



# GROWING TOGETHER IN THE AMERICAS

DIGITALISATION FOR INTERNATIONAL TRADE  
CHALLENGE



# Agenda


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1. Important announcements
2. Productive value chain: innovate and execute
  - 2.1 What is a productive value chain?
  - 2.2 Let's get to work – Value Chain
  - 2.3 How are value chains transforming?
  - 2.4 DIKW hierarchy and the new value chain
  - 2.5 Let's get to work – The Future Value Chain
3. Q&A



# Attention!

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1. If you have any questions, **send them through the Q&A section**. We will answer them at the end of the class.  
And any comments you want to share can be left in the chat. Remember we are reading you!
2. For more questions and contributions, post in the class **forum on the ConnectAmericas Academy**.  
 **Keep in mind that this is the space where you will be able to interact with your peers, learn from them and help them grow, just as they will help you achieve your digital transformation goals. Don't miss out!**
3. This is a learning environment - we come to learn, to make mistakes, to reflect, to change our minds, **and it's all good!**
4. If you have any problems, please contact us: [creciendojuntas@connectamericas.com](mailto:creciendojuntas@connectamericas.com)
5. Don't forget to complete the survey at the end of the class to give us your feedback.  
<https://forms.office.com/r/dujF9Vwwm1>  
We will keep this in mind for the next classes!



## Monica Betancourt

### Business Consulting

With more than 12 years of experience in design, structuring and implementation of innovative business solutions (products, services and processes) and management of automation projects, oriented to Digital Transformation.



## Katerine Schifino

### Business Consulting

As part of EY's Business Consulting practice, she actively participates in projects to redesign business models, redefine internal processes and optimise customer experience under better customer service models while fostering a culture of innovation in business operations.



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In this class we will present the evolution of businesses through their **Value Chains** and the need to include information analytics as a **core activity for decision making**.

This activity will enable value chains to leverage real-time data to optimise operations that maximise **customer experience** and **business value**.

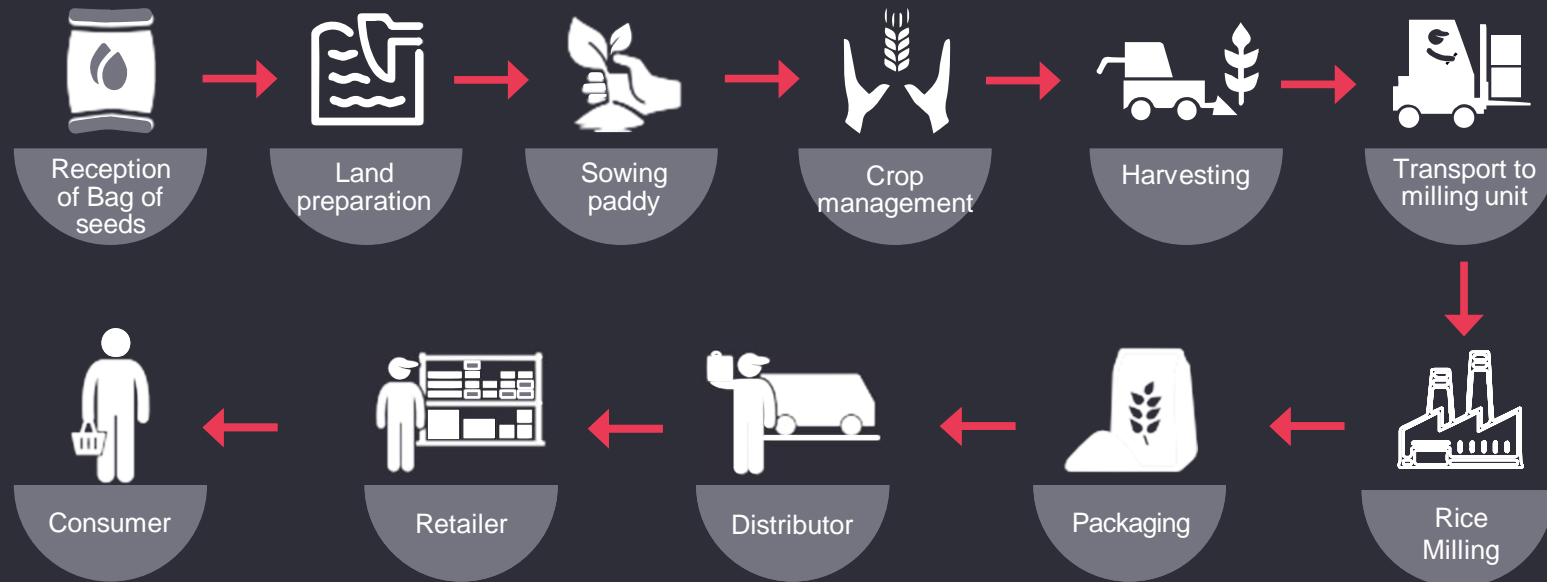
## 2.1 | What is a productive value chain?

It refers to a set of activities that are carried out systematically to add value to the final products or services offered for sale.

