



Η ΕΦΟΛΙΑΣΤΙΚΗ ΑΔΥΤΙΑ

10 ΧΡΟΝΙΑ ΜΠΡΟΣΤΑ

2024

Supply Chain 2020: Insights and Knowledge

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Supply Chain & Operations South Cluster C.S.E



Building a better
working world

EY at a glance

EY Global: \$27,4B revenue | 150 countries | 190,000 professionals

Advisory

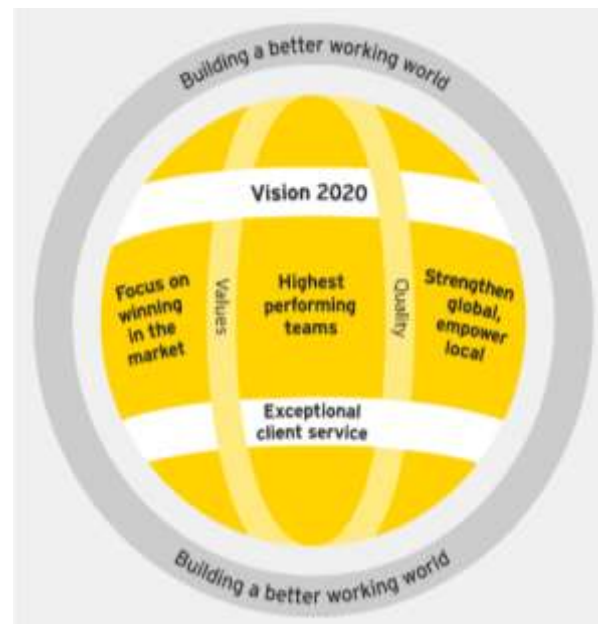
Assurance

Tax

Transaction



* EMEA – Europe, Middle East, India and Africa.



Our people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential. Globally, we operate under common professional, ethical and independence standards.

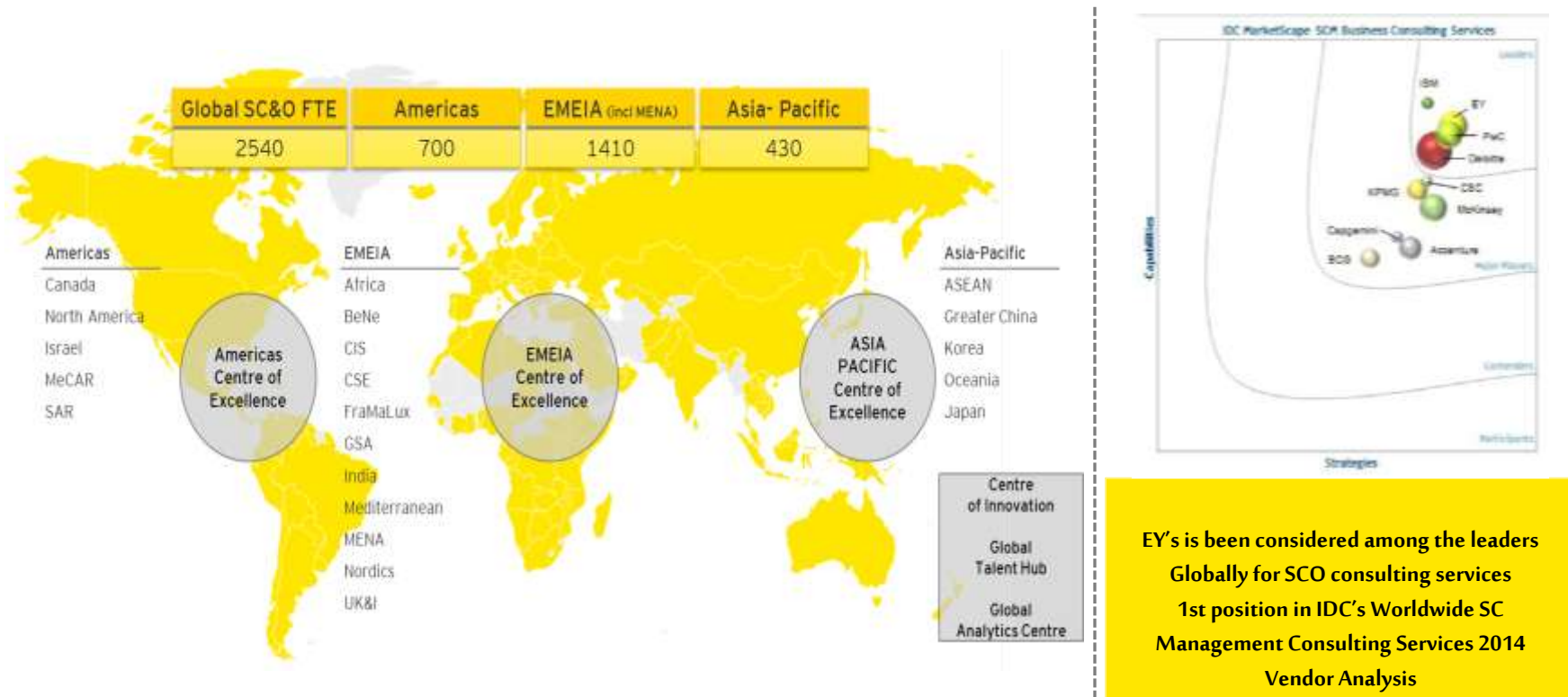
Our offices use the same methodology and are linked through an integrated technology platform to enable instantaneous communication and collaboration among team members, regardless of location.

