



**MODEX** 2020

GEORGIA WORLD CONGRESS CENTER  
ATLANTA | MARCH 9-12  
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## The 2020 MHI Annual Industry Report

*Embracing the Digital Mindset*

Keynote Panel Discussion



# Survey Participants

The 2020 MHI Annual Industry Report, for the sixth consecutive year, reflects the views of 1,001 manufacturing and supply chain industry leaders on supply chain innovation

DIGITAL SUPPLY CHAIN IS HERE



**20%** of supply chain leaders believe the digital supply chain is already the predominant model

**79%** are manufacturers, distributors or service providers.

IT'LL BE HERE WITHIN 5 YEARS



**80%** expect it to become predominant model within five years.

**78%** of participants are executives holding the role of CEO, Vice President, General Manager/ Department Head or Engineer

**48%** reporting annual sales in excess of \$50 million, and 17% reporting \$1 billion or more.

# Keynote Discussion Panel

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## Keynote Moderators

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- *George Prest*  
*CEO, MHI*
- *Thomas Boykin*  
*Supply Chain Specialist Leader, Deloitte*

# Keynote Discussion Panel

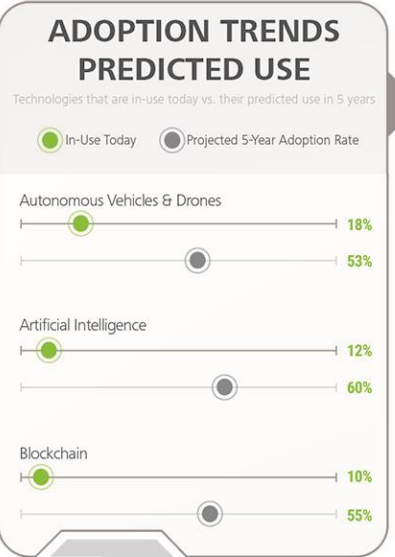
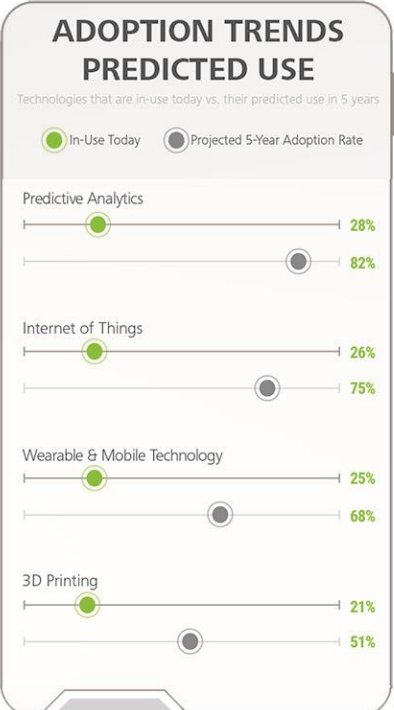
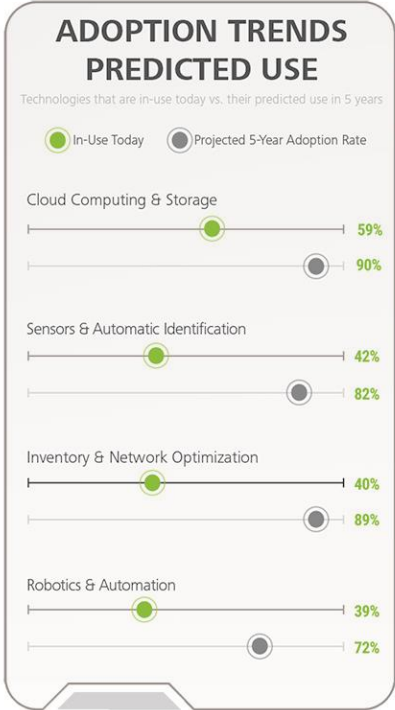
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## Panel Members