### With which tools?



**Value Chain Analysis, to generate a Transformation strategy.**



### How does it work?



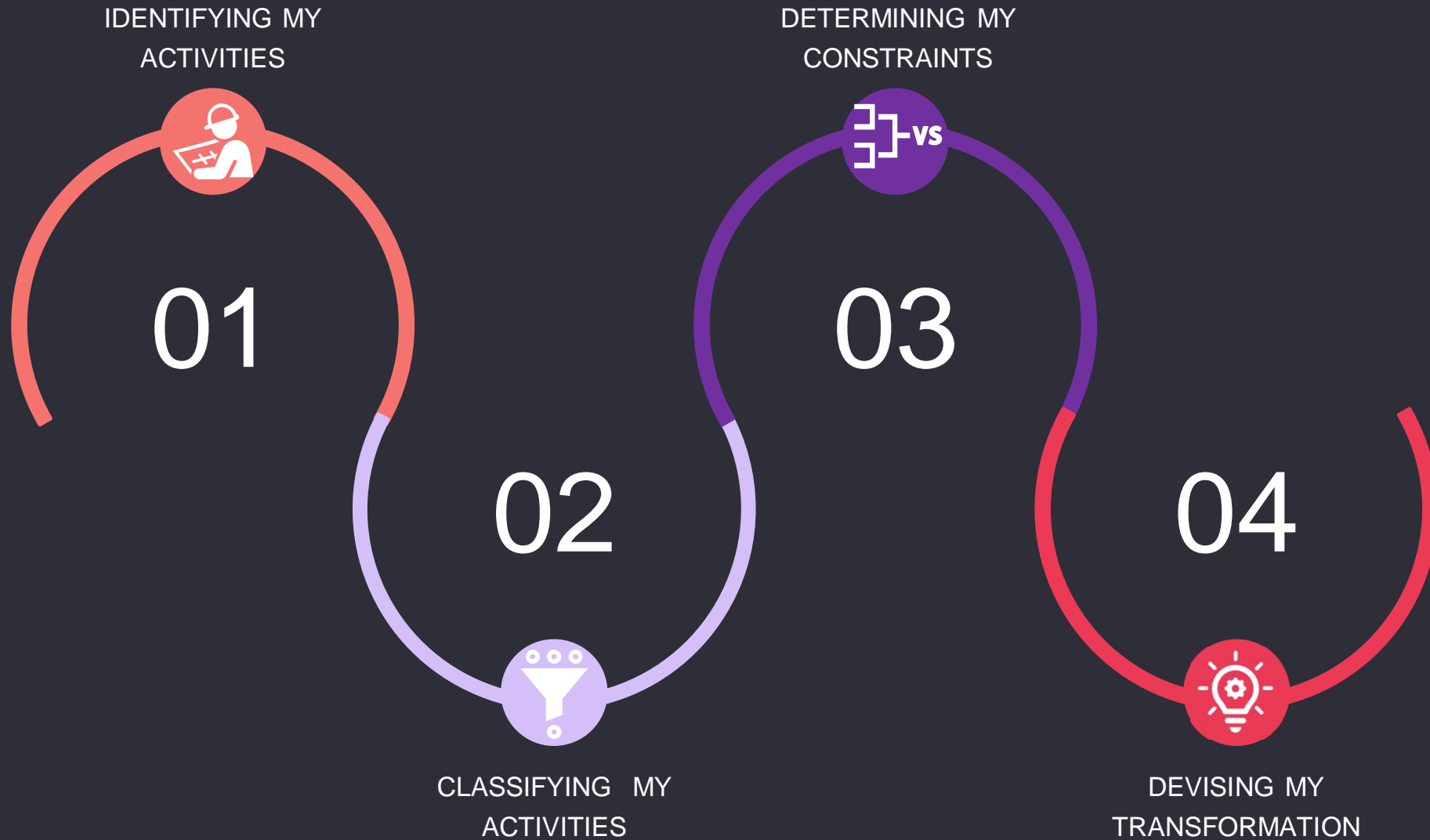
Review of all the activities necessary to obtain a product or service from its conception, through the different stages of production (involving a combination of physical transformation and the provision of various services from the supplier), delivery to end customers and final disposal after use.

### Why do it?



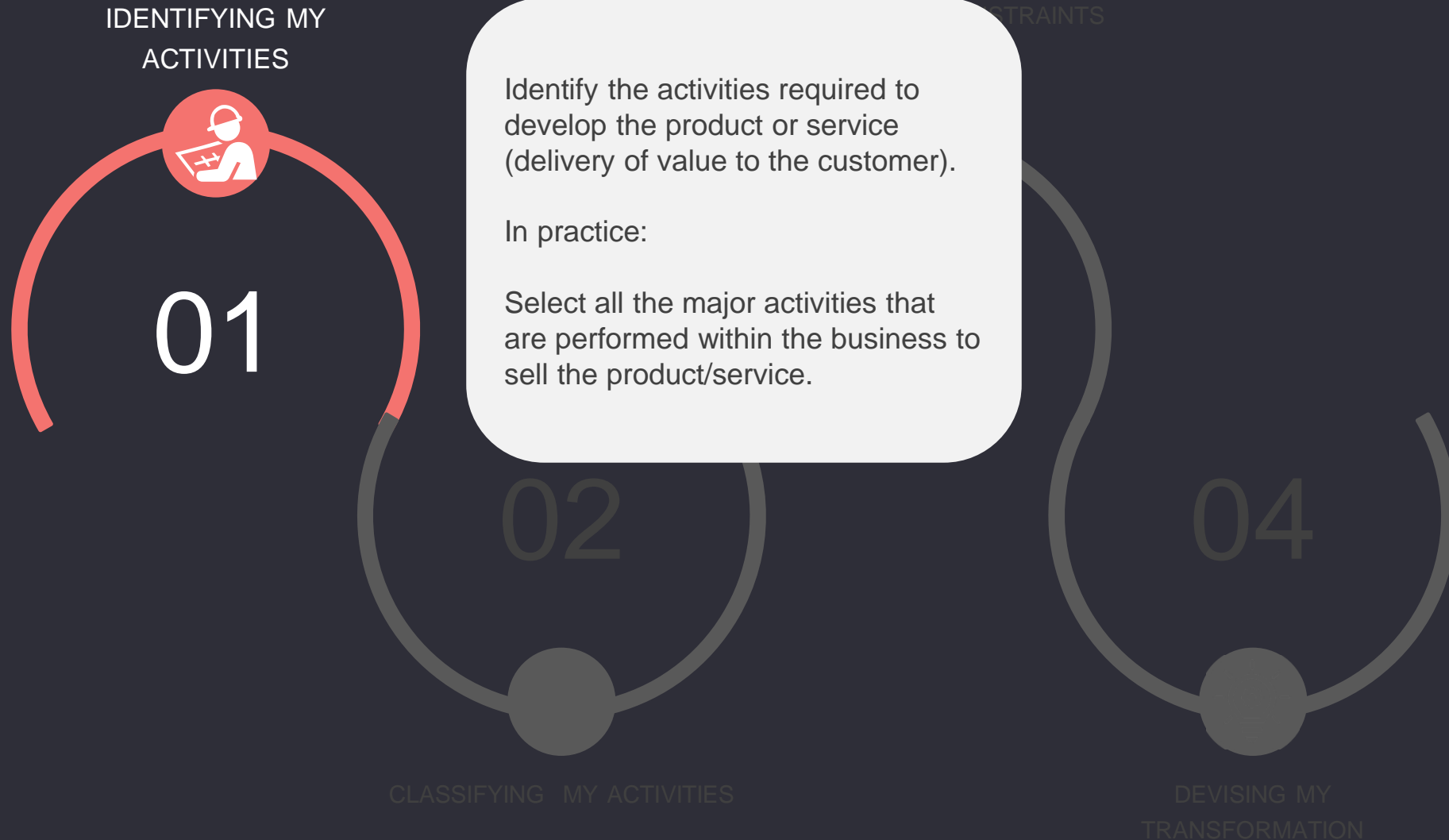
- Understand the transformation process of the product or service
- Discover the added value of each activity
- Identify the advantages and disadvantages of performing an activity
- Identify the major challenges faced by the value chain

