

Unpacking the Power Triangle: Cloud, Data, and AI in Supply Chain Transformation

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Richard: [00:00:00] Welcome to the Future of Supply Chain. A podcast where we discuss hot topics, best practices, and the latest innovations in today's global business. I'm Richard Howells and I'm joined by my wonderful co-host Sin.

Sin: Thank you, Richard. So, not as a buzzword. Not as one off-IT project, but as a power triangle built on three forces, cloud, data and AI. Individually, they are very powerful, but together they can fundamentally change how resilient, intelligent, and sustainable our supply chains become.

My name is Sin To and today we want to unpack this triangle, and we are thrilled to welcome our guest, Tamara Tomasevic.

Tamara, it's so great to have you on this show today and welcome to the Future of Supply Chain. So, could you please take a moment to introduce yourself and your company?

Tamara: Thank you, Sin. I'm super excited to be joining this discussion today. I'm Tamara. I am Head of Program Development at CIONET Germany [00:01:00] which is basically a network for CIOs, CDOs, CTOs all the C-level people doing digital transformation within their companies in Germany.

We're actually part of a larger network, which is called CIONET and we're basically one of the biggest international networks of digital leaders.

Sin: Sounds great. And thank you so much for the explanation. So, Tamara, before we dive into cloud, data and AI, you spent your time with digital leaders across Europe, as you just mentioned. What are the conversations you are hearing right now when it comes to digital transformation and AI in particular?

Tamara: Thank you for this question. I think there are so many of course topics that we're discussing within our network, but when I look at all the events we've been having the last maybe half year or maybe nine months back, there are two topics kind of emerging and one [00:02:00] is maybe more current than the others.

So, basically the first topic is sovereignty. This is something that we've been discussing now from different angles because of the current geopolitical situations, companies are really thinking about "Hey, do I have an exit strategy if I don't know, my cloud provider, for example, just drops down or something. And how would do we, you know, what's our opinion on this or do we need it at all? You know, an exit strategy. " And so, this is something that's super important.

The other thing is something that I would call a little bit, kind of a hot topic since, it's emerging just the last two or three months within our network. I'm trying here to find an appropriate term because also our digital leaders that I talk to don't really know how to phrase it. So, I would call it architectural transformation.

And I think what we mean by that is basically with [00:03:00] AI, data and cloud emerging as the three pillars of digital transformation. How do we build new business processes now around those three forces because how we have been doing organizations or doing business needs to change now. And so, redesigning really those business processes accordingly to those three forces is now the major topic that our digital leaders don't have yet concrete answers to.

Richard: That's a great summary and I don't think it's a one and done situation either, because you need that triangle to work over time because things will keep changing and new processes will have to be developed. So, it's a continuum of that architectural transformation and having that flexibility to be able to adapt to change at the speed of business.

I love that image of the power triangle of cloud, data and AI, [00:04:00] but for those people who are not in technology every day, how would you describe the triangle in simple terms to a not so tech savvy business leader?

Tamara: Yeah, so basically, I would just say it's three ingredients you need for a successful business strategy that's in a very, you know, simple. Um, you could also use the kitchen metaphor that's what we always do when we try to kind of describe those things where I would say these three things are flavours or spices

and probably the hottest spice is AI giving it all a special taste, something like that.

Richard: Okay, let's walk through those different corners of the triangle or legs of a three-legged stool would be another way of thinking about it. And let's start with cloud, because pretty much now if not all business systems are in the cloud. Most of personal systems that we use are also in the cloud and it's seen as a [00:05:00] strategic enabler.

So, what does it mean in the context of supply chain and the importance of cloud for supply chain practitioners?

Tamara: Richard, if I may start a little bit, like one step back. So basically, looking at cloud or the cloud strategy that our digital leaders within our networks applied the last year, it's been something, you probably all know the term lift and shift, right? So, that was the revolution. Okay, let's take our data and just put in the cloud.

And it's been, you know, digital leaders have been looking at it just like first of all, as a cost kind of saving thing. But, there's the statistics that basically over 90% of data that we have right now in our world has been produced in the last two or three years or something.

