

HFS RESEARCH FALL SUMMIT

THE SERVICES-AS-SOFTWARE ECONOMY: **DISRUPT OR BE DISRUPTED**

**Building interoperability into the DNA of
tomorrow's supply chains networks**

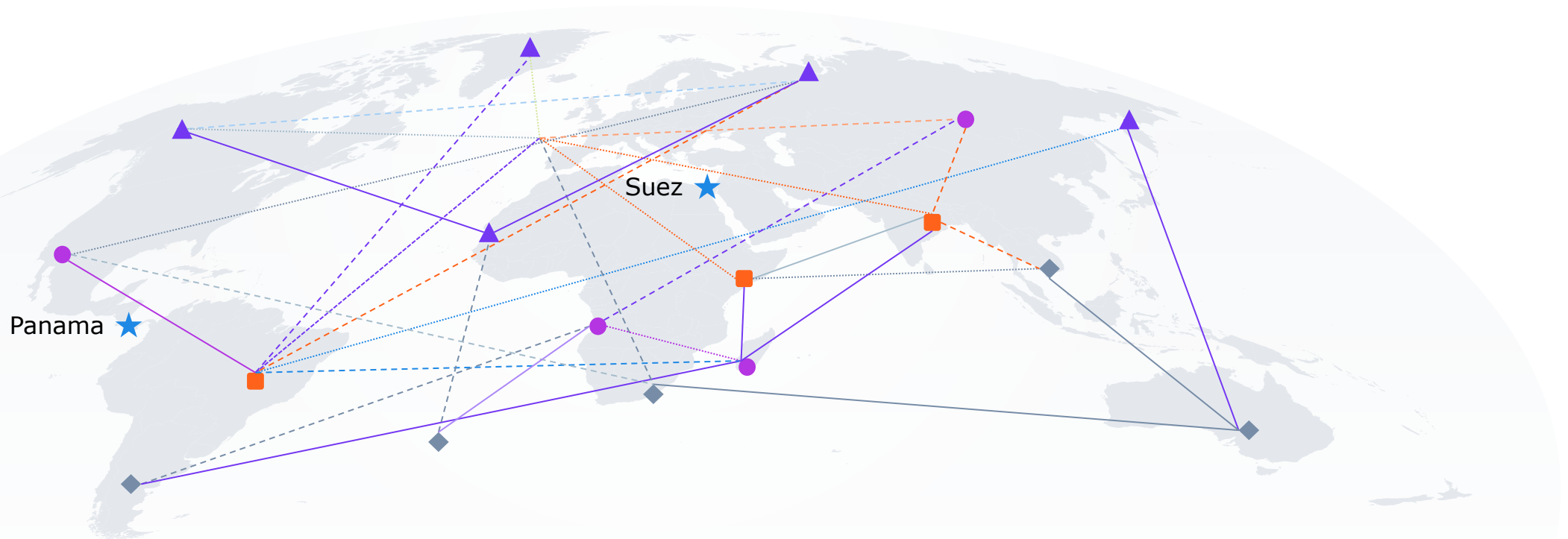
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Supply 'chain' is a misnomer – We are dealing with interwoven supply networks

