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# Digital Transformation Implications for the Supply Chain

IDC defines digital transformation (DX) as the use of 3rd Platform technologies — big data, analytics, social, and mobile — to create value and competitive advantage through new offerings, new business models, and new relationships.

## Digital Transformation Maturity in the Supply Chain

27%



**7%** Digital Resister Business is a laggard,

providing a weak customer experience and using digital technology to counter threats.



Digital Player Business provides consistent but not truly innovative products, services, and experiences.

\* Numbers do not add up to 100 due to rounding.

34%

Digital Transformer Business is a leader in its markets, providing world-class digital products, services, and experiences.



Digital Disruptor Business remakes existing markets and creates new ones to its own advantage and is a fast-moving target for competition.

Companies are moving fast to digitally transform their supply chains. The majority are well on their way along the DX maturity spectrum.





are digital players providing consistent products, services and experiences





are digital transformers, leading in markets with world-class digital products, services and experiences

#### **DX IS OCCURRING WORLDWIDE...**

Companies in Brazil rate themselves as slightly ahead of overall global average



are digital transformers or disrupters. Companies in the UK rate themselves as slightly behind the overall global average



of companies rated as digital transformers or disrupters.

#### ...AND ACROSS INDUSTRIES



Automotive/Discrete is most mature with 53% viewing themselves as either optimized or managed.



CPG is least mature with 32% viewing themselves as either optimized or managed

## **DX Progress: Today and Tomorrow**



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#### Mainstream

Big data analytics and cloud applications are used by more than 50% of companies



Wearables, 3D printing and machine learning is growing by 2X

morrow

of companies will pilot The Internet of Things (use of sensors)

#### **DRIVERS OF DX**



**48%** Need for flexible

products and services





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Companies lean on the supply chain to do things differently and enable new capabilities/business models with digital technologies.

## Challenges to DX in the Supply Chain – and Solutions

#### **CHALLENGES INHIBITING DX**



54% of companies cite lack of technology expertise
31% cite lack of bandwidth to explore possibilities
36% cite elusive business case/ROI

### **SOLUTIONS TO PREPARE FOR DX**



47% of companies are consolidating IT systems43% are moving to the cloud38% are implementing a new digital backbone

## B2B Integration is Emerging as a Key Enabler of DX



of companies are using B2B cloud networks across their supply chains today





of companies are considering an outsourced approach to managing B2B integration so that internal resources can focus on digital transformation

#### **Read the Full Report**



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