's Foods began when the salads and dressings at their family-owned steakhouse became their best-recognized offering. They transitioned into a food manufacturer that distributed these goods nationwide. As their business expanded, so too did their supply chain. It called for more customized products and brought more third-parties into their delivery network. This growth outpaced the mechanics of their supply chain management, which relied upon calls and emails to communicate on customer orders and collaborate with partners. Any time an issue arose, such as a damaged shipment or delayed order, it triggered a reactive chain of events. Multiple people worked on the same issue, with limited visibility across teams obstructing efficient collaborations. This process resulted in an incessant stream of emails and calls and a 2-3 day resolution time for each incident. Ken's Foods invested in Elementum's SCSM platform to build a more efficient system for managing customer orders, collaborate with partners, and deal proactively with shipment delays or damages. They leveraged the platform to centralize data on customer delivery orders, create a single source of truth for all orders and establish clear accountability; streamline communication between all parties, and determine the root cause of incidents in order to solve them for good. Within the first month, Ken's Foods was able to resolve over 200 logistics related incidents, closing them 8-10 times faster than before. Thanks to the improved efficiencies and ability to identify problem areas, Ken's Foods estimated savings in the hundreds of thousands from chargebacks and penalty fees in the first year alone. The sales team, meanwhile, found themselves no longer embroiled in customer resolution orders and freed up to close new business.

McGee & Co. Saved \$125K a Month, 25+ Hours a Week, and Resolved Delivery Issues 10X Faster with SCSM

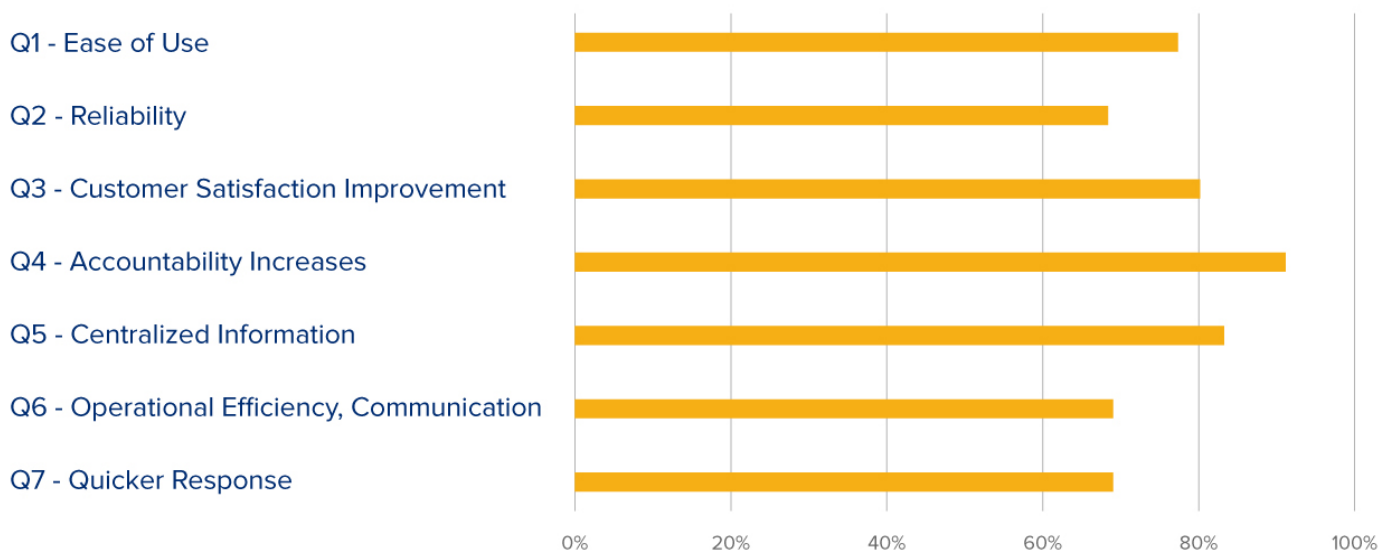
McGee & Co. is a high-end lifestyle brand with a well-curated resume to match: a partnership with Target, a spot on a Netflix special, and over \$35M in annual revenue. Ensuring that their customers receive a delivery experience that aligns with their renowned brand was important to maintaining their reputation and customer satisfaction levels. However, they relied on spreadsheets and emails to coordinate order and delivery issues, which made it difficult to resolve customer claims in a timely manner, as well as to identify the reasons behind delays. This system ate up employee time, delaying productivity; had a negative cost impact due to the delay in processing claims, and injured their customer reputation every time an order was delayed or arrived damaged. Incorporating Elementum's SCSM platform changed this pattern. Instead of touch-and-go communication with no clear visibility or accountability on customer issues, McGee & Co. could rely upon a single source of truth that not only provided insight into every detail of a customer's claim, but assigned accountability to the responsible team member. This change freed up other employees to focus on other tasks, saving the team 25+ hours a week and making their incident resolution rate 5-10 times faster. SCSM also provided insight into exactly what went wrong and why, allowing McGee & Co. to address and permanently resolve incidents—a difference that saved them \$120K across shipping and damage costs in just one month. With a clear understanding of their value at risk and actionable insights on how to resolve incidents, McGee & Co. was able to preserve customer loyalty, save on costs, give back time to their supply chain team, and continue to improve their workflow.

GCC Improved Service Levels and Protected \$300M in Revenue with SCSM

When it comes to supply chain, cement manufacturers run a tight ship. They operate on a seasonal schedule, within tight timeframes that balance in-season product demands with off-season storage capacity. Their product's unique nature also requires specialized third-party carriers that run upon strictly defined routes. These parameters left GCC with little room for error in their supply chain. This narrow margin, combined with their use of woefully inadequate technology (email and spreadsheets) kept their supply chain team working virtually around the clock to resolve incidents, leaving virtually no room to establish long-term solutions. But in 2019, when unpredictable weather patterns upset their best-made plans, they realized this ad hoc system threatened their customer satisfaction and therefore, their revenue and market share. So they integrated Elementum's SCSM platform to their supply chain strategy and started implementing its features alongside management best practices. Using a straightforward playbook, they trained their team to identify incidents, assign accountability, collaborate and analyze, then resolve and close. They reinforced this workflow cadence, as well as a culture of productivity and reliability, in weekly team meetings, one-on-ones, and a monthly executive review. Within a few months, GCC's ability to identify and resolve the root cause of incidents resulted in a 42% decrease in total incidents. Meanwhile, the improved communication and single source of truth allowed them to resolve 74% of issues before they reached the customer. Employees who were initially skeptical about the change quickly learned to adapt as well. A survey found that >70% of users appreciated the platform's ease of use, reliability, and positive impact on customer satisfaction, while >90% of users appreciated the increased accountability. Most centrally, onboarding Elementum allowed GCC to have service levels of up to 100% while protecting \$300M in revenue.