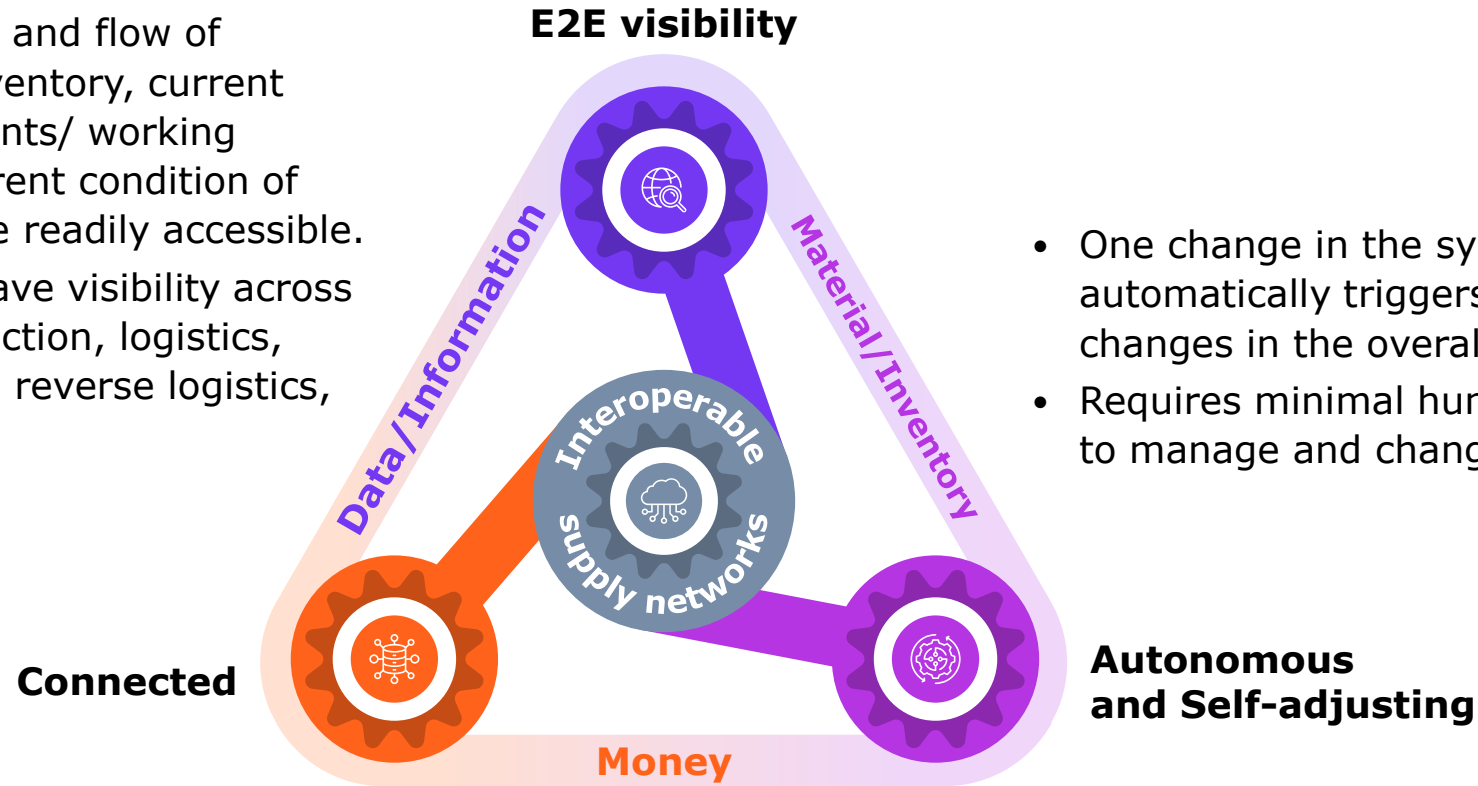
Anonymized global supply network – One of the largest beverage companies

▲ Suppliers ■ Plants ● DCs ◆ Retail



Interoperability in today's supply network context have several connotations and this is how we define it at HFS

- Current location and flow of material and inventory, current status of payments/ working capital, and current condition of assets should be readily accessible.
- The goal is to have visibility across suppliers, production, logistics, payment cycles, reverse logistics, and so forth.