# Ex. | Analysing our productive value chain

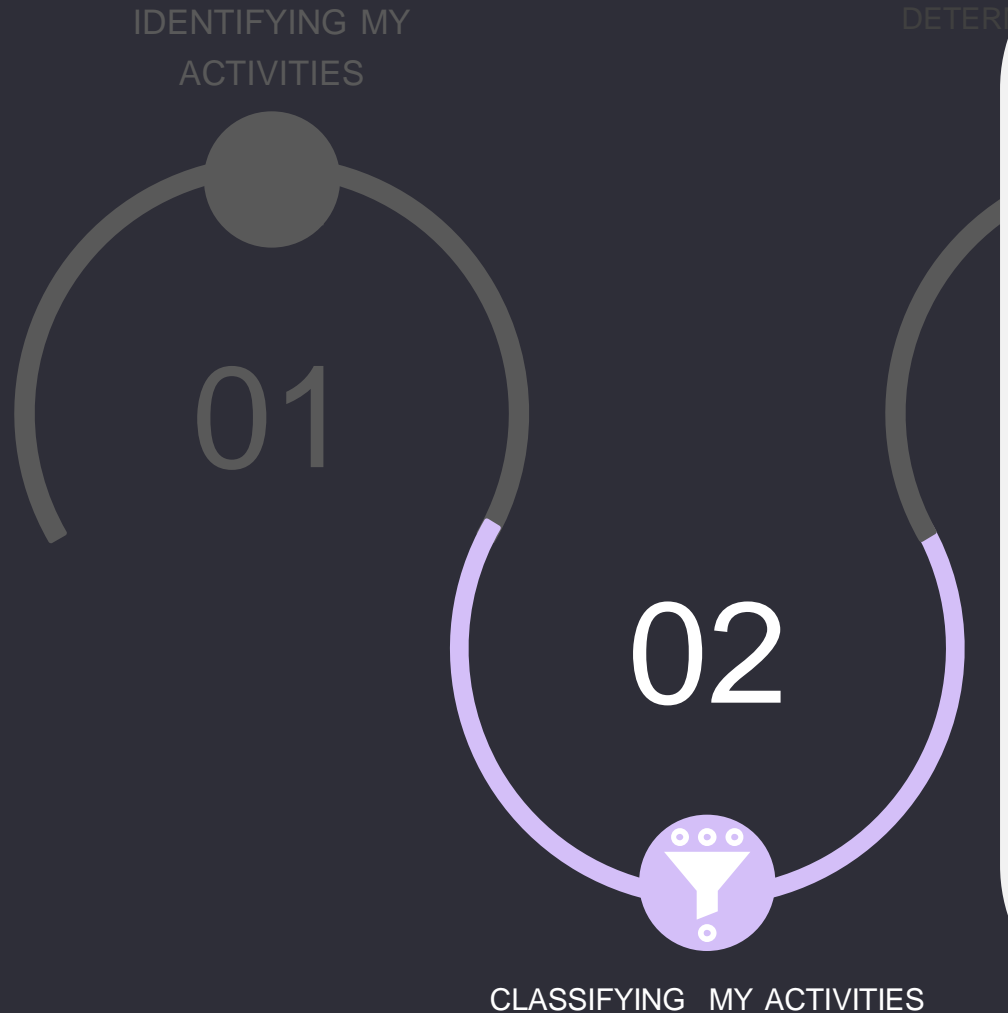




# Ex. | Analysing our productive value chain



## Ex. | Analysing our productive value chain



According to the nature of the activities, determine:

**Inbound logistics:** all activities involved with logistics within the business of one of the actors in the chain e.g. customer access, data collection, incoming material storage.

**Operations:** Activities related to the transformation of inputs into final products or services e.g. branch operations, assembly, component fabrication.

**Outbound Logistics:** all activities associated with logistics from one actor in the chain to the next, e.g. distribution of products to buyers, order processing, etc.

**Marketing and Sales:** All activities necessary to provide buyers with the means to purchase products. Marketing and sales have to be considered at each step of the transaction between chain actors.

## Ex. | Analysing our productive value chain

For each activity or group of activities determine what are the constraints or challenges that hinder or prevent the delivery of value to the customer.

In practice, there are several factors that affect the delivery of value in business. In this case the following are considered: Company's infrastructure, technological development, human resource management and procurement.

For each category, internal and marketplace challenges must be identified.

**Internal:** these are limitations of the organisation that can be solved with more resources, information, time, technology, etc.

**Marketplace:** these are restrictions imposed by customers, industry, competition, regulations, among other factors that are beyond the company's control, so it must adapt its operation to them.