To close this point, let's acknowledge that the timing for change is rarely ever perfect. Whether you're facing a five-alarm fire or you're in the clear, whether your OTIF is 80% or 99.9%, whether you're implementing a new ERP or you've been on the same ERP since 1984, you will always have a reason not to change. However, as we've emphasized throughout this guide, the (1) benefits to changing are significant, (2) the effort to change is relatively light, and (3) the progression to change can match your team's goals and needs. As one last closing thought, Exhibit 7 shows the feedback from a team that shifted to SCSM. You can see that the feedback is overwhelmingly positive. We all are reluctant to change, but SCSM is one change that everyone will be sure to celebrate.

Exhibit 7: SCSM User Survey



C. Is SCSM Right for My Business?

If you have a supply chain, then yes, absolutely. Which processes you start with and how quickly you move will vary considerably by company, industry, and process. However, every supply chain will benefit by adapting its model so that supply chain processes can be delivered as a service, that is to say consistently, accurately, and efficiently.

- In some cases, younger companies, earlier in their supply chain journeys, may reason that they are not yet ready for SCSM. To the contrary, the earlier you can start with SCSM, the better. Again, the extent to which you incorporate other functions and add automation can be dialed-in accordingly. Some younger companies may prioritize tools like visibility before SCSM. That's an older way of thinking, "If I can see everything, I can manage everything." For the record, visibility tools tend to create more noise than signal and require significant professional services. With SCSM, you get virtually all of the benefits—managing the exceptions that actually matter—without dealing with all the third-parties.
- In contrast to earlier-stage companies, the most mature companies might argue they're too complex for SCSM. Again, to the contrary, this is the perfect reason to adopt SCSM. SCSM will help to simplify and streamline big-company complexities through data centralization and process standardization. With the right rollout plan and a strong partner, a transition to SCSM can be done to maximize impact and minimize effort. Admittedly, there will be some challenges, but these are most likely the Organizational type that we discussed in Section II.D.2.

D. How to Get Started with SCSM

There are five basic steps to going live with SCSM.

Step 1: Pick a process

- Select a current supply chain process that would either benefit from (1) process improvements (e.g. save time, reduce error rates, etc.), or (2) operational improvements (e.g. increase revenue, reduce costs, and improve productivity). For the list of benefits, refer back to Section II.D, and for the list of potential processes, refer to Appendix A.
- Once the process is selected, identify the BU that owns that process. Then, choose one team within the BU to start with. Similar to the criteria for selecting the initial process, as we discussed in the previous step, the team should be selected based on the opportunity to benefit from SCSM. Additionally, any team that has been asking for help or is known to be receptive to new technologies is always a good candidate to start with.
- Document a to-from of the new process with new standard operating procedures (SOPs). This will be the Bible for how to run the process with SCSM.
- Note: We are aware that most supply chain processes cut across teams, functions, and BUs, but almost every process has an owner. For our purposes here, we're assuming the process owner is within the selected BU.

Step 2: Choose a technology partner

- See Section IV.A for how to select the right SCSM partner. We highly recommend adopting an SCSM-specific platform. This will pay for itself in short order.

Step 3: Configure the platform

- Configure the system attributes to match the selected process. Example configurations include incident types, resolution codes, root causes, assignment groups, and leadership dashboards.

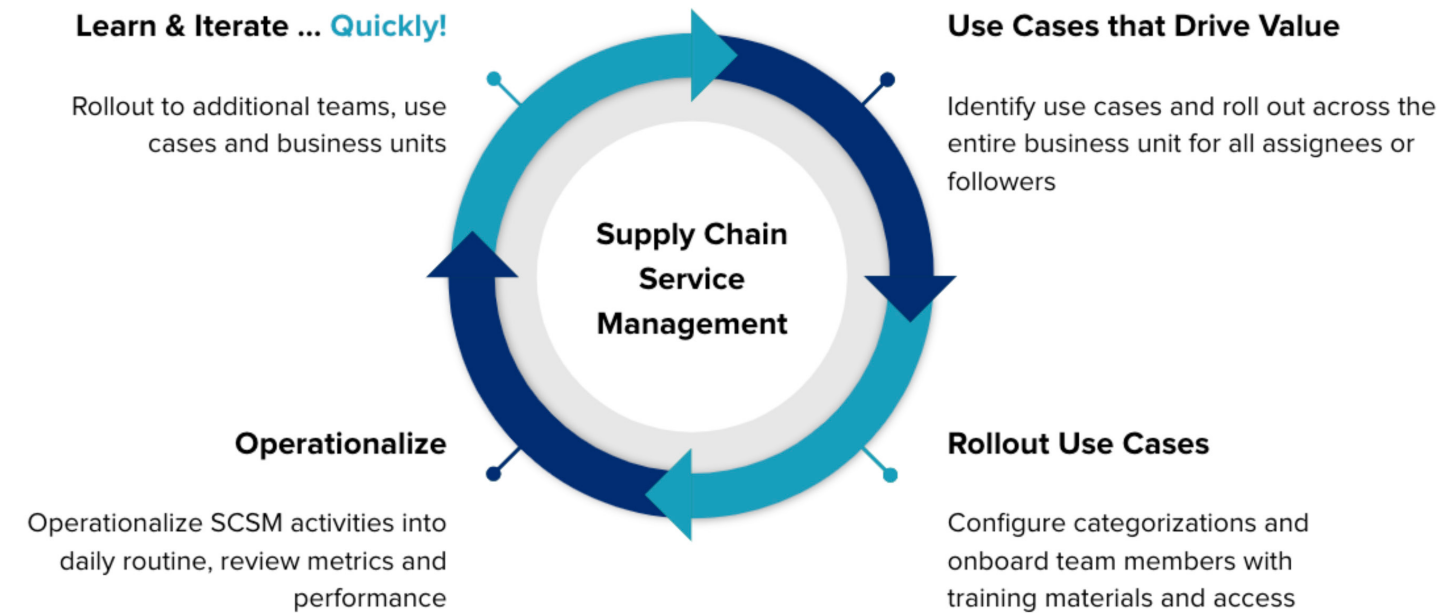
Step 4: Train the users

- Training includes a general overview of the system as well as a detailed walk-through of the new SOPs. Every user should be clear of how to run the process using SCSM.
- Users should personalize the system to see the things they care about. For example, users should set views to look at the products, sites, suppliers, or geographies they need to complete their SOPs.