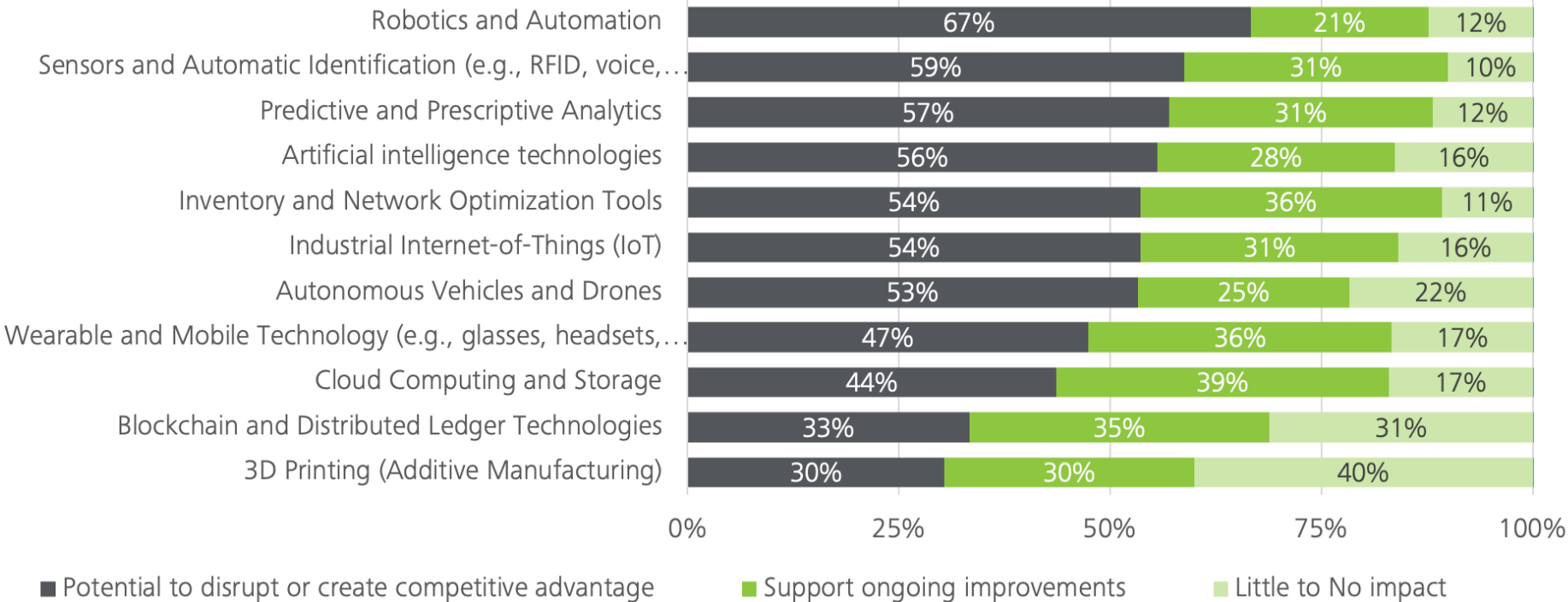
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- Arpana Brahmabhatt, US Industry Solutions, Manufacturing, Microsoft
- Gerry Collins, VP Strategy & Services, Johnson & Johnson
- Randy V. Bradley, Assistant Professor of Information Systems and Supply Chain Management, Haslam College of Business, The University of Tennessee
- Rick Faulk, CEO, Locus Robotics