DETERMINING MY  
CONSTRAINTS



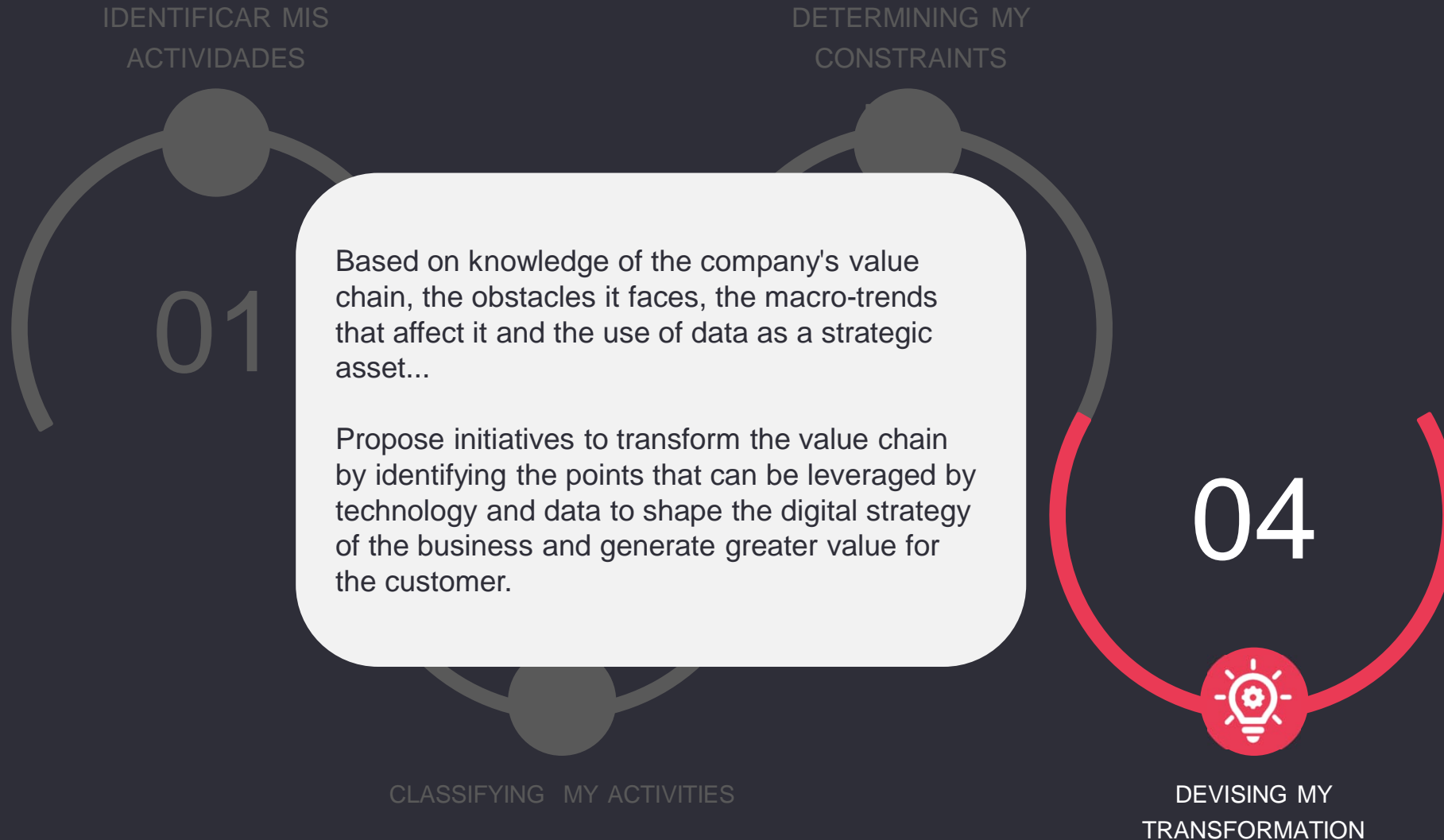
03

04

DEVISING MY  
TRANSFORMATION

ACTIVITIES

## Ex. | Analysing our productive value chain

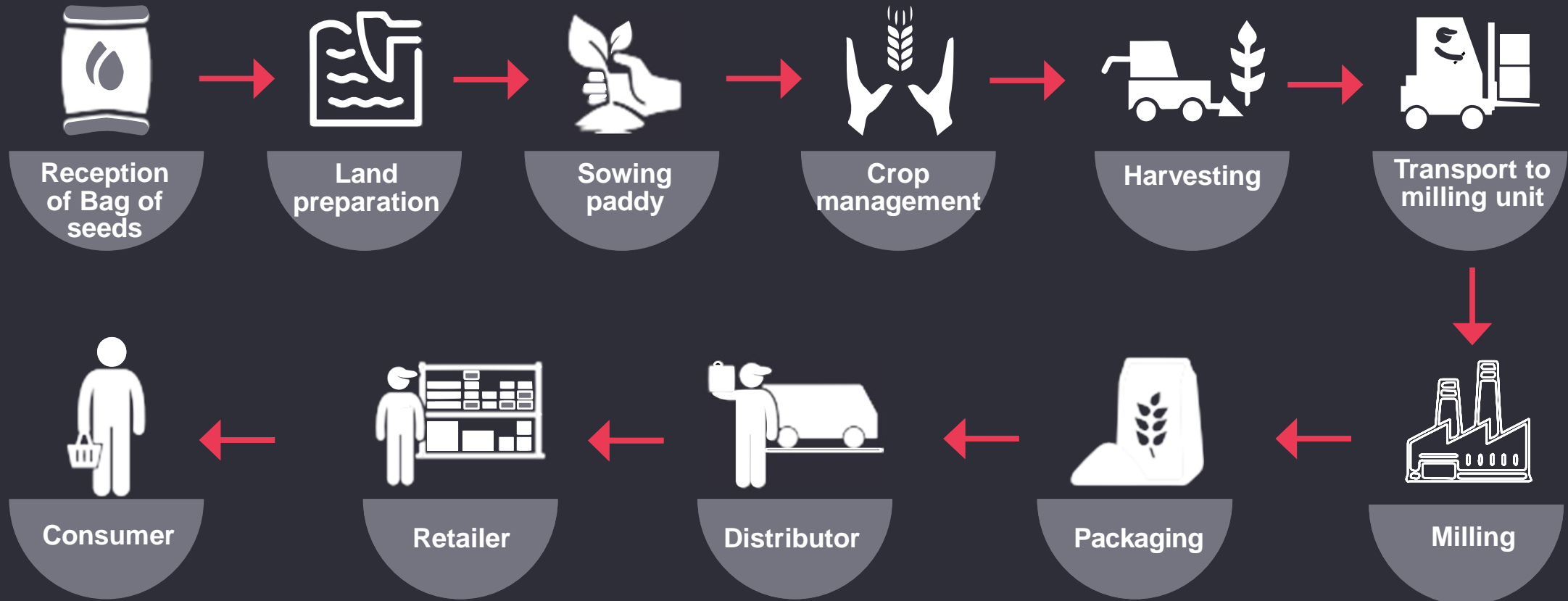


# Ex. | Analysing our productive value chain







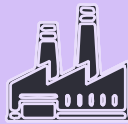



Target



Achieving the **best quality** of our Product or Service, the **highest productivity** and **value** to the customer or consumer.