One and counting – in 7 years we have grown Advisory to over \$6.5bn of revenue and over 32,000 staff



EY Supply Chain & Operations Global Practice

1st position in IDC's Worldwide SCM Consulting Services 2014



Supply Chain Strategy, Operating Model and Structure

Integrated Business Planning

Product Lifecycle
Management

Procurement

Manufacturing

Logistics &
Transportation

Operations & Services

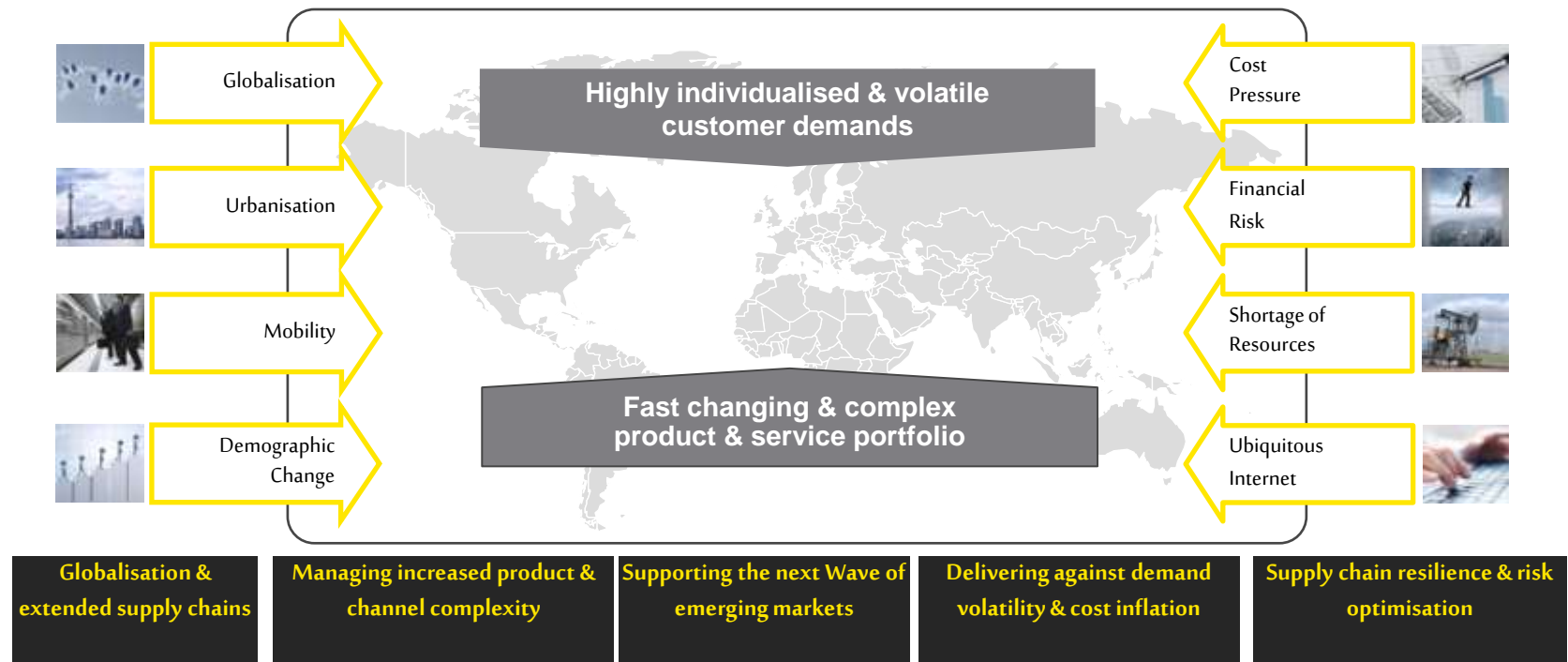
Underpinned by Supply Chain Systems and Analytics