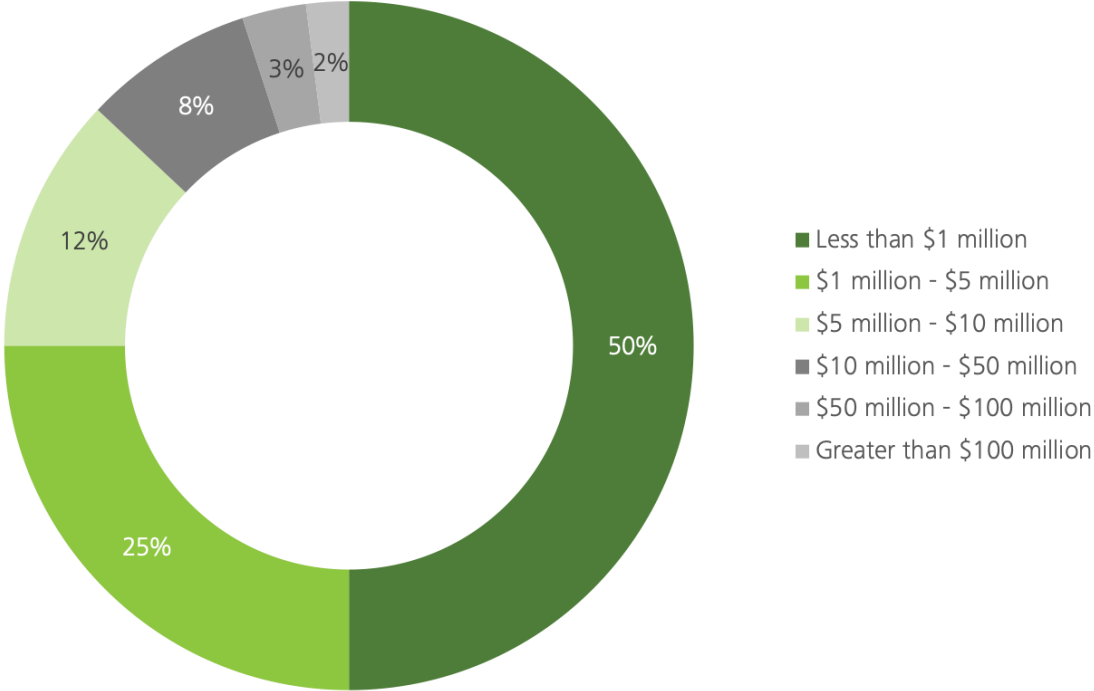
# Key Survey Highlights – Adoption



# Key Survey Highlights – Technology Impact



# Key Survey Highlights – Investments



# Key Survey Highlights - Challenges





# Key Survey Highlights – Talent Challenges

## TARGETING TALENT

Top 3 ranked challenges faced to attract targeted talent



## RETAINING TALENT

Top 3 ranked challenges faced in retaining targeted talent

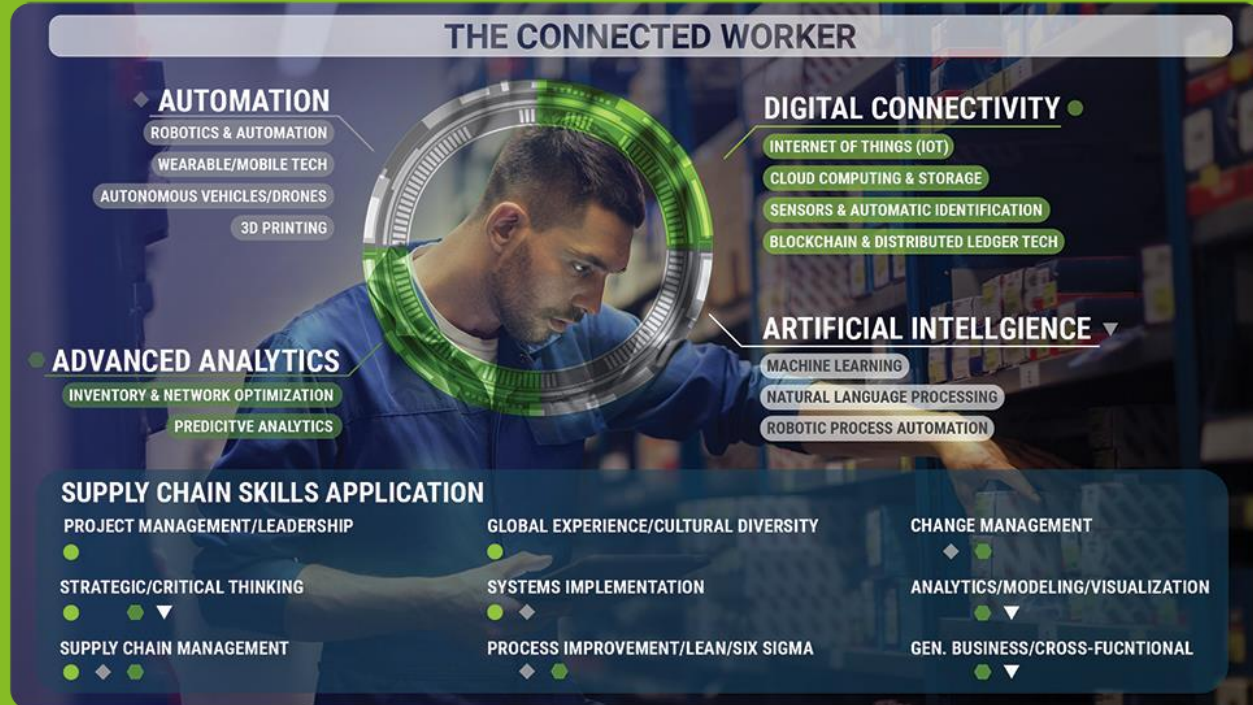


## TALENT SHORTAGE SOLUTIONS

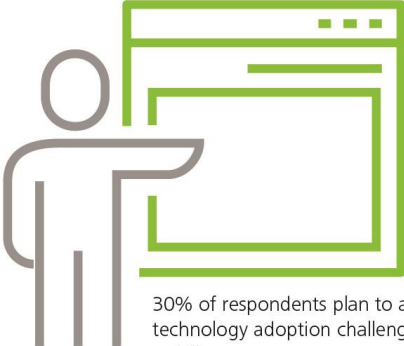
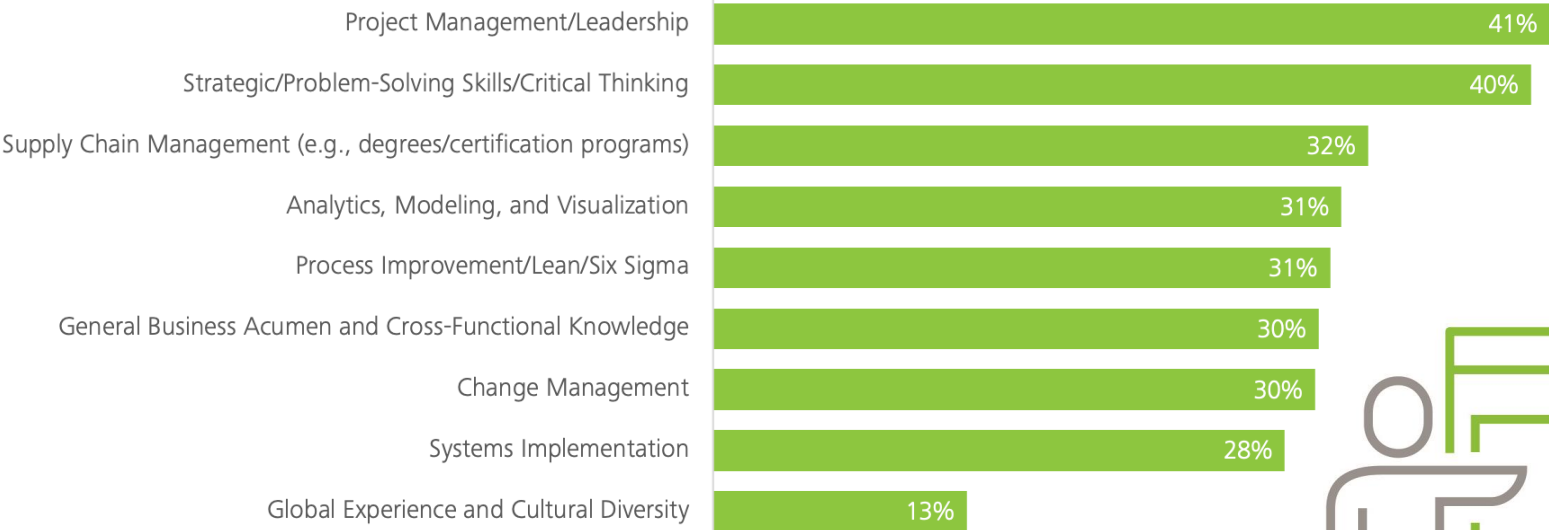
Top 3 ranked steps taken to bridge the talent gap