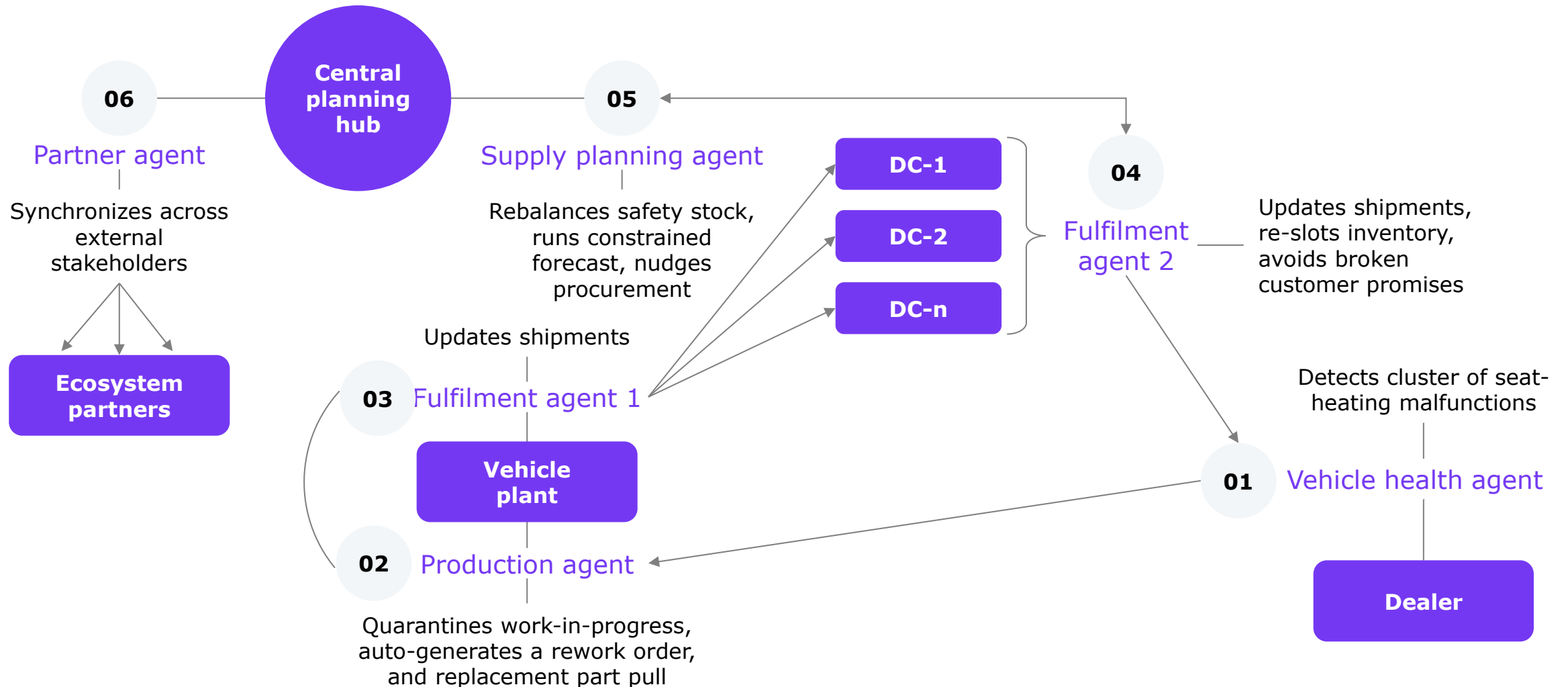


- One change in the system, automatically triggers required changes in the overall network.
- Requires minimal human effort to manage and change.

- A single source of shared data intelligence that feeds various internal departments (marketing, finance, supply chain), various ecosystem partners.
- Supply network performance optimization becomes a shared responsibility.