EY's SC&O excellence hub, which supports all South European countries, is based in Athens



- ▶ EY SCO team that is based in Athens has a proven track record of successfully designing and implementing supply chain operating models, focusing on Consumer Product, Retail, Transport & Logistics sectors.
- ▶ We provide end-to-end supply chain solutions, utilizing our regional expertise and leveraging on our global network of SC&O professionals.

Strategic Trends are driving the next wave of S.C evolution; creating different challenges and opportunities to industry sectors and services



EY's Three Distinctive Value Chains



Supply Chain Megatrends 2020

Supply Chain 2020

Improved efficiencies

- ▶ Best managed supply chains
- ▶ Collaboration and multi-partner information sharing
- ▶ Manufacturers influence in-store processes

Increased complexity and flexibility

- ▶ More agile supply chains
- ▶ Security compliance
- ▶ Retailers' vertical supply chain integration

Macro challenges lie ahead

- ▶ Green thinking
- ▶ Oil price volatility
- ▶ Counterfeiting and cargo theft
- ▶ Global sourcing issues

Customer focus

- ▶ Demand planning
- ▶ 24/7 availability

A multi-channel world

- ▶ Various distribution channels
- ▶ Complexity through infinite number of small stores
- ▶ Convenience stores

Insights and Knowledge



1

Best managed supply chains

- ▶ Focus less on least cost Supply Chains in favor of best managed
- ▶ More focus on O.S.A
- ▶ Total cycle time reduction to eliminate variability and reduce inventory

2

Manufacturers/Suppliers influence in-store processes

- ▶ Suppliers to increase their sphere of control down the supply chain
- ▶ Efficient replenishment process
- ▶ Improvement in on-shelf availability
- ▶ B2B Apps for merchandizing and delivery monitoring
- ▶ Additional ordering



3

Collaboration and multi-partner information sharing

- ▶ Increased collaboration across the Supply Chain (suppliers, retailers and 3PLs)
- ▶ Exchange of real-time data of store sales among S.C members
- ▶ Automatic generation of info (sensors, RFID tags, meters, actuators, GPS, video)
- ▶ Increased visibility (know incidents when they occur not when they have occurred)
- ▶ Collaborative warehouses for manufactures. Use of city hubs and other regional consolidation centers
- ▶ Collaborative transportation. Use of intermodal concept. Collaborative distribution



1

More agile supply chains

- ▶ Retailers' key challenge to decrease prices drive cost efficiencies (lower inventories, smaller more frequent deliveries)
- ▶ "Fresh and short life products" processes will be rolled out to categories with multiple weeks of cover
- ▶ As S.C become more lean factors beyond S.C members control (economies or natural disasters) require complete info visibility as they have a disproportionate impact on operations
- ▶ Shocks to integral costs (rapid wage inflation in former low-cost labor markets, spikes in commodity prices, sudden credit freezes)
- ▶ As interruptions can not be planned, reaction and execution becomes more important than planning
- ▶ More flexibility often means sorter production runs, leading to greater factory down time and more raw material waste



2

Security compliance

- ▶ Security requirements in warehousing and transport will be reinforced for the safety of people
- ▶ All goods must be tracked in compliance with regulation