# CONNECTING TALENT & TECHNOLOGY

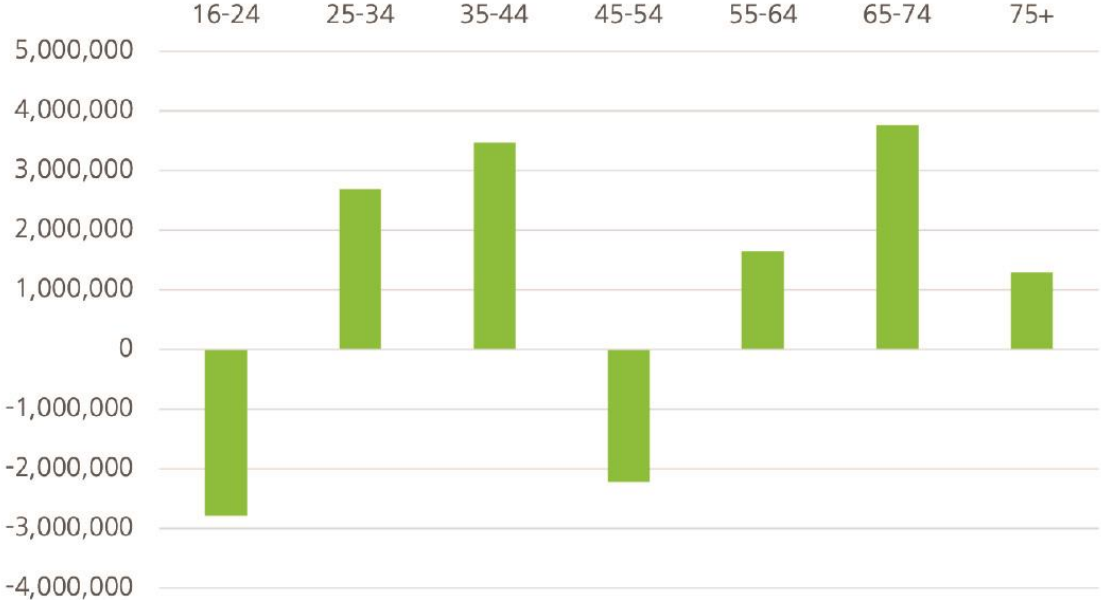


# Critical Skillsets in the Next Five Years



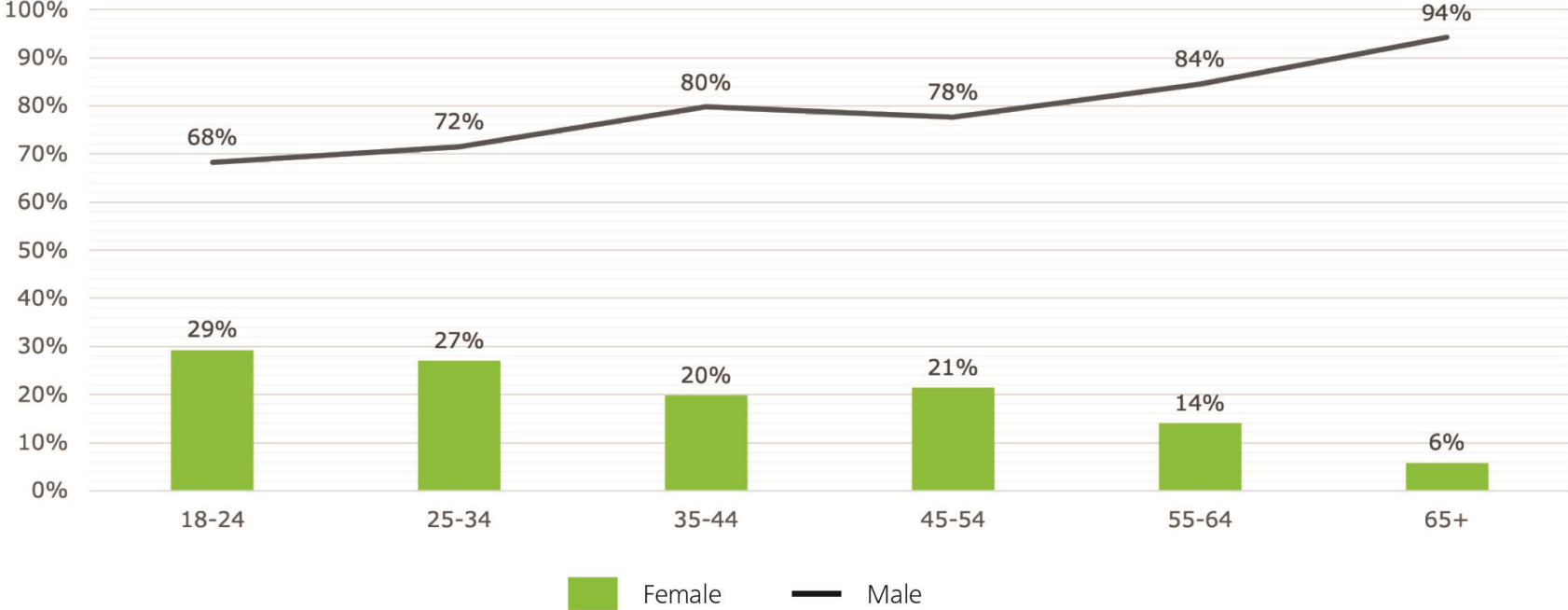
30% of respondents plan to address future technology adoption challenges through reskilling

# Bridging the Generation Gap – Change in Workforce by Age from 2014-2024



Workers age 65-74 are expected to grow by more than 5.1 million, more than any other age group