Internal **Challenges** - I have 🙌  
 Market Players **Restrictions** - imposed on me 🙋

	Company's infrastructure	Technology Development	Human Resource Management	Procurement
<b>Inbound Logistics</b>  Reception of Bag of seeds  Land preparation	🙌 🙋	🙌 🙋	🙌 🙋	🙌 🙋
<b>Operations</b>  Sowing paddy  Crop management  Harvesting  Transport to milling unit  Milling  Packaging	🙌 🙋	🙌 🙋	🙌 🙋	🙌 🙋
<b>Outbound Logistics</b>  Distributor	🙌 🙋	🙌 🙋	🙌 🙋	🙌 🙋
<b>Marketing and sales</b>  Retailer	🙌 🙋	🙌 🙋	🙌 🙋	🙌 🙋

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# Let's get to work!



Download the work material which you will find on the ConnectAmericas Academy Class 2: Innovation and complete the proposed exercises

Time: 20 minutes



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**Traditionally** the focus of any organisation is to choose a strategy that allows it to generate value for its customers and stick with it.

Nowadays we see that **companies frequently change their strategy.**

## 2.3 | How are value chains transforming?

Now to begin with, let's take a look at the following case study...

*Amazon's chain management and the power of innovation*



## 2.3 | How are value chains transforming?

### Example of supply chain innovation



Amazon has one of the most advanced fulfilment networks in the world. With Amazon's product delivery service, businesses store their products in Amazon's delivery centres, and Amazon picks, packs, ships, and provides customer service. Amazon helps businesses reach more customers.

### Amazon has found many ways to innovate in its value chain...



#### Manufacturing

Amazon uses lean manufacturing to produce low-cost products at scale, both for its own products and those of third parties. It enables customers to take advantage of technologies such as virtual Dash Buttons that allow items to be reordered instantly.



Learnings from Amazon's Lean Manufacturing Method



#### Warehouses and inventories

Amazon has 175 distribution centres and 500 warehouses worldwide, mostly in large metropolitan areas. They use QR code-lined floors and robots to move packages and prepare them for delivery.



Behind the scenes of an Amazon warehouse



#### Delivery

Amazon uses multiple modes of transport for its end-to-end delivery network. Known for its two-day shipping, it has adopted drones and delivery robots to reach its customers faster.



How Amazon delivers on one-day shipping



#### Technology

Amazon SCOT (Supply Chain Optimisation Technologies) has developed AI systems that analyse data, forecast customer purchases and optimise warehouse storage.

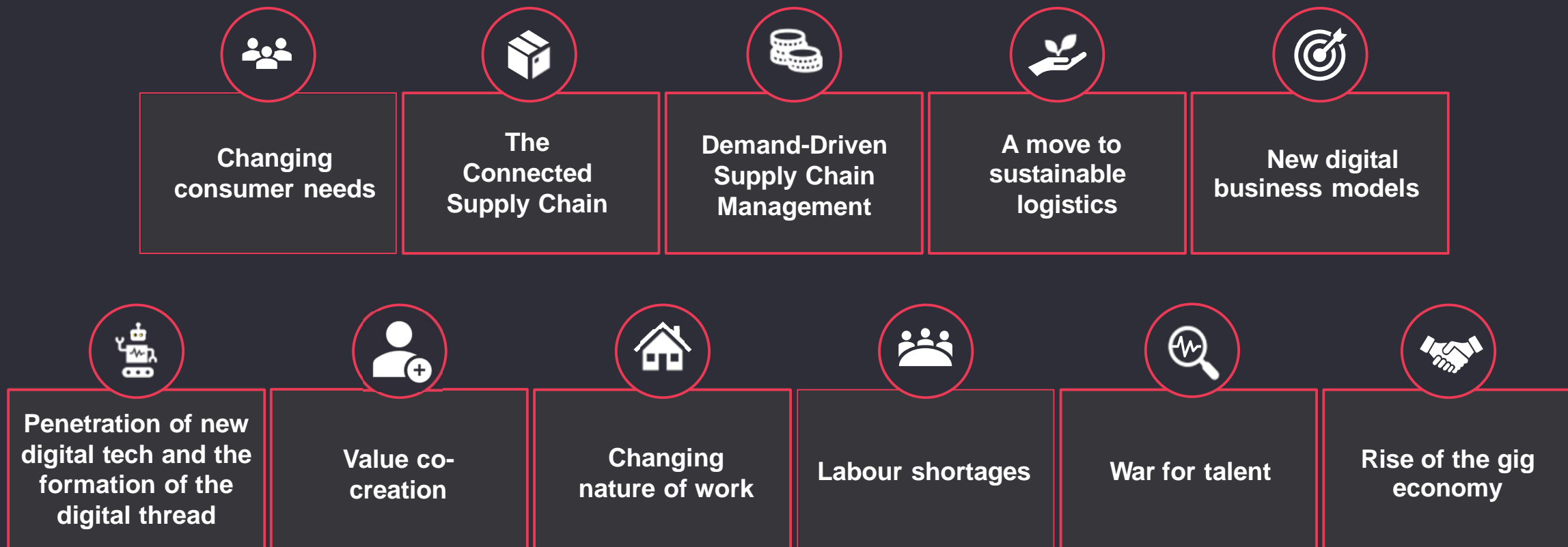


An introduction to Amazon's SCOT

The disruption caused by technological evolution is setting a series of **macro trends** that blur the lines between the physical and digital world, **blurring traditional organisational boundaries**, and thus the way value chains operate.