Agentic is making the elusive interoperability dream, a reality

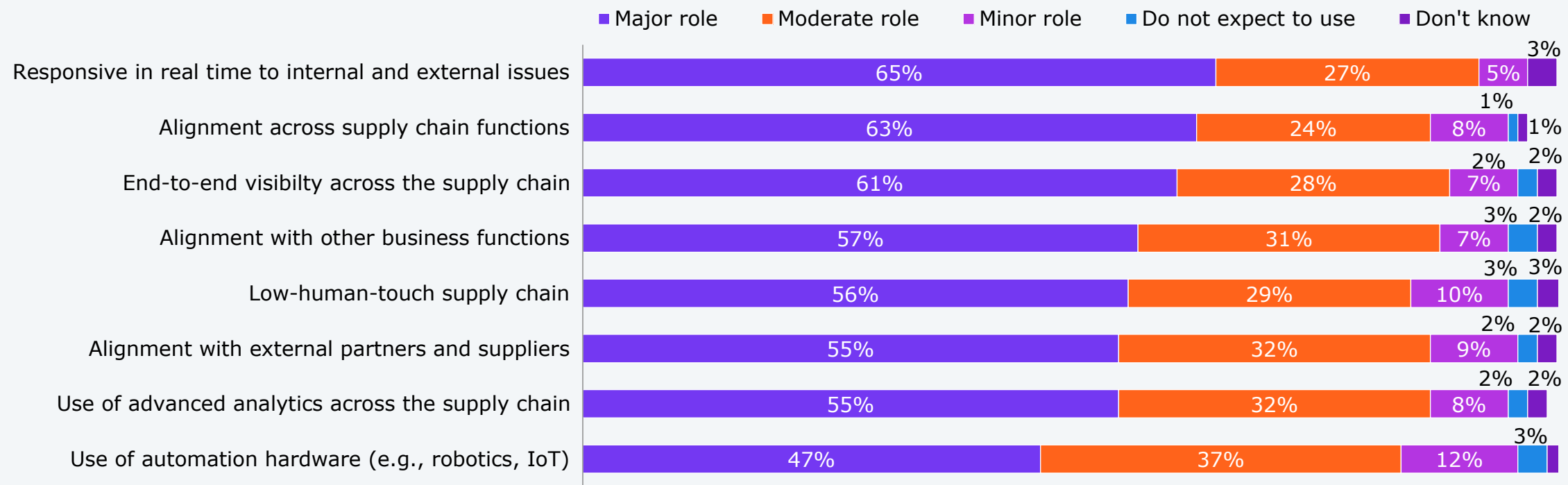
A real-world use case from an automotive major frontlines



AI maturity has reached a point where the market is bought into its potential...

AI (and GenAI) would be pivotal across building blocks of the future supply chains