Step 5: Cutover

- Select a date that the new process goes live. It is critical that the team fully cuts over to the new process in order to avoid errors and delays. In the first week, Management should do daily check-ins to answer questions and encourage adoption. After the first week, these check-ins should naturally evolve into a weekly meeting to review priorities and escalations.
- Once these five steps are complete, you can repeat with the next team. Generally, it is best to keep progressing within the same BU, but you should always assess the benefits of SCSM and where it can have the most impact. The goal is to keep moving with more teams and more use cases. The benefits of SCSM compound with scale, and you are creating an SCSM adoption flywheel. Remember, don't wait for perfection, you will learn as you go!

Exhibit 8: SCSM Adoption Flywheel



Success Factors

As was described in Section I.F and shown in Exhibit 7, the financial benefits of switching to SCSM are substantial, and teams by and large welcome the operational benefits that come with SCSM. However, SCSM is still a new way of managing supply chains, and there will always be challenges (See Section II.D.2). Consequently, there are a handful of best practices to ensuring successful adoption of SCSM:

- **Executive support:** Demonstrate strong executive sponsorship with a clear directive that everyone is expected to participate in the new model. Make the message from the top simple and clear.
- **Active Leaders:** Ensure all business unit leaders and managers are actively engaged in the change. Positive actions include adding comments in the SCSM platform and using the dashboards to run regular meetings.
- **All-in Across All Teams:** Encourage mutual accountability with team members holding each other accountable by asking for and requiring all process steps be conducted within the SCSM system. Whenever there's an email or a rogue Excel file, team members send a friendly reminder that everything should be captured within the SCSM system. Scientific studies have shown that it takes around two months to establish a new habit. Adopting SCSM is no different than going to the gym or learning a new language. It might require a reminder or some encouragement at first, but then it gets a lot easier.
- **Clear Roadmap:** Develop and rollout a comprehensive cross-functional roadmap that includes people, process, and technology. We'll show examples of this in Section III.E.

E. Best Practices for Adopting SCSM

There are five levels in the adoption of SCSM across a company:

Level 1: Ad hoc or Chaotic

- This is usually the status quo and starting point of every supply chain. Excel is heavily leveraged as the way to track supply chain processes that are not fully contained within a transaction system. Emails and phone calls are the means by which processes are completed.

Level 2: Team Initiative

- SCSM has been adopted, but it is currently run within a single team. This is a good starting point, but it is not sufficient. Supply chains are inherently collaborative and cross-functional. To really benefit from SCSM, the company needs to achieve Level 3 or higher.

Level 3: Enterprise Process

- Now SCSM is being applied across multiple teams. There is cooperation and transparency between business functions with shared processes and tool aligned to common metrics and goals.

Level 4: Collaborative

- At this level, SCSM has been expanded across the enterprise. SCSM capabilities extend to vendors and suppliers with shared tools and process alignment.

Level 5: Optimized

- In Level 5, the benefits of SCSM have become self-reinforcing. SCSM has become a competitive differentiator for the supply chain with a collaborative culture, measured outcomes, and constant continuous improvement.

Exhibit 9: SCSM Adoption

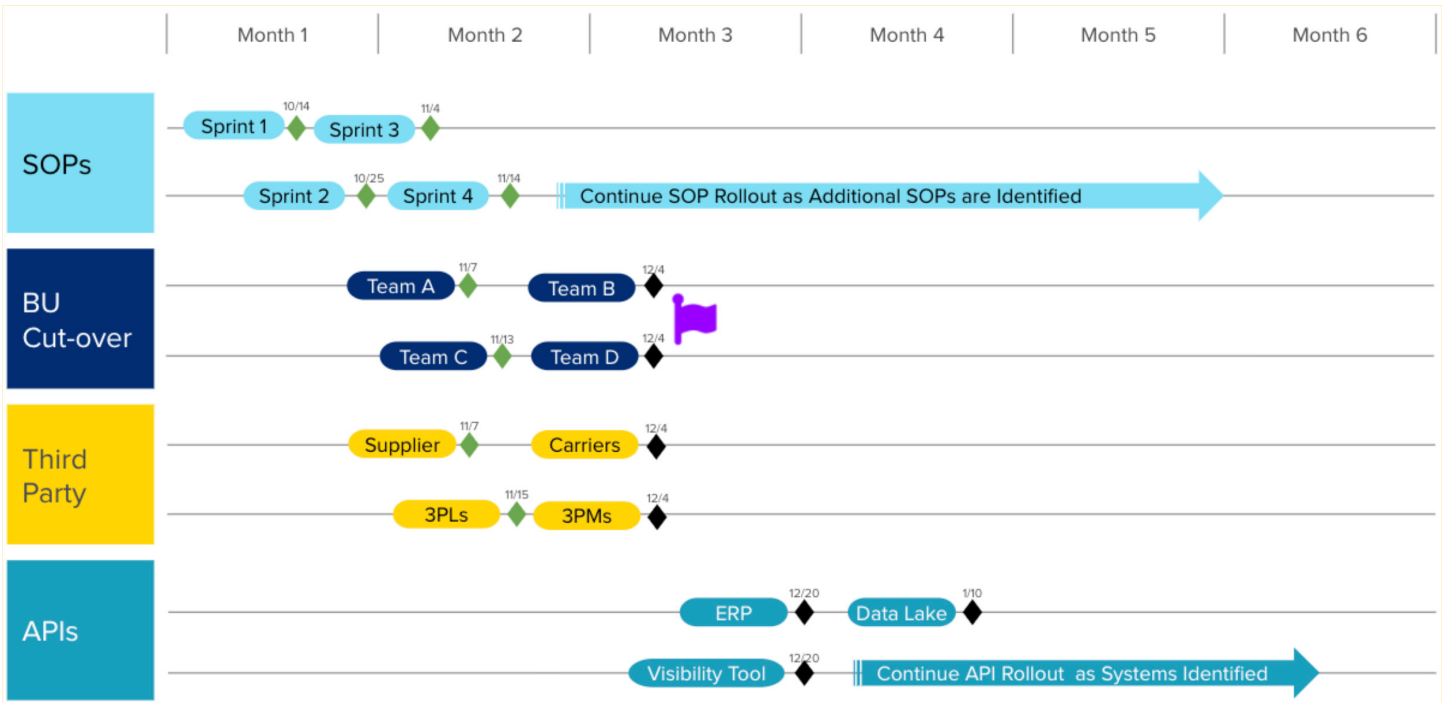


Within each of these levels, we also see the progression of Action & Effort that we described in Section II.E. As the company expands SCSM adoption, it also expands the degree to which SCSM is proactive and automated. As to be expected, Level 1 and 2 are more likely to be reactive and manual whereas Levels 4 and 5 are more likely to be proactive and automated. Adopting SCSM is a journey in which companies simultaneously upgrade effectiveness (Exhibit 6) and adoption (Exhibit 9).