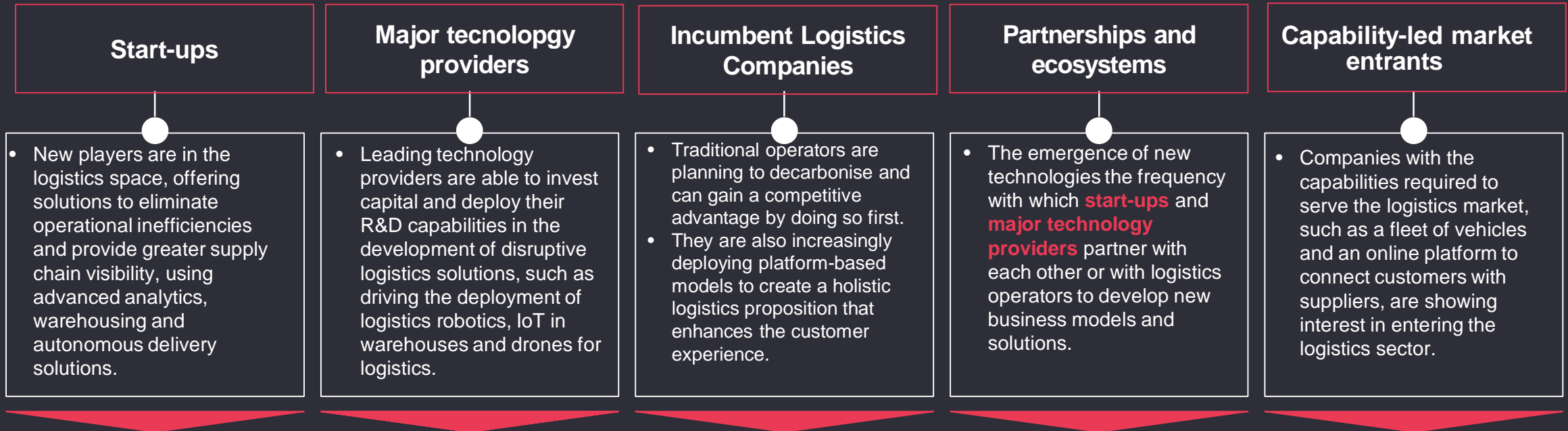
## 2.3 | How are value chains transforming?

**Which** are these macro trends?



## 2.3 | How are value chains transforming?

Changes in the way we operate (supply chain) and generate value (value chain) **will be driven by factors both internal and external to the sector.**



### Examples



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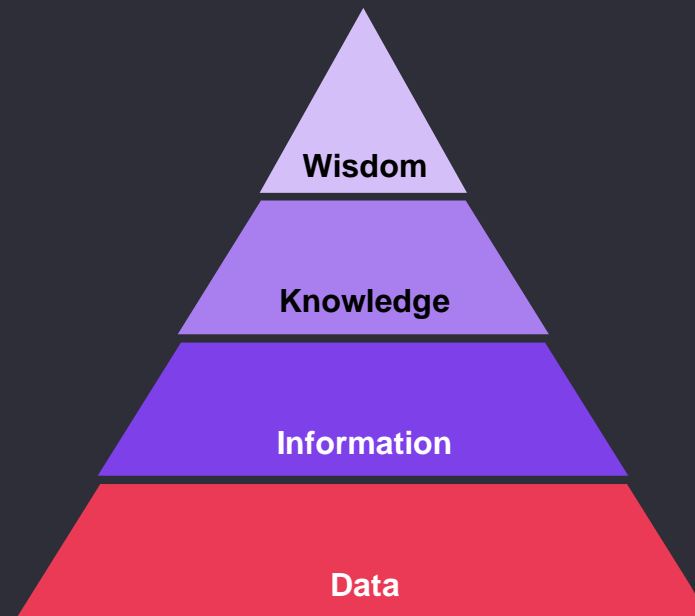
## 2.4 | DIKW hierarchy and the new value chain

**Data** and **information** are already taken for granted, which means that decision-makers need to upgrade their digital and information ecosystems to acquire **knowledge** and **wisdom** so that they can gain a competitive advantage.