Q. By 2030, what role do you expect GenAI to play in achieving the following for your supply chain?

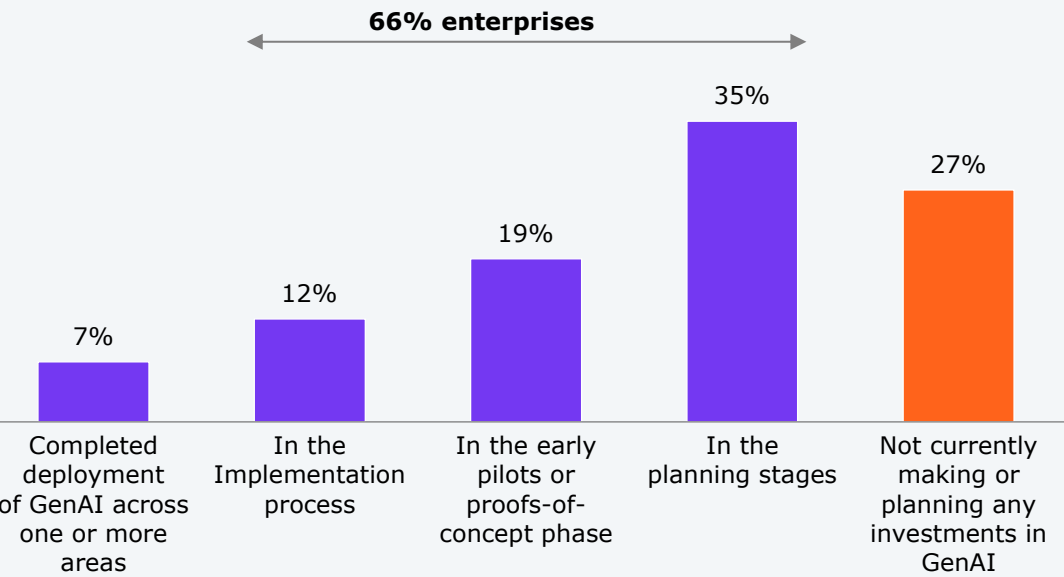


Source: HFS GenAI survey of 460 senior supply chain executives

...but most enterprises aren't ready

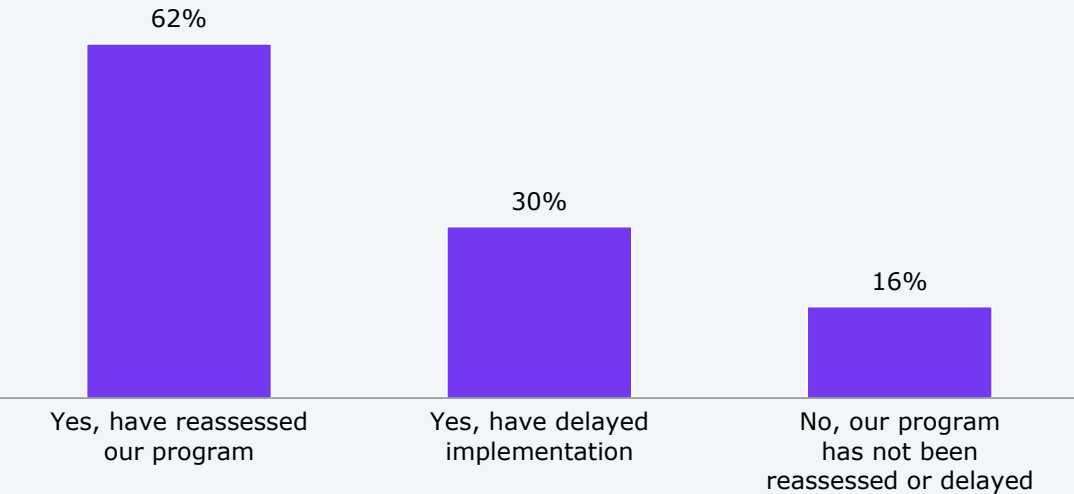
Less than 10% of all enterprises have implemented GenAI at scale within their operations

Q. Which of the following best describes the maturity of your current deployment of Gen AI into your supply chain function?



More than 80% of Enterprises have reassessed or delayed their GenAI program in the past 12 months

In the past 12 months, has your organization reassessed or delayed the supply chain's GenAI program due to risks or implementation challenges?



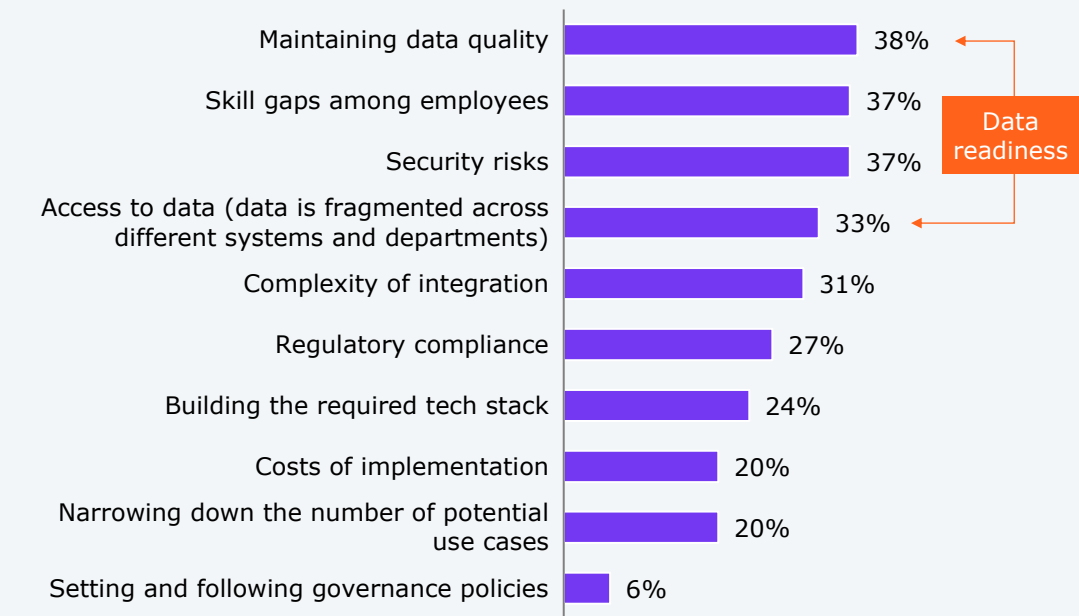
Source : HFS-EY survey of 627 senior supply chain executives