In most cases, we recommend starting with Level 2 instead of skipping directly to Levels 3, 4, or 5. Starting small allows you to build internal consensus and demonstrate areas of success, which will build momentum for the broader adoption. We call this the bowling ball strategy. Level 2, with the Team Initiative is your leading pin. Once you nail the leading pin, the rest fall down naturally. Refer back to “Success Factors” in Section III.D for tips on how to select the right team.

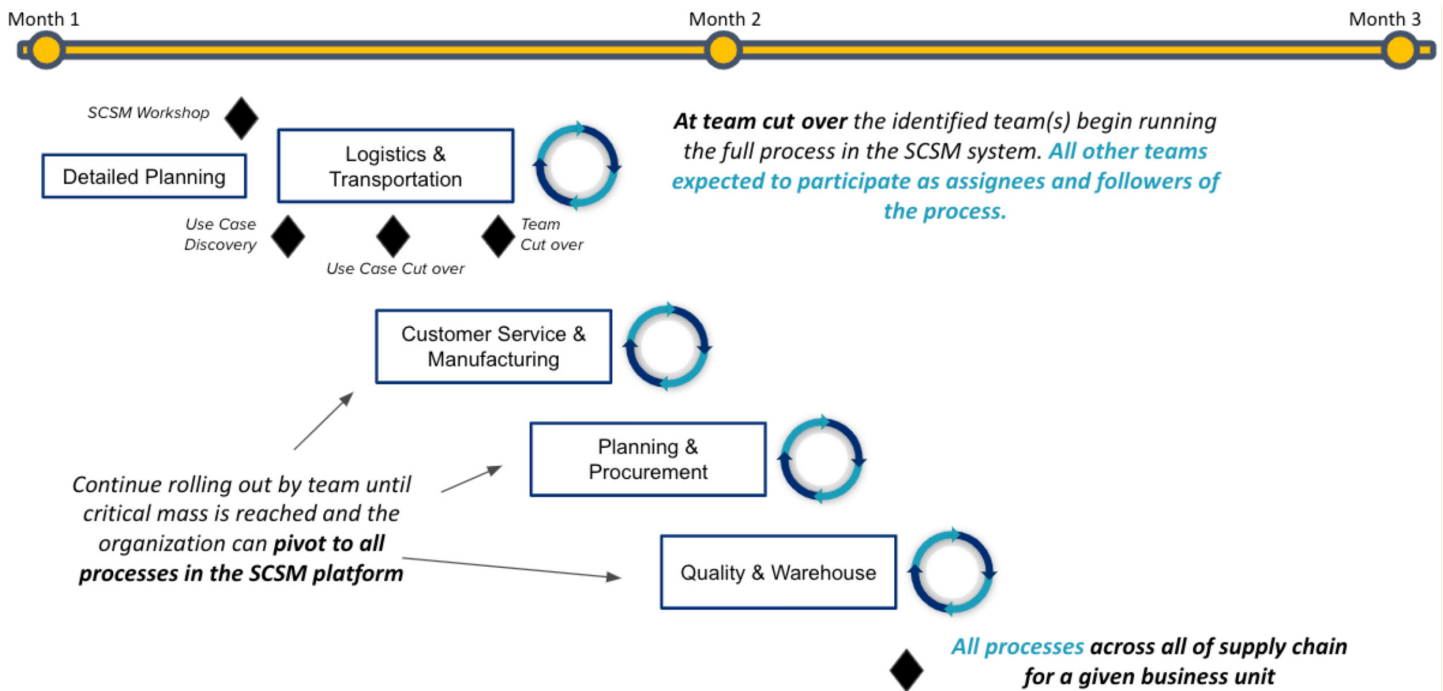
As you gain traction with Level 2, it is critical to create an overall roadmap. This is one of the critical success factors we discussed in Section III.E. It is much easier to bring people on the SCSM journey when they know where they’re going. This is true for users and executives. Users want to know which of their processes will change and when. They will also be eager to know the cutover dates, so they can stop running parallel processes. For execs, they want a roadmap for resource planning and budgeting. You will get much more buy-in when executives have a line of sight to when they will start seeing benefits. For a sample company roadmap see Exhibit 10.

Exhibit 10: Sample Company Roadmap



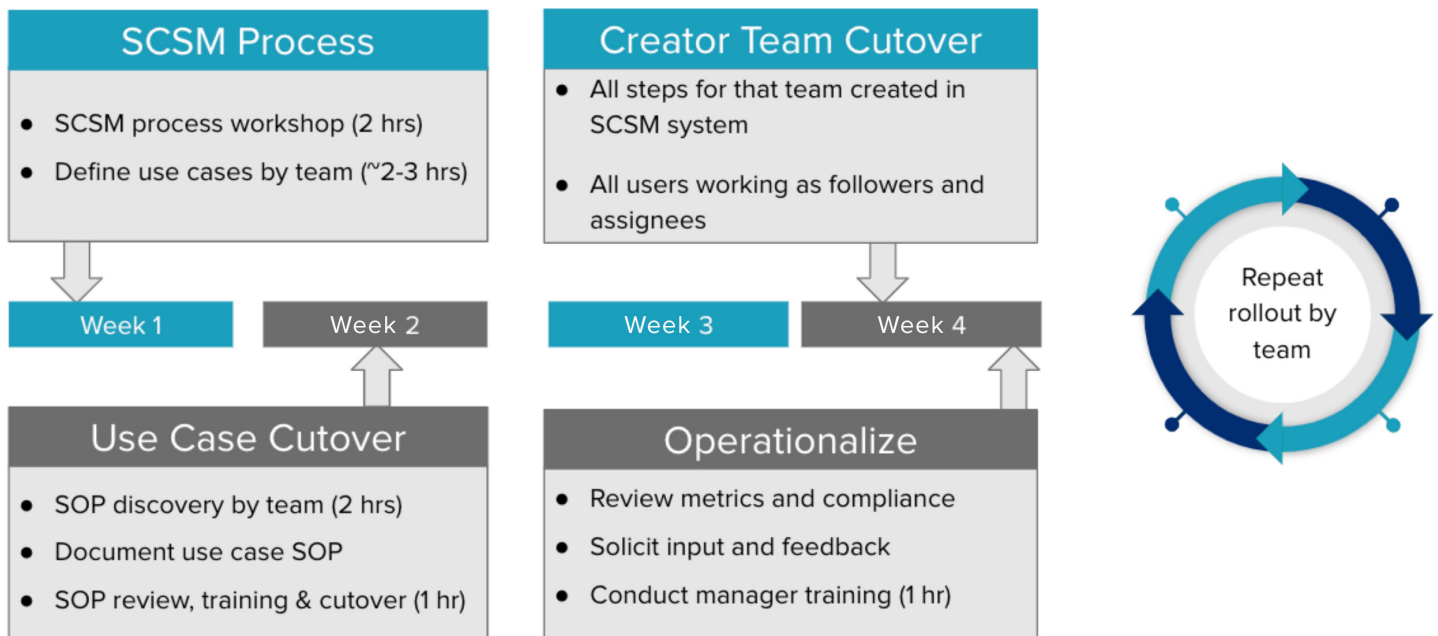
Once the company roadmap is complete, you can create an implementation plan for each BU. This is the plan that goes to GMs and Directors, so they know exactly how SCSM will be adopted within their BU. We recommend creating a steering committee that will help set priorities and identify the correct team sequencing. For a Sample BU Implementation plan, refer to Exhibit 11.