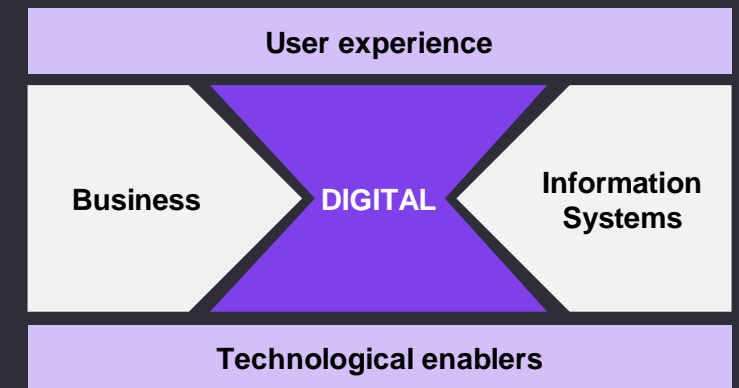
### DIKW Hierarchy

**D** ATA  
**I** NFORMATION  
**K** NOWLEDGE  
**W** ISDOM

**Iterative and optimal  
 market value**

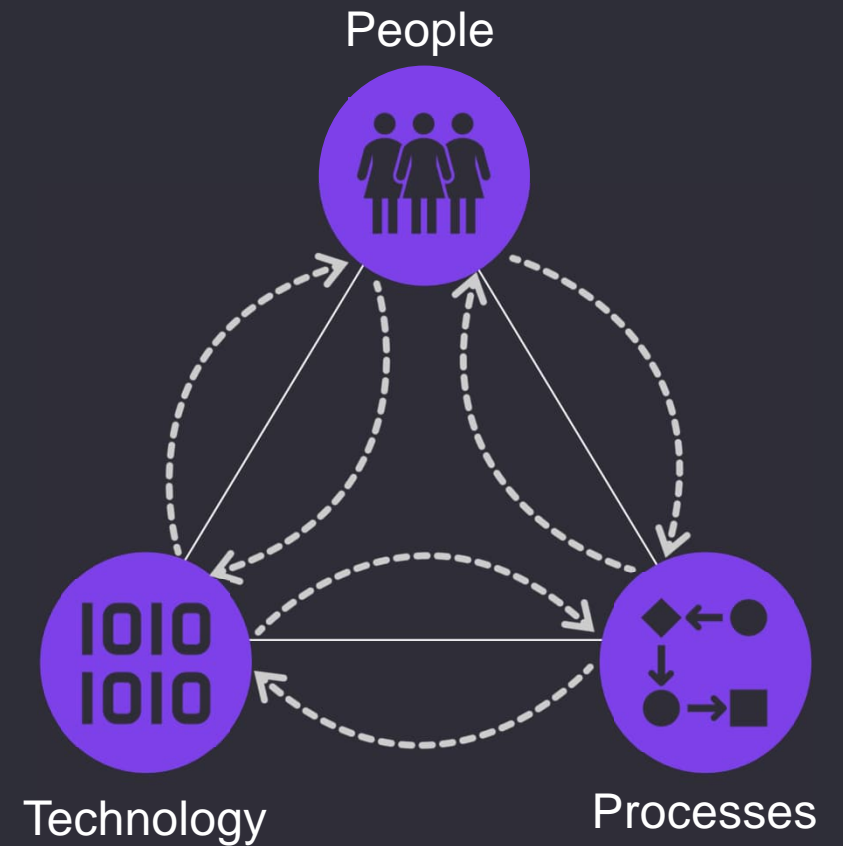
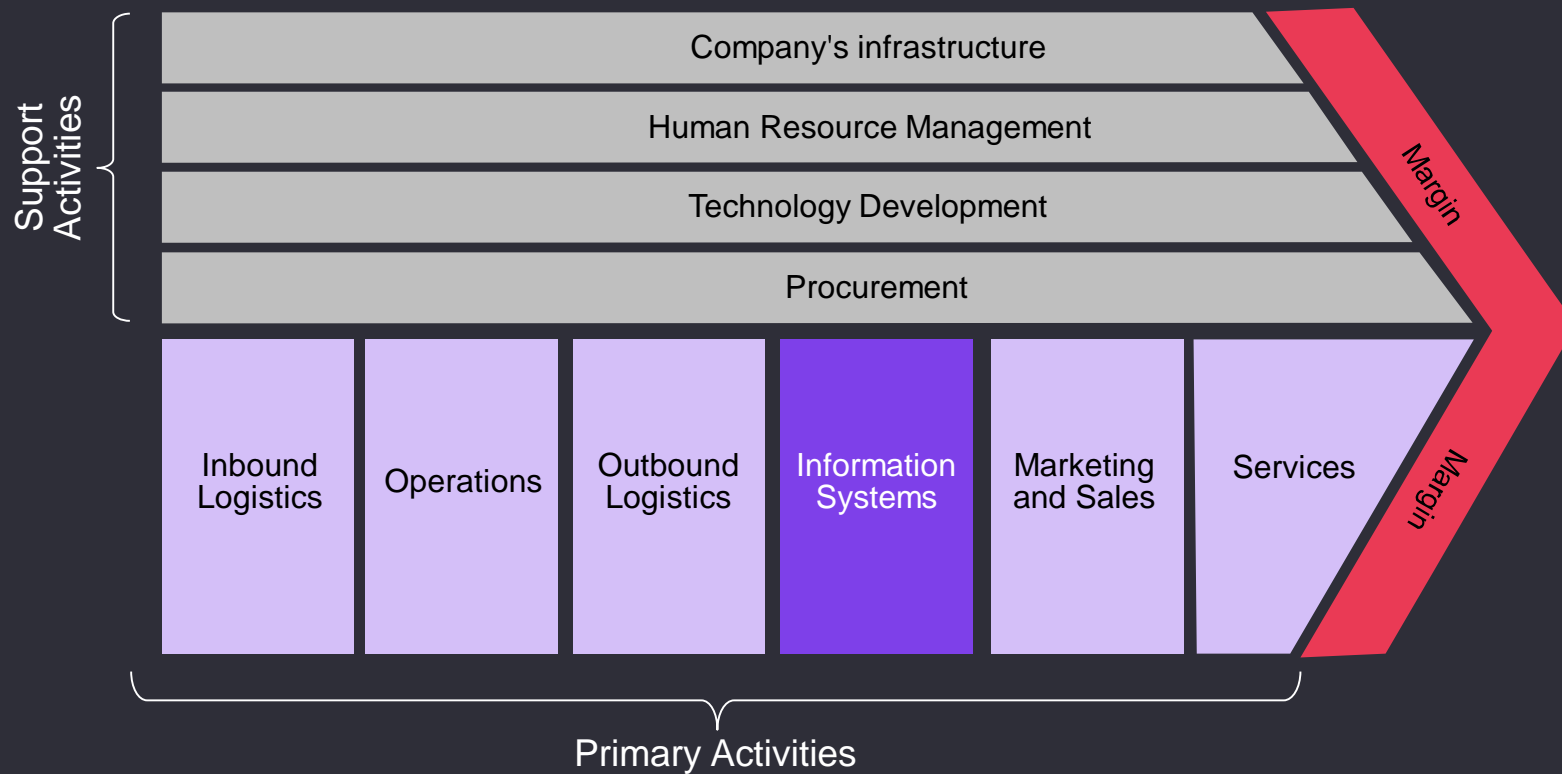