# Bridging the Generation Gap - Gender



# Bridging the Generation Gap – What Workers Value by Age Group



# Supply Chain Digital Consciousness Index Toolkit

# Supply Chain Digital Consciousness Framework

## DIGITAL CATEGORIES

**Leadership** - focused alignment

**Talent** - attracting, retaining, and growing

**Customer Engagement** - connecting with customers

**Workplace Environment** - cultural embrace of technology

**Innovation/Technology** - experimenting to drive digital advancement and pairing innovations with core business



**04** | Intelligent analytics to support decision making

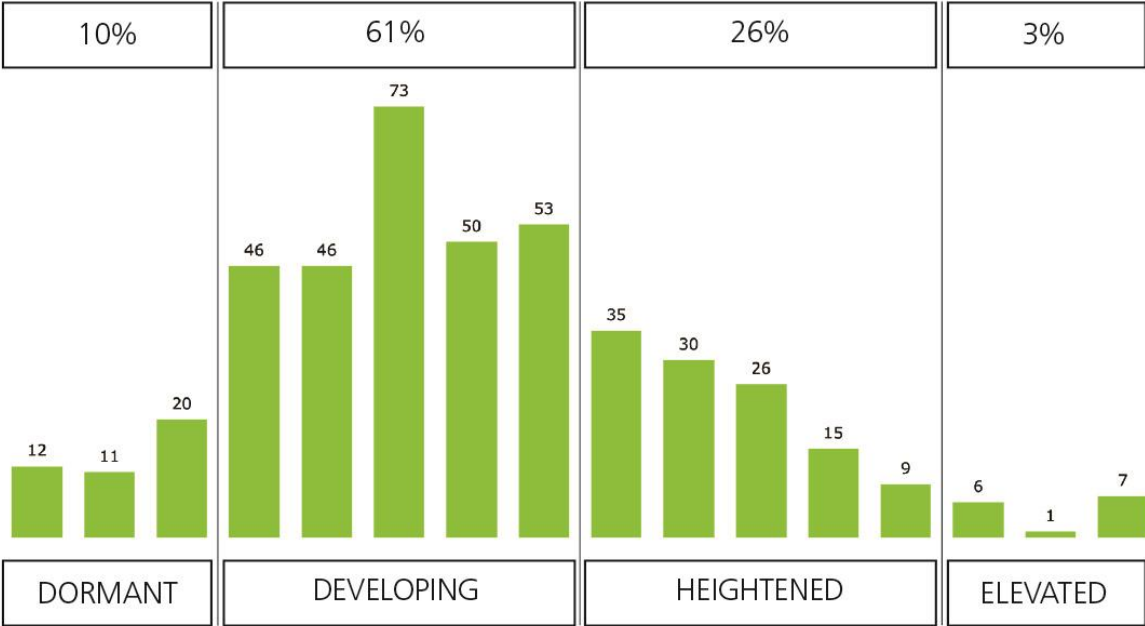
**03** | Innovation to collect/analyze digital information