Exhibit 11: Sample BU Implementation Plan



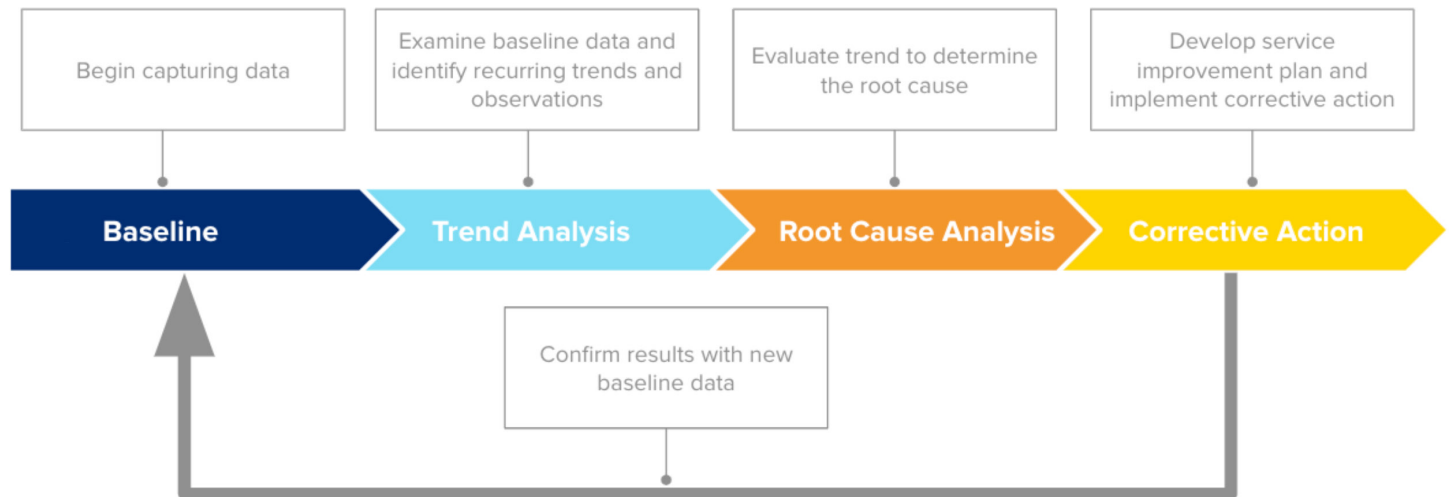
Now that you have a company roadmap and a BU implementation plan, the next priority is to have a repeatable implementation methodology for each team. Since SCSM benefits compound with adoption, you want to move quickly. With the same, repeatable plan, a new team can be added every two to four weeks. See Exhibit 12 for a sample team adoption plan.

Exhibit 12: Sample Team Adoption Plan



In Level 5 of SCSM Adoption, SCSM has become self-reinforcing with constant, continuous improvement. In order for this to be possible, there must be a system to measure progress and implement learnings. This is important in Levels 2 through 4, as well, but it is absolutely essential to ever strive for Level 5. As the famous consultant Peter Drucker said, “If you can’t measure it, you can’t improve it.”

Exhibit 13: Framework for Measuring Progress



“If you can’t measure it, you can’t improve it.”

- Peter Drucker

IV. Selecting an SCSM Technical Partner

A. Choosing the Right SCSM Solution

Do I need a technology platform to run SCSM?

- Consider the two dimensions we discussed in Section II.E: Effort and Action. With Effort, there is a move from Manual to Automated, and with Action, there is a move from Reactive to Proactive. In all cases, a modern technology solution is necessary to move up these axes to effectuate SCSM. For social proof, look at other operations in the enterprise where data volumes are immense and dynamic, where decisions must be made quickly and accurately, and where actions must be efficient and precise. These would include sales operations, IT service management, customer service desk, and HR operations, to name a few. Each of these operations is run on a modern technology platform, no questions asked. To do otherwise, would be nonsensical and would defeat the purpose of upgrading to a better operating model.
- How do I choose the Right SCSM Solution? When choosing the right SCSM solution for your business, there are four key criteria to look for: Functional Specificity, Functional Robustness, Ease of Use, and Experience.