3

Retailers' vertical supply chain integration

- ▶ Vertically integrated supply chains
- ▶ Increased control over product quality
- ▶ Increase their flexibility to respond to changing consumer demands



1

Green thinking

- Government's are increasingly making commitments and legislation to reduce CO2 emissions
- Companies will be pushed to develop efficient transportation operations to decrease global warming
- Water will become "the new oil" in terms of price, scarcity and S.C impact for manufacturers
- Green product design
- Resource scarcity will drive companies to circular economy

2

Oil price volatility

- Oil price will likely trend upward
- Companies will search for more energy efficient transportation and move production closer to the consumers

Macro challenges lie ahead 2/2



3

Counterfeiting
and
cargo theft

- Cargo theft and scurrilous activities will reach almost epidemic proportions due to globalized S.C
- Governments and industry will have stepped up process standards to fight counterfeit products within and across global S.Cs

4

Global
sourcing
issues

- Unreliable delivery
- Longer lead times
- Poor quality



1

Demand planning

- Plant level production planning will give way to demand planning
- More customer focused approach
- Cross functional input
- Continuous evaluation and capturing of influential factors
- Increased adaptability in demand plan
- Solutions will be in place to read real time data from POS and drive supply back across the chain

2

24/7 availability

- Retail stores to be open 24/7
- Suppliers need to operate 7 days a week to take and deliver orders



1

Various distribution channels

- e-Commerce channel grows with CAGR 48% the last 5 years (3,5 bil in '13)
- The channel will keep growing the following 3 years with CAGR 20% (6 bil in '16)
- Number of Greek e-shops has exceeded 3.500 in '13 (CAGR 40%)
- The number of online shoppers has exceeded 2,2 mil in '13 (CAGR 30%)
- 40% of offline purchases made after internet research, 20% after visiting a physical store
- Multiple delivery options: home delivery, neighborhood distribution, group buying, collect in-store or collect at a post office, collect at a drive through point will be firmly established



2

Complexity through infinite number of small stores

- In the rapid growth markets, a significant share of revenue will come through Mom & Pop stores and other small independent shops
- With an increased focus on this regions and delivery to smaller cities the number of stores and distributors will rise tremendously

3

Convenience stores

- Major grocery operators will continue to invest in small formats
- Many global retailers are operating their own convenience store formats. Those who do not are planning to do so

Within the three distinctive Value Chain Categories there are challenges impacting operations

Value Chains	Challenges Impacting Operations	EY Issue Based Solutions
Product-Centric Operations 	<ul style="list-style-type: none"> • Need for growth • Shifting channels (Omni channel) • Increasing complexity • Cost containment and margin improvement 	<ul style="list-style-type: none"> • Integrated SC operating model • SC segmentation & synchronisation • SC network & flow optimisation • Agile innovation & complexity reduction • Procurement commercial excellence • Power Manufacturing • Route to market optimisation • SC Risk & Resilience
Asset Intensive Operations 	<ul style="list-style-type: none"> • Regulatory pressures • Cost escalation • CAPEX management • Competition from new sources 	<ul style="list-style-type: none"> • Digital oilfield • Operations transformation • Smart Grid, Smart Meters • Capital optimisation • Assets & material management
Government & Services Operations 	<ul style="list-style-type: none"> • New regulatory requirements • Need for profitable growth / cost reduction • New delivery models & increased service levels 	<ul style="list-style-type: none"> • Lean operations transformation • Service delivery transformation • Commercial excellence • Outsourcing advisory & complex transactions