**02** | Low levels of automation or connections

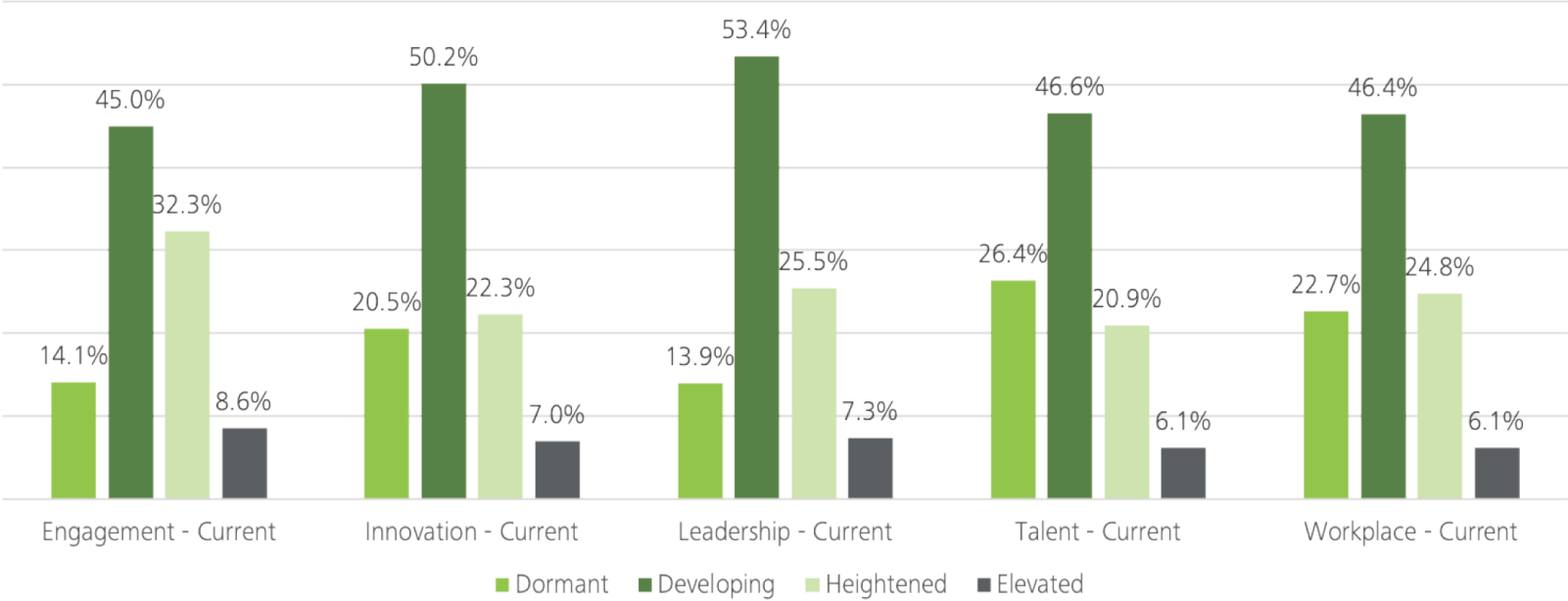
**01** | Waiting for adoption



# Summary of Supply Chain DCI - 2019



# Summary of Supply Chain DCI by Category



# Supply Chain DCI Toolkit

Complete your DCI assessment at [mhi.org/dci](http://mhi.org/dci) then utilize the toolkit to prioritize and develop your DCI plan

LEADERSHIP 	TALENT 	WORKPLACE ENVIRONMENT 	INNOVATION/TECHNOLOGY 	CUSTOMER ENGAGEMENT 
<p><b>PRIORITY</b></p>	<p><b>PRIORITY</b></p>	<p><b>PRIORITY</b></p>	<p><b>PRIORITY</b></p>	<p><b>PRIORITY</b></p>
<p><b>RAISE TO DEVELOPING</b></p> <ul style="list-style-type: none"> <li>Define the metrics to measure your leadership engagement</li> <li>Begin conversations with customers and employees around improvements and collect feedback</li> <li>Develop an emerging innovation environmental scanning program</li> <li>Discover emerging innovations and their business applications through industry events, publications, and dedicated research efforts</li> <li>Openly embrace digital transformation as means to a digital culture to collect data and seek opportunities for automation of work</li> </ul>	<p><b>RAISE TO DEVELOPING</b></p> <ul style="list-style-type: none"> <li>Leverage recruiting platforms to target digitally savvy talent</li> <li>Review and frame job roles and responsibilities to attract talent with digital capabilities                     <ul style="list-style-type: none"> <li>Transition from skills-based to talent-based hiring practices</li> </ul> </li> <li>Provide industry reference materials and communications for innovation information to employees</li> <li>Establish a dedicated budget plan for people and technology investments</li> </ul>	<p><b>RAISE TO DEVELOPING</b></p> <ul style="list-style-type: none"> <li>Collect employee feedback to better understand the needs for safer, more productive work</li> <li>Create a safe and collaborative work environment that promotes sharing of ideas and innovations</li> <li>Foster an environment for learning and development</li> </ul>	<p><b>RAISE TO DEVELOPING</b></p> <ul style="list-style-type: none"> <li>Start with small investments/quick wins to correct your operation. Prepare to accept early growing pains and scale successes quickly</li> <li>Consolidate and cleanse data across legacy systems into an organized data repository for cross-functional analytics</li> <li>Recognize if your multiple sources/versions of truth are simply representative of different perspectives</li> <li>Identify low risk opportunities for innovation with minimal operational impact</li> <li>Seek to automate processes that are routine, repeatable, and rarely go awry</li> </ul>	<p><b>RAISE TO DEVELOPING</b></p> <ul style="list-style-type: none"> <li>Begin collecting data to understand your customer's needs and pain points (e.g., customer feedback)</li> <li>Create infrastructure to build a repository of customer data</li> <li>React to customer feedback and address areas of concern to provide increase customer experience</li> </ul>
<p><b>RAISE TO HEIGHTENED</b></p> <ul style="list-style-type: none"> <li>Actively engage team for feedback and improvement ideas</li> <li>Identify/establish data sources to better understand leadership effectiveness and team sentiment</li> <li>Add individuals with expertise in digital to your governance/advisory board</li> <li>Develop a strategy of what to accomplish through innovation and build a business case for desired outcomes and goals</li> <li>Make investments in business applications and technologies to automate portions of work and leverage the data for decision inputs</li> </ul>	<p><b>RAISE TO HEIGHTENED</b></p> <ul style="list-style-type: none"> <li>Shift from training talent to developing talent</li> <li>Develop continuing education curricula and programs to keep workforce up to date</li> <li>Empower subject matter experts within your organization to develop creative solutions</li> <li>Establish alliances with strategic partners for information on important innovations</li> <li>Foster a learning environment through external research