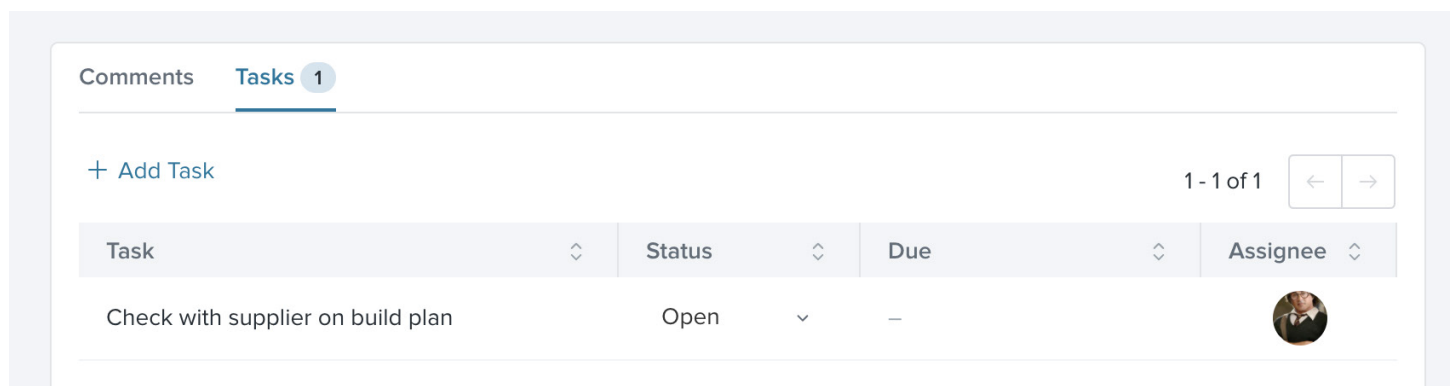
Functional Specificity

- There are many tools in the marketplace that can be applied to SCSM-like problems. For example, you might be inclined to stretch your CRM to track supplier issues. However, if you're a supply chain manager, that's like being a chef and choosing not to buy a stove because you have a microwave. Sure, the microwave is cheap and flexible, but its usefulness is extremely limited, and everyone will know the end product isn't as good. Instead, if you're a professional supply chain operator, then get a supply chain specific SCSM solution. There are capabilities unique to supply chain—such as external collaboration, confidentiality, master data, and reason codes—that cannot be matched with a sales, IT, or customer support tool.

Robustness

- In Section III.D we discussed the importance of starting with one use case and then expanding. That's important for user adoption and change management. However, the goal is to make SCSM the model for all of your end-to-end supply chain processes over time. As a result, it is important that your SCSM tool be able to support the majority of your end-to-end processes. A robust SCSM platform will include:
 - Process workspaces (Visual 1)
 - Process detail pages (Visual 2)
 - Task Management (Visual 3)
 - Real-time Analytics (Visual 4)
 - APIs for data integrations (Visual 5)

Visual 1



Visual 2

elementum

INCIDENTS

ALERTS

TASKS

SITES

PRODUCTS

COMPANIES

INVENTORY

PURCHASING

CONNECT

genesis7

Incidents

Saved Filters

Shortage

Filter Options

List

Analytics

1 - 36 of 36

ID	Title	Status	Substatus	Severity	Updated On	Assignee	Assignment Group	Incident
ALPHA7-94	Shortage within lead time for iPhone 11 Pro 5.8 at Apple ...	Open	—	Medium	Dec 21, 2019 08:28 JST	Demo genesis7	—	—
ALPHA7-67	Shortage within lead time for iPhone 11 Pro 5.8 inch at Ap...	Open	—	Medium	Dec 21, 2019 08:28 JST	Demo genesis7	—	—
ALPHA7-63	Shortage within lead time for iPhone 11 Pro 5.8 inch at Ap...	Open	—	Medium	Dec 21, 2019 08:28 JST	Demo genesis7	—	—
ALPHA7-76	Shortage to Demand Plan for Clorox Disinfecting Wipes V...	Open	—	Medium	Dec 21, 2019 01:58 JST	Demo genesis7	—	—
ALPHA7-88	Shortage to Demand Plan for Clorox Disinfecting Wipes V...	Open	—	Medium	Dec 21, 2019 01:58 JST	Demo genesis7	—	—
ALPHA7-82	Shortage to Demand Plan for WOMENS, PURE PLATINU...	Open	—	Medium	Dec 14, 2019 03:42 JST	Demo genesis7	—	—
ALPHA7-87	Shortage to Sales Order for WOMENS, PURE PLATINUM_...	Open	—	Medium	Dec 14, 2019 03:42 JST	Demo genesis7	—	—
ALPHA7-81	Shortage to Sales Order for WOMENS, PURE PLATINUM_...	Open	—	Medium	Dec 14, 2019 03:42 JST	Demo genesis7	—	—
ALPHA7-91	Shortage to Demand Plan for WOMENS, PURE PLATINU...	Open	—	Medium	Dec 14, 2019 03:41 JST	Demo genesis7	—	—
ALPHA7-83	Shortage to Sales Order for WOMENS, PURE PLATINUM_...	Open	—	Medium	Dec 14, 2019 03:41 JST	Demo genesis7	—	—
ALPHA7-84	Shortage to Sales Order for WOMENS, PURE PLATINUM_...	Open	—	Medium	Dec 14, 2019 03:41 JST	Demo genesis7	—	—
ALPHA7-86	Shortage to Sales Order for WOMENS, PURE PLATINUM_...	Open	—	Medium	Dec 14, 2019 03:41 JST	Demo genesis7	—	—
ALPHA7-90	Shortage to Demand Plan for WOMENS, PURE PLATINU...	Open	—	Medium	Dec 14, 2019 03:41 JST	Demo genesis7	—	—
ALPHA7-89	Shortage to Demand Plan for WOMENS, PURE PLATINU...	Open	—	Medium	Dec 14, 2019 03:41 JST	Demo genesis7	—	—
ALPHA7-99	Shortage to Sales Order for CORSAIR16GBDDR4RAMSO...	Open	—	Medium	Dec 12, 2019 01:22 JST	Demo genesis7	—	—
ALPHA7-80	Shortage to Sales Order for WOMENS, PURE PLATINUM_...	Closed	—	Medium	Dec 11, 2019 08:23 JST	Demo genesis7	—	—
ALPHA7-60	Shortage within lead time for HEINEKEN 12 CANS 710ML ...	Open	—	—	Dec 6, 2019 12:33 JST	Demo genesis7	My new Group	Custo
ALPHA7-54	Shortage within lead time for SKULL CUP 00001 at Consi...	In Progress	—	Medium	Dec 6, 2019 12:38 JST	Demo genesis7	My new Group	Loist

Visual 3

elementum

INCIDENTS

INVENTORY

Elementum

MC

INCIDENT: Daily IAM Process Tracker 3.42

Close Incident

Mark In Progress

Incident ID

ELEM-56

Status

Open

Type

—

Severity

—

Value at Risk

—

Root Cause

—

Assignee

—

Assignment Group

—

Creator

Lucas Moreyra

Followers

Lucas Moreyra

Confidential

☐

Updated

Jan 25, 2021 16:21 CST

Created

May 21, 2020 14:41 CDT

Due

—

Closed

—

Resolution Code

—

Description

+ Add any details about this incident

Impacted Elements

Q Search for sites, shipments or products to add

Sites 2

Products 1

1 - 2 of 2

Site	Site Type	Site ID	Supplier	Region	Actions
Production	hq	Production	-	US	Remove
Stage	hq	Stage	-	US	Remove