And actually when we go to the supply chain. This is definitely one of the areas where this data has been produced and the issue is the alignment, so to really align the cloud strategies of the [00:06:00] supplying companies and the user companies. But this is something really crucial.

I don't know if, I know, I lost a little bit the track of the question, but I think that in the context of supply chain the cloud structure is super needed because of this huge data volume that is just yet to be getting bigger and bigger.

Sin: Cloud can clearly enable a lot, but many organizations still struggle to turn it into outcomes. Let's say good outcomes. So, where do you see organizations going wrong when they treat cloud as an end in itself instead of as part of this triangle?

Tamara: Yeah, I think, the answer is, you know, the missing link between those three pillars or three legs as Richard named them. I think if you just look at cloud, the old school kind of way, as I just mentioned, being a cost saving tool or something, then you won't [00:07:00] leverage the whole potential,

especially when you link it to a broader AI strategy of your company and data strategy.

And we in our network use the term enterprise intelligence for that. So, we say that basically you can't bring your organization to the next level if those three things are not connected. And it's only then that you can use your whole content or that's another word for data within your company.

Richard: We've been touching on the importance of data, and earlier you talked about data sovereignty as one of the global things that are going on, and especially with AI in mind, if we haven't got accurate and timely data, then that triangle falls apart because you are leveraging bad information, which means you'll get bad results regardless of how sophisticated your AI tool is.

So, in the supply chain terms, what does a [00:08:00] weak data foundation usually look like and what should we be doing to address that?

Tamara: Something we also tend to see in our network is we use that, I don't know if that is now forbidden, but we use the joke shit in, shit out. So, that's exactly how it looks, so if the data quality is bad the results are bad, and one thing that how we address that or how the companies that are part of that I talk to a lot address that is the thing we call ownership.

In order to get better data. The concept of data ownership is spread within the whole company. So, it's not only the IT leader's responsibility, but the responsibility of all the employers within the company. And here is where it's getting difficult with the supply chain because it's even difficult to spread that kind of responsibility within your company.

You need a lot of training, you need education, you need leaders who know their managerial skills and so on. [00:09:00] But now applying that same concept to your supplier companies where you cannot really assess the quality of that training and so on. This is really difficult, but that is something that my digital leaders are telling me that they're trying to do to really spread that data ownership also to their supply chains.

Sin: Makes sense. So, if data is the bottleneck, then treating data differently is in that kind, the unlock. And if we talk about data as a product or as an asset, so in your conversations with CIONET members. What are some good practices to turn supply chain data into real strategic assets or products depends on how you call it and not just as a by-product of transactions.

Tamara: I think the key here lies in, and I'm not saying that because I'm a communication scientist, but I think the key here really lies in good communication. I have this one example from, a very big logistics company [00:10:00] where the Chief of Data and AI just fostered herself. It's also a female, which I'm very proud of, fostered an open conversation, which is basically she invited her supply leaders and also what is also important the business unit leaders. So not only IT departments, but also the kind of unit leaders of the other business areas within the company to one table. And they just sat down, had an open conversation and what they even did because they, especially in the one pillar of AI where she saw a big need of discussing, she invited an external expert.

So, that's also something you can do not only facilitate the conversation with all the stakeholders that you know, but also bringing in some external help if you know that you can't solve the problem yourself.

Richard: Let's move on a little bit and talk about AI, which is the new shiny toy it seems for executives. I think we're in a situation quite often where we start with the answer is AI. Now what's the question? [00:11:00] Because a lot of companies and executives are saying, we need to start leveraging AI where I think they're sometimes getting it the wrong way round. They need to start with what are my business challenges? What are my business problems, and then what technology can I leverage to solve that challenge? And AI might well be, and often is part of the answer along with that triangle that we were talking about of having accurate data and cloud technology.

So, what are some of the biggest misconceptions that you are seeing with AI in the supply chain context?