and trade shows</li> <li>Automate repetitive, mundane tasks to free up the workforce to complete more value-driven tasks</li> </ul>	<p><b>RAISE TO HEIGHTENED</b></p> <ul style="list-style-type: none"> <li>Establish group of technology champions to drive change management of technology adoption</li> <li>Establish a corporate social responsibility strategy for your operations</li> <li>Seek opportunities to establish flexible work arrangements and adoption of tools to support remote work</li> </ul>	<p><b>RAISE TO HEIGHTENED</b></p> <ul style="list-style-type: none"> <li>Invest in digital innovations with an initial focus on building out a connected platform to collect data through automation, sensors, and IoT</li> <li>Leverage data to drive proactive insights based on historical and current trends through advanced analytics</li> <li>Expand successful pilot programs through wide-spread adoption</li> <li>Look for and gravitate towards the "bright spots" from the pilot programs even if the initial results are less than ideal</li> <li>Identify business functions desperate for innovation (at risk from lack of innovation)</li> </ul>	<p><b>RAISE TO HEIGHTENED</b></p> <ul style="list-style-type: none"> <li>Develop a customer-centric culture to better understand the needs and desires for an elevated customer experience</li> <li>Begin to segment customers into data profiles based on their value triggers and preferences</li> <li>Develop advanced analytical capabilities to evaluate customer feedback and predict areas for improvement of the customer experience</li> </ul>
<p><b>RAISE TO ELEVATED</b></p> <ul style="list-style-type: none"> <li>Pilot tools and technology to collect and interpret unstructured feedback from external and internal sources of data</li> <li>Develop implementation roadmap around continuous innovation and track benefits against short-term goals</li> <li>Build a leadership team of "Digital Champions" within your organization to drive the digital culture through all levels of engagement</li> </ul>	<p><b>RAISE TO ELEVATED</b></p> <ul style="list-style-type: none"> <li>Elevate brand reputation to showcase technology innovations, talent development, and best-in-class operations</li> <li>Seek diversity in recruiting efforts and create an environment to share knowledge</li> <li>Encourage subject matter experts to share best practices/innovative ideas with internal team on a regular basis</li> <li>Encourage subject matter experts to engage in innovative practices with external stakeholders</li> <li>Improve talent safety, productivity, and satisfaction with technology and advanced analytics</li> </ul>	<p><b>RAISE TO ELEVATED</b></p> <ul style="list-style-type: none"> <li>Initiate programs that reward performance based on technology adoption and continuous learning</li> <li>Create personalized development plans based on each individual employee's desired career path</li> <li>Encourage flexible work schedules when applicable to the operations</li> </ul>	<p><b>RAISE TO ELEVATED</b></p> <ul style="list-style-type: none"> <li>Leverage connected platforms to drive insights from data through advanced analytics and artificial intelligence</li> <li>Use advanced algorithms to make decisions based on collected data</li> <li>Start to aggregate/assimilate data from sources to train/support machine learning algorithms</li> <li>Actively seek areas for innovation within your operations to gain competitive advantage with emerging technologies</li> <li>Shift focus from working faster to identifying how to work differently for value maximization of your human and technology assets</li> </ul>	<p><b>RAISE TO ELEVATED</b></p> <ul style="list-style-type: none"> <li>Collect and cleanse customer feedback through surveys, social media, and online support sites to analyze through artificial intelligence to respond to customer needs</li> <li>Leverage the data profile value triggers to provide more personalized customer service and experience</li> <li>Provide targeted recommendations and marketing campaigns through AI-driven insights into customer data</li> </ul>