Comments

MC

Post a note here or @mention your team for collaboration

Related Incidents

There aren't incidents with the same impacted elements

Add Elements

Attachments

+ Add an attachment from your computer

Links

+ add link

Log

Matthew Cunningham

a few seconds ago

Changed Title from asd7 to Daily IAM Process Tracker 3.42

Matthew Cunningham

Aug 26, 2020 16:02 CDT

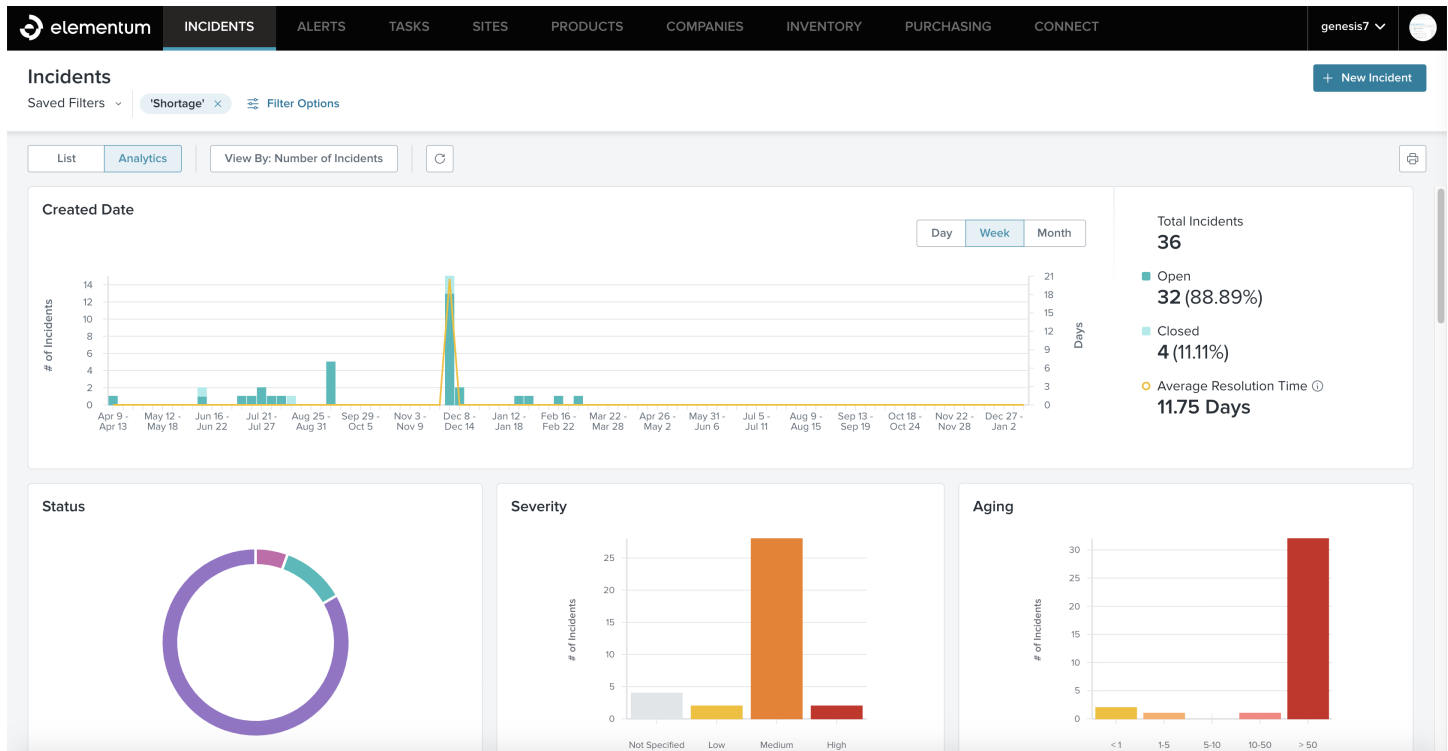
Added element - Product - 2

Visiana Bello

Jul 23, 2020 11:00 CDT

Changed Title from asd to asd7

27



elementum INCIDENTS ALERTS TASKS SITES PRODUCTS COMPANIES INVENTORY PURCHASING CONNECT

Incidents

Saved Filters 'Shortage' Created: Last Y... Filter Options

List Analytics

ID	Title	Status	Substatus	Severity	Updated On	Assignee
ALPHA7-162	Shortage to Demand Plan for Clorox Disinfecting Wipes V...	Open	—	Medium	Mar 3, 2020 06:40 JST	Demo genes
ALPHA7-153	Shortage to Demand Plan for ALTOS Gel-Free, Triple-Jac...	Open	—	Medium	Feb 22, 2020 02:51 JST	Demo genes
ALPHA7-128	Shortage to Demand Plan for Molson Canadian Raptors L...	Open	—	Low	Jan 30, 2020 06:21 JST	Health Test
ALPHA7-121	Shortage within lead time for SKU-HCP-00001 at Genesis...	Open	—	—	Jan 22, 2020 23:36 JST	Demo genes

Filter Criteria Saved Filters

Severity

Status

Dates

Created Last Year

Apply

Assigned to me

Unassigned

Find User

Followed by me

Find User

Incident Type

Find Incident Type

Creator

Created by me

Reset Filter Save Current Filter

Additionally, a robust SCSM platform will support business-specific configurations and user-specific personalizations. Configurations include robust admin capabilities to set criteria, such as user roles, reason codes, incident types, incident sub-types, and many more. User personalizations are reflected by users having the ability to create a unique dashboard personalized to their own responsibilities and interests. For example, as a user, if I only care about certain products or regions, then I can personalize my dashboards to only show those products and regions.

Ease of Use

- The right SCSM solution will be simple and intuitive. In today's connected world, everyone is familiar with a good user experience. Long gone are the days when enterprise software had an excuse to be clunky and slow. Today, users should be delighted when they log into enterprise software. They should be able to log in and self-navigate through the system intuitively based on clear designs and common sense. Training should focus on adopting standard operating procedures instead of explaining how drop-down menus work and what different widgets mean. If you're dealing with a system that looks like Excel on steroids, requires a Master's Degree in Computer Science to operate, or has so many tabs you need to scroll right to see them all, then you can best believe (1) users will never adopt the system willingly, and (2) the ability to solve problems will be just as challenging. We all know the saying "Don't judge a book by its cover." Well, that saying does not apply to software. In today's digital world, what you see is what you get.

Find a Partner With Experience

- As an overarching recommendation, make sure you are working with partners who understand SCSM and are incentivized to make you successful. There are a lot of generic consultants out there who are happy to preach best practices and are even happier to take on any job thrown their way. However, SCSM is a new concept in supply chain. If your partner starts talking about control towers and resilience, then you know they are from a different generation. Instead, work with someone who has a track record in the space and who has referenceable customers. Before engaging with any vendor, check their website for customer logos (dozens, not just one or two), case studies, and reference quotes that are specific to SCSM. Additionally, when partnering with a technology company, make sure they have an experienced customer success team to support you, and also, choose a vendor with a subscription model. Think of a software subscription as paying rent. The landlord is incentivized to keep the property in good shape so that you renew your lease. The same is true with subscription software. The customer success team is incentivized to partner with you to maintain your business. This is a mutually beneficial relationship.