Source: HFS-EY GenAI survey of 460 senior supply chain executives

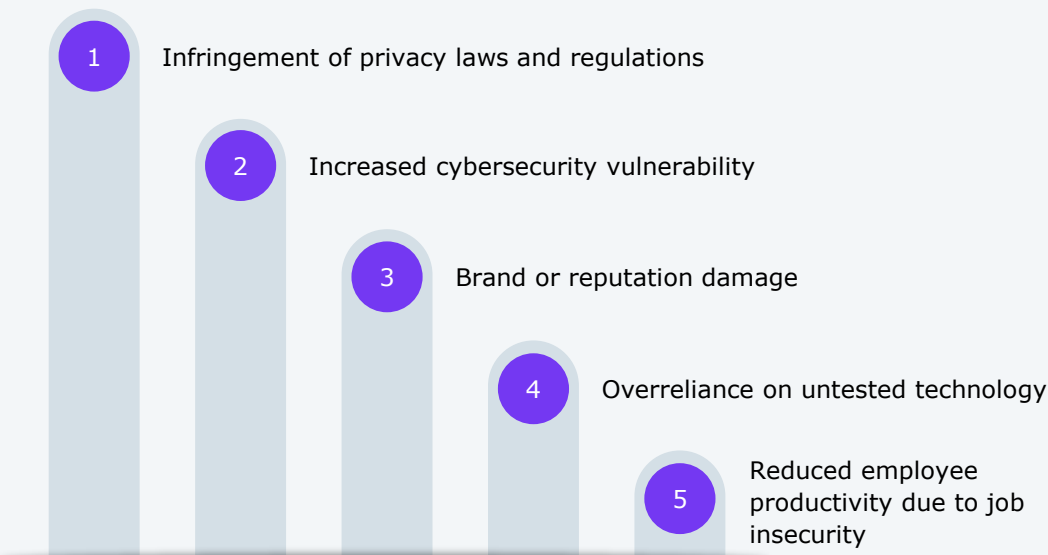
Here's AI initiatives and in-turn interoperability face a long and harsh winter

Data readiness, skill gaps, security risks, complexity of integration, and regulatory compliance are the five significant challenges

Q. Which of the following are the most significant challenges in implementing AI/GenAI in your supply chain?



Top 5 risk factors plaguing enterprises' AI/GenAI pursuits



Please note: Respondents were given an option to choose up to 3 responses.
Source: HFS GenAI survey of 460 senior supply chain executives

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What you can do to break the shackles...here are the lessons from the leaders who have made considerable progress

01 **Begin with cross-functional collaboration and move towards a collaborative ecosystem**

02 **Leverage cloud technologies for faster deployments and scalability**

03 **Develop a complementary tech ecosystem for success**

04 **Phased adoption roadmap of agentic provisioning and integration**

05 **Enforce a robust AI governance and compliance action plan**

06 **Customize KPIs for Measuring Success**



Thank you.

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