Tamara: I think one is that the leaders think they can. I have this one for example, CIO, who told me, 'Hey Tamara, I don't feel authentic in AI.' And I think one of the misconception is that you as a leader think you can introduce AI without understanding the technology yourself. I don't know if this is bold for myself to say that, but I would love for our leadership to get also educated [00:12:00] on the stuff. Because I think this is super important when it comes to leadership in the AI era. And so I think education for managers is something you know, that they should be working on.

And the other thing Richard, because you were saying what is also another misconception is of course that AI, but I think that's something we all know, AI is not the solution to everything, right? It's really about how we find the right starting point.

And so we discuss a lot in our network, in our CIO network. What are the real business cases? The real use cases where we can find value if we apply AI there. And this is really something that should not be done just like that. But there should be some thinking. And I think that even to approach to find the appropriate starting point, it's where you need knowledge about the technology at least how it works from a general point of view.

So, basically when it comes to global companies, I think it's really the thinking [00:13:00] of, I don't know, DHL or something, right? It's really the delivery, I think where you can find extreme optimization results if AI, data and cloud really work closely together.

And if that communication that I just mentioned gets optimized on the points where it's really needed and also the satisfaction factor where you feel that also because for example, supply chain or being in charge of supply chain topics can also be sometimes a little bit frustrating if you feel that you don't have influence on certain processes.

But I think that this is exactly where the optimization of workflows through AI, cloud and data can really bring help a lot. Maybe employer satisfaction and delivery.

Richard: Thank you. As we've been saying, pretty much every company is playing with AI now, and a lot have done pilots, but from what we are seeing, [00:14:00] very few have scaled those pilots into a full production environment. From what you observe in the CIONET community, what distinguishes those companies who move from pilots to industrialized AI in their supply chains. What are the leaders doing right?

Tamara: It's funny because one would assume maybe it's the budget. But it's not, they're really examples of smaller enterprises that just got the thing right. And I think one thing is not a fearing AI. So it's a mindset actually thing where you just have to have tolerance for errors maybe, but also be brave enough to just try new things out.

And what else? I think it's also, the other thing is also so one is the mindset, right? And the other thing is also, education, as I already told. Those who are, also bringing that training to the leaders [00:15:00] within their companies or to the multipliers because it's not only the upper leadership who is leading the change, but really actually that's what AI is all about, right? The democratization in some way of technology skills. So, those companies who got

that who are empowering their employees to really use that technology that they are leveraging the full potential of AI actually.

Richard: So, it's not just a top down approach. Everyone can play in this game and everyone can look at how they can leverage AI in their day-to-day activities as well.

Tamara: Exactly Richard, and I think that's the beauty of that technology. And that's actually the message we need to put out. And not only to the business world by the way, but in general to the broader public that this is really something that can make a difference.

Sin: So, Tamara, what's interesting is that the companies who scale rarely do it in isolation which brings us actually to the next topic that is networks. As you [00:16:00] also mentioned at the beginning, CIONET is also, and your role is also building this network. So, and in your company, you've built the AI networks in the public sector, and now you shape programs for a large community of digital leaders at CIONET as you mentioned. So, why is network so, critical when we talk about cloud, data and AI transformations in supply chain?

Tamara: So, I think that still, although, I always, encourage leaders to be bold, I really understand that they also are doing new things here, right? And what they need is feedback. What they need is to ask somebody "Hey, how you been doing it? What's the best practice? What went wrong so that I can learn from it?" And so I think this learning part is so crucial about networks, because we are all just doing AI for the first time here, right?

There has never been such a powerful technology, yet. And, we, when we come together or when a network comes together, you [00:17:00] can just learn from each other if you are having an honest discussion. That's the kind of the requirement and that's what we try to provide at CIONET in Germany. I always call that a trusted environment.

Another interesting thing is that we have so many channels that we receive information on, but I feel like network is still this one channel where you can still receive information, really hear it better than when you just receive an e-mail or a written text message or something. Sometimes we feel very over digital, a kind of overload, but when you come to a peer to peer gathering and you really talk to people and you exchange with your peers, I think that really, helps you a lot more.

Sin: So, then the people, the real connection between people and the trust will be the next, I, would say, currency for doing business.

Tamara: I would definitely encourage that thinking. And I [00:18:00] think, yeah, you just right to say that and I think if more people get that not only more people will come to events, but they will really understand the value of exchange.

Richard: I want to expand that discussion about people because we've been talking about technology, we've been talking about cloud, data and AI as of that technology or digitization triangle, but I think people sit right in the middle of that triangle.

Tamara: Exactly.

Richard: Because we still can't run our businesses without people. Technology can help empower people. They can automate some tasks that are mundane and repetitive and raise the skill sets that are required for the people within the organization. So, what kind of skills and cultural shifts do you believe supply chain organizations need to truly benefit from this triangle of cloud, data and AI?

Tamara: So, I think first of all, the willingness for lifelong learning. I think this is both super exciting but also [00:19:00] super exhausting but I think it's really crucial, that's like the first ever skill, like the willingness to lifelong learning, the willingness to be always flexible, the willingness to accept that you're never done, that the amount of data, the amount of complexity is rising that you're dealing and you're mastering more and more complexity.

And I think the willingness to accept those new circumstances of work, I think and at the same times stay relaxed about it. I think that's the superpower of the future.

Richard: So, as the world around us changes as business and processes have to change, people have to change and evolve as well to keep up with the rate of change in business.

Tamara: I love, Richard, the word evolve because I think this is really what needs to happen. We need to evolve as humans because AI, data and cloud, they augment us. I love that term of the augmentation. It says that we already have the capabilities that we need, but we have now those tools where that are just,

helping us and [00:20:00] even leveraging the potential of our capabilities even more. So, let's evolve together. Yeah.

Sin: So, as the world evolve , it's just like a a small game here. So imagine, I am a Chief Supply Chain officer now listening to this podcast, and I totally feel super overwhelmed by the cloud, data and AI story. And if I have now only 90 days to create a momentum, what are the two or three concrete steps you would recommend me to do?

Tamara: So, I think the first step would be get an all in mindset. So, first of all, transform yourself and be ready for that is going to happen because I had this picture on our last event that said AI can't lead the change. That's your job. So, this the first requirement, right? So, get into that all in mindset.

Second, schedule a town hall meeting. Really where [00:21:00] virtually where you try to reach a great amount of your employees where you can kind of transport that mindset that you self develop to your employees.

And then this third thing is get external help if needed. So, don't be afraid to ask for somebody who is maybe more authentic, as I already mentioned in AI and data and cloud, and can really help you redefine your company's strategy.

Richard: That's some great advice. We're coming to the end of the podcast and we always end with a question looking out into the future, although we've been talking about the future all the way through this podcast. But if you had to look five, 10 years into the future, and as the cloud, data and AI triangle evolves and becomes the norm. What do you see as the future of supply chain?

Tamara: That's a really interesting question. I think in some way, I don't know if this is a contradiction or something but I still, [00:22:00] as I mentioned in the beginning, I think the topic of sovereignty is getting more important. So, I'm sure that at some point, or at some levels, there's going to be more backup plans for a more and more global supply chain, for sure.

But on the other hand, I think that the supply chain will get more and more connected and the processes within the supply chain are getting more and more optimized, which will help manage the complexity that at the same time is increasing.

But I'm really looking forward to that future because I think that new opportunities will arise from that, that we can't yet foresee. And I hope that even though we will think about sovereignty in future, that we will never lose sight,

about how great it is that our world got so globalized and so interconnected. Because I think that's the only way that we can also tackle digitalization general as [00:23:00] partners and not as countries and business processes being separated from one another. That's maybe my vision.

Richard: Nice summary. Hey, Tamara, thanks for a great conversation. It's been really interesting and a lot of fun to talk to you.

Tamara: Thank you Richard and Sin. It was really great. I enjoyed it very much to dream a little bit with you.

Richard: And, hopefully everyone listening, enjoyed it as well. And thank you for listening. Please mark us as a favorite and you can get regular updates and information about future episodes. I'm sure we'll share information also in the show notes about CIONET so that you can learn more about the organization. But until next time from Tamara, Sin and I, thanks for discussing the future of supply chain.