B. Using Elementum for SCSM

We understand that adopting SCSM is a big deal. There's so much riding on your supply chain that you cannot afford to take chances. That's why we are confident that Elementum is the right SCSM platform for your business. Elementum is the leading SCSM platform because it is the only enterprise platform designed specifically for supply chain service management. What does that mean exactly? It means that Elementum's SCSM platform incorporates several unique attributes that you cannot get anywhere else:

- **Supply Chain Data Model:** With a data model built specifically for supply chain, you can manage your processes with the master data that matters: sites, suppliers, products, customers, and more. This allows Elementum to be your single source of truth because all the relevant information is available right within the platform.
- **Supply Chain-Specific Functionality:** Supply chain has different needs and requirements than any other function in the enterprise. Would you trust your sales rep to manage the warehouse? Would you want your IT tech running your clear-to-build process? Of course not, then why would you try to run your supply chains with sales or IT software? With Elementum, you get supply chain-specific functionality like reason codes, confidentiality, value-at-risk analytics, and more. Elementum's platform also provides custom fields, so you can customize your processes to include any field you want.

Exhibit 14: Elementum Supply Chain Service Management Capabilities



- **External Collaboration:** With Elementum's patented communication model, you can collaborate directly and confidentially with all of your partners right within the Elementum platform. As a result, you have a clear data record for accountability and auditing purposes. Again, centralized communication is critical for having a real single source of truth.

Exhibit 15: Elementum Supply Chain Service Management Collaboration



- **APIs:** As you look to automate your supply chain processes, Elementum's APIs are built specifically to connect with supply chain systems. Increase your team's productivity and performance while minimizing time and investment from IT. Today, Elementum has a set of easy-to-use APIs, and we are always expanding our library of connectors.

We can go on telling you the benefits of Elementum's SCSM platform, but then again, we are a bit biased. We encourage you to hear directly from Elementum's customers. From case studies to webinars and recommendations to lessons learned, you can find more information at Elementum's website: www.elementum.com/supply-chain-customers.

Lastly, we know it can be difficult building internal consensus to adopt a new platform. That's why we offer a free trial. You'll know exactly what you're going to get, and you can make a business case with proven results. Go to www.elementum.com to request your free trial.

C. What does the Future Look Like?

It's difficult to predict the future, and we don't claim to have a crystal ball. However, there are certain trends that are undeniable:

- **Major supply chain disruptions are becoming more common.** We hope that 2020 will be a historic outlier, but even before the pandemic, we were seeing a consistent increase in natural disaster-related disruptions. From wildfires in California and Australia to hurricanes in Miami and Manila, we are seeing more catastrophic events leading to more supply chain disruptions. Unfortunately, in the wake of climate change, supply chains will continue to be victimized.
- **Political and economic uncertainty present a common threat.** From geopolitical tensions to trade wars, we expect supply lines to be stressed and demand plans to be erratic. Near-shoring is getting more and more attention, but it's not clear that near-shoring is the answer given the previous point around major disruptions and disasters. Tariffs, taxes, and embargoes have always been a thorn in the side of global supply chains. With political tension with China, increasing regulation in Europe, and various country-specific challenges in Latin America, we expect political and economic uncertainty to further challenge supply chains for the foreseeable future.
- **Customer expectations are increasing.** Despite all the challenges, consumers still expect more: faster, cheaper, more reliable delivery. Call this the Amazon effect. Gone are the days of brand loyalty. If your product isn't in stock, you cannot expect your buyer to wait. This is now equally true for B2C and B2B. If you are shipping to another business, you can expect penalties and fines for missing delivery windows and/or not delivering on-time-in-full. These penalties used to be a soft warning, now they're a profit center. It's a scary proposition, but you either up your supply chain performance, or expect to lose customers or face stiff penalties.
- **Increasing adoption of new technologies** is another undeniable trend that spans all industries. Given the challenges faced in 2020, there's no wonder companies have turned more and more to SaaS-based solutions, real-time data, and system automation in order to differentiate themselves and stand above the crowd. In supply chain, we've seen a comparatively slow adoption of new technologies. Upgrades to ERPs, TMSs, and WMSs are still common, but unlike industries such as e-commerce, education, healthcare, and e-commerce where the adoption of new technologies has accelerated decades in only a matter of months, few supply chains have really upgraded to the new generation of systems and processes. When looking towards the future, we do expect this to change. Supply chains are becoming too complex, and the customer demands too challenging, for companies to maintain the status quo. When looking at areas ripe for disruption, we see that 95% of supply chain investments go into better planning versus only 5% in systems to improve post-plan execution. It's a safe bet to assume that the future of supply chain management will include a major investment and upgrade to post-plan systems, such as SCSM. We'll see you there!

Appendix A:

Additional Use Cases for SCSM

Logistics

- Late Shipments
- Missing AF/Carrier Events
- Shipment DQ
- Doc Set Missing
- Shipment Report
- Global Trade Compliance
- Load Notes
- Logistics Packing Issues
- STOs
- Critical Inbound Shipments
- Diversions
- Detention / Demurrage
- Lead Time Updates
- Pre-Shipment Issues
- Missed Pick-Ups

Supplier Management / Procurement

- Supplier Cost Recovery
- Raw Materials Procurement
- Supplier Non-Conformance
- BOM Price Discrepancies (PPV)
- Past Due POs
- Purchase Price Exception (PPE) Tracking
- Supplier Fulfillment
- Distributor Complaints

Planning / Inventory Management

- Excess Inventory
- Raw Material Expiry
- Inventory Shortage
- Raw Material Shortage
- Pricing Errors
- Item Discrepancies
- Material Determination
- Safety Stock
- Inventory Aging

- SKU Requests - Master Data Updates
- External Inventory Control
- Demand Spikes
- Allocation Management
- Quality

Customer Service

- Customer Order Tracking
- Customer Complaints

Event Management

- Crisis Mgmt
- COVID Impacts
- Virtual War Room
- Weather
- Projects Risks/Issues
- Fast Lane (expedite issues)
- CAPA

Claims & Penalties

- Claims & Penalties
- OS&D
- AR/Claims
- Claims Write-Off
- Mis-picks
- Lumper Fees
- OTIF Penalties
- Chargebacks

Production Alignment

- Production Alignment
- Planning Capacity
- Brand Partnerships

Administrative

- T&E Approvals
- Safety Injury Issues