EY SC&O Ecosystem Development at South East Cluster

Partnerships with associations in focus industries and competencies

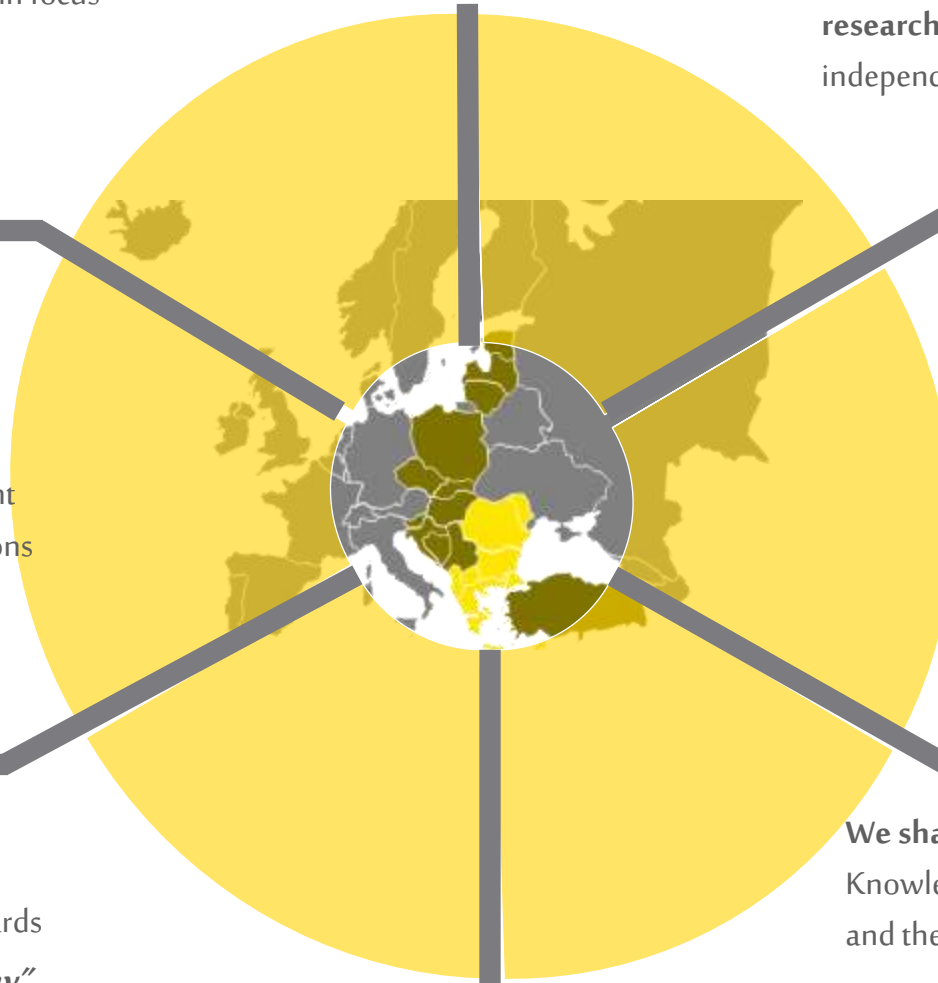
Partnerships with SCM research groups at universities and with independent research associations.

Close collaboration and advancement of expertise of leading SC technology solutions in the field of Supply Chain Management & operations software and solutions

Create Knowledge through industry reports, benchmarking studies and functional competence studies in cooperation with media, professional societies & universities

Support Greek Authorities and the Government on the way towards *“Greece as the logistics Gateway”*

We share our knowledge and other SC Knowledge sources globally, with our clients, and the wider community



Ερώτημα 7: Ποιοι από τους παρακάτω παράγοντες θεωρείτε ότι θα είναι σημαντικοί για τα operations σας τα επόμενα χρόνια;

Δικαίωμα έως και 3 επιλογές

1. Ανάπτυξη των convenience καταστημάτων
2. Ανάπτυξη των παραδόσεων στο σπίτι
3. Ανάπτυξη του ηλεκτρονικού επιχειρείν
4. Υιοθέτηση τεχνικών/μεθοδολογιών οργανωμένου λιανεμπορίου από τα μικρά καταστήματα (buying groups, κοινό logo, απαιτήσεις trade ενεργειών)
5. Ταυτόχρονη διαχείριση μεγάλων, μεσαίων, μικρών και πολύ μικρών παραγγελιών
6. Συγκέντρωση και αξιοποίηση big sales data και συμπεριφορών καταναλωτών
7. Διαχείριση διαφορετικών εφοδιαστικών αλυσίδων μέσα στην ίδια επιχείρηση για διαφορετικά κανάλια, προϊόντα και γεωγραφίες
8. Μετάθεση των σημαντικών αποφάσεων από τοπικό σε περιφερειακό/regional ή global επίπεδο