

Global C-suite Series
26th Edition
The CSCO Study



In their own words

How changing CSCO roles are
transforming supply chains

Extended role, extensive insights, and common DNA

Not long ago, many corporate board directors would have been hard-pressed to name their chief supply chain officers (CSCOs). But after a cascade of unexpected events over the last few years upended global trade, that organizational anonymity has vanished.

Instead, CSCOs have been catapulted to boardroom prominence. Now more than ever, enterprises rely on CSCOs to anticipate interruptions, clear out bottlenecks, and meet customer expectations—all under recurring crisis conditions.

How are CSCOs responding to the spotlight and applying hard-earned corporate capital to reorder their own roles and responsibilities? In the latest IBM Institute for Business Value (IBV) study with CSCOs, these executives shared how they feel about their newfound recognition and identified areas where they are pivoting to exploit their influence.

CSCOs highlighted persistent and ongoing business challenges such as financial performance, sales and operations planning, business model innovation, and sustainable operations as significant responsibilities. But they also pointed to the intriguing possibilities they saw by extending the value of supply chain ecosystems across organizational boundaries. This enthusiasm for forward-thinking came through loud and clear when 48% of CSCOs identified their top responsibility as supply chain operations transformation.¹

48%

Supply chain operations transformation

38%

Sustainable operations

38%

Business model innovation

37%

Sales and operations planning

33%

Financial performance

A role-evolution

The top 5 areas that supply chain operations executives are responsible for in 2022 and beyond.

The IBM Institute for Business Value, in cooperation with Oxford Economics, interviewed 1,500 CSCOs and COOs from 35+ countries and 24 industries as part of the 26th edition of the IBM C-suite Series. All respondents identified themselves as the most senior executive responsible for supply chain operations. Therefore, to simplify, we refer to the full population as CSCOs. These conversations focused on executives' perspectives on leadership and business; their changing roles and responsibilities; and sustainability, including how they are addressing challenges, what they see as opportunities, and their visions for the future.



Hear the CEOs in their own words:
<https://ibm.co/csco-changing-roles>

Our latest global CSCO study, “Own your transformation: Data-led innovation for the modern supply chain,” draws on the front-line experience and insights of 1,500 CSCOs and COOs with supply chain responsibility from around the world. It delivers timely perspectives into how these executives are remaking their roles and responsibilities to respond to daily challenges and realize long-term objectives. The following pages provide an in-depth discussion of what CSCOs told us *in their own words*.

They told us how they are reimagining the role of the CSCO to make their organizations more resilient, data-led and innovative to meet the supply chain challenges of the future.



“There’s no way any company considered successful today has a bad supply chain. Internally, boards and CEOs have realized the importance of supply chain leaders. And those leaders are now part of creating strategy and have a seat at the table.”

Halide Alagöz

Executive Vice President
Chief Supply Chain and Sustainability Officer
Ralph Lauren

CSCOs have
higher profiles
than ever before.

What are the strategic
implications of your
elevated roles?

“I know a lot of supply chain leaders have taken steps in their careers because of knowledge and experience, but what worked in the past is no longer enough.

Supply chain leaders need to have the ability to adopt those learnings and connect the dots based on outcomes that their company desires. They need to know which buttons to proactively create and push based on expected short- and long-term outcomes.

Previously, enterprise strategies were set upfront and given to supply chain leaders for operational execution. Now they need to have a chair upfront, at the stage when those strategies are created, to design end-to-end strategies that also secure execution. That explains why many new CEOs are recent supply chain leaders.”



**Halide
Alagöz**

Executive Vice President,
Chief Supply Chain and
Sustainability Officer
Ralph Lauren

“Let’s say all these interdependencies and interfaces really dictate the network character of any supply and value chain which is getting more prominent. People who are able to orchestrate this complex supply and value chain network ... being able to manage stakeholders, being able also to explain to non-supply chain natives. I think we as individuals and as societies learned a lot over the last two and half, three years.”

**Dr. Dirk
Holbach**

Chief Supply Chain Officer
Henkel

“In the psyche of Philips, the two values that were super important were innovation and marketing. Having the stuff that is shiny is starting to really become front and center. And **the realization that you, in marketing, you in innovation—are an actor of that supply chain—is happening at scale in all the layers of the organization.** The value of what the supply chain can do has grown tremendously, which puts the role of Chief Supply Chain Officer, Chief of Operations, I think, one notch higher versus where it was before, which is a good thing. So, my successor is going to have a lot stronger capability to change ... and to ask for change ... to demand change.”

**Sophie
Bechu**

Former COO
Philips

Where can supply chain leaders reinvent supply chain operations to improve resilience and risk management?

Dr. Dirk Holbach

Chief Supply Chain Officer
Henkel

“In this environment in which we are living, and in this role, we are continuously asked to reinvent not only our focus areas but also the way we operate our business.

That includes obviously external partners and managing suppliers. I would say for me, it’s a lot about mindset. It’s the ability to live and operate the system under uncertainty and the ability to anticipate. I think of it as being agile and having that resilient mindset. Nowadays, we have to phase this in for everyone who is in the supply chain role.”

Sami Naffakh

Chief Supply Officer
Reckitt Benckiser

“People tend to forget that the first responsibility of supply chain is supply and service—before cost. Let’s not forget that.

Because saving costs when you don’t create a sale is not really useful. But I see a big shift from service at the lowest cost toward service in the context of resiliency and risk management. That, to me, is a big shift that we see over the