# Panel Discussion



MHI ANNUAL  
INDUSTRY REPORT

EMBRACING THE  
DIGITAL MINDSET

CONNECTING DATA, TALENT AND  
TECHNOLOGY IN DIGITAL  
SUPPLY CHAINS

## Actions for Supply Chain Leaders



MATEJ KASTELIC/SHUTTERSTOCK.COM

### What Leaders Should Do

- Measure your Supply Chain Digital Consciousness Index (DCI) at [mhi.org/dci](http://mhi.org/dci) and use it to determine and prioritize gaps
- Use the Supply Chain DCI Toolkit to identify and manage priorities, develop action items and set realistic timelines for development to your desired DCI state
- Establish an innovation think tank within your organization to keep up-to-date on new technologies
- Develop a customer-experience mindset that seeks to connect with customers in order to anticipate and shape their needs
- Appoint a C-suite champion for talent and create a socially responsible brand to attract your future workforce
- Implement a reverse or dual mentoring program to pair younger, digital native talent with seasoned leadership
- Partner with regional STEM, career and technical education and university programs to develop future talent pools
- Establish a culture with the freedom to fail on the path to success

# Q&A

***Submit your questions  
at [modexshow.com/feedback](https://modexshow.com/feedback)***



**Download the complete report and  
complete your DCI assessment at  
[MHI.org/DCI](https://MHI.org/DCI)**