**Strategy**

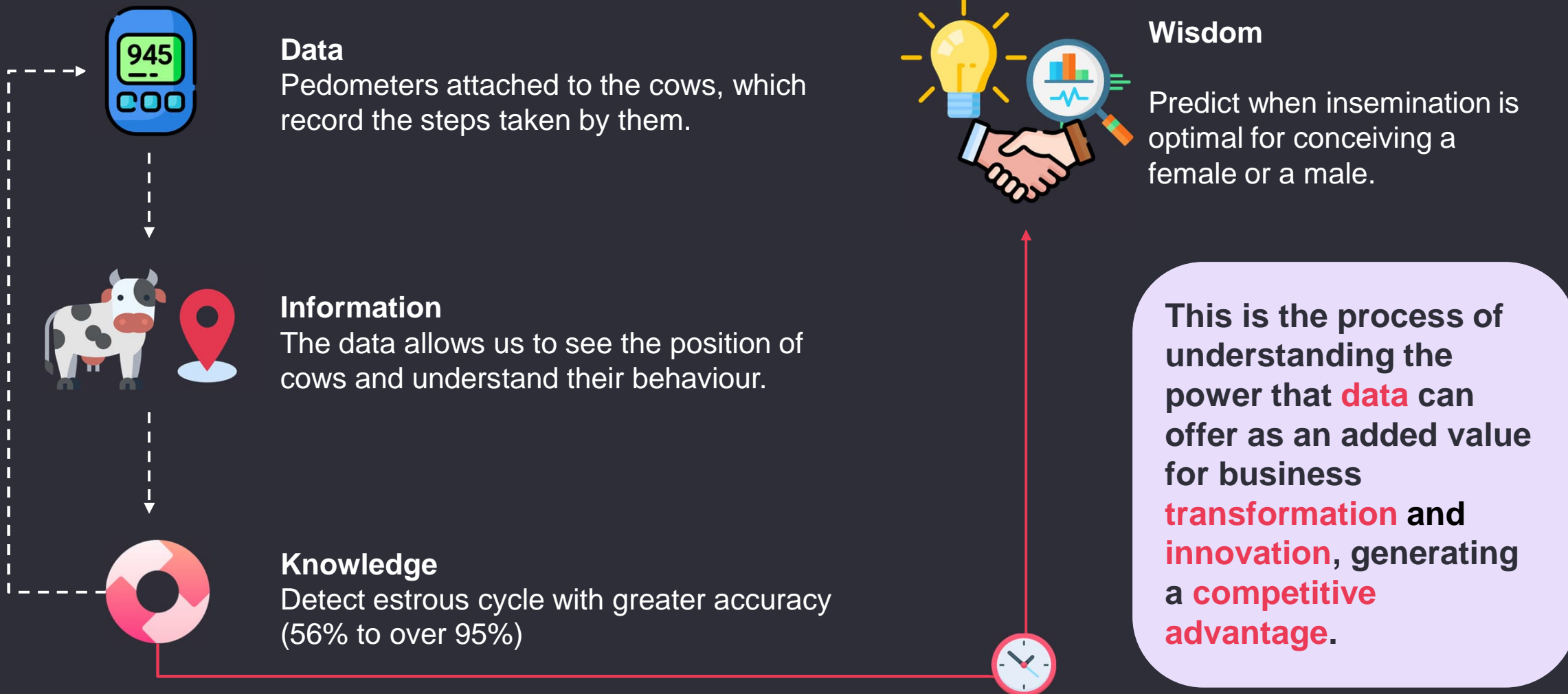


Companies are transforming their value chains as they understand the power and use of information systems as a **strategic value-added decision-making tool.**

## The new value chain



# How is **digital transformation** achieving **optimal efficiencies** in traditionally analogue industries? - **Products**



# How is digital transformation achieving optimal efficiencies in traditionally analogue industries? - **Services**



Enablers

## Purchase Requests

A **cloud-based online platform** that enables real-time visibility of source identification of materials and suppliers, along with a **centralised document repository** with details of contracts and agreements **accessible across multiple platforms**

Reducing the number of people involved in the procurement process and improving security by integrating **Blockchain and cryptocurrencies**

**Automation of multiple processes, including supplier creation, automatic creation of requisitions from approved supplier lists** for repeat orders/bulk purchasing, reducing cycle time and errors.

Improved supplier relationship management and compliance with **cloud-based repository**.

## Approvals

Approval of contracted and pre-priced orders using **advanced analytics and Blockchain**.

Blockchain-enabled **smart sourcing** technology can increase transparency and improve the supplier/customer relationship along with creating **automated approval protocols** based on supplier qualifications

**Automation** of requests can allow for editing and partial approvals

Continuous **real-time** contract **tracking** through advanced analytics for consistent supplier performance

**AI-based automatic work allocation** to optimise resources, time and assets

## Goods Receipt/Receipt of Services

Real-time updates of goods received in the system using **IoT for invoice and accounts payable processing**, improving process cycle time.

**Advanced analytics** to measure quality against Benchmark.

**RPA** can automatically compare goods receipts against orders and determine if there are any errors

**Automated evaluation process** to streamline approvals in the goods receipt process

**Automatic creation of orders** from requisitions

Analytical reporting that ensures **real-time data** for fast business decisions and easy adoption by users

## Order processing

**Cloud-based systems** that ensure real-time, up-to-date order history across multiple platforms

Use of a **Blockchain-based** cross-indexing system to reference original contracts or RFX responses

**Automated** closing of orders

## RF(Proposal, Quotation, Information) Processing

**Centralised document repository** with details of available contracts and agreements

**Automated supplier** evaluation based on defined KPIs

Automated ordering and automatic forecasting

**Automated notification for approval** with tender details, reducing processing time

Scan expiring contracts and take action to take advantage of discounts

## Returns and Exchanges

Replacements and returns are **automatically assigned for approval** and suppliers are notified by **email**

**Blockchain integration** ensures process compliance and auditability

**Real-time tracking** of goods/services spread across multiple orders using **advanced analytics and AI**

## Invoicing

Approved invoices are **auto-matched** based on the terms of the contract

Invoice compliance tracking via **Blockchain and AI**

Automated generation of payments at the end of the period

**Cryptocurrencies** in supplier payment chain platforms

Blockchain for **automatic closure of contracts**

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Time: 15 minutes

Q & A

# Thanks!

## See you next Tuesday



Please access the link down below and give us your feedback on today's class:

<https://forms.office.com/r/dujF9Vwwm1>

Your opinion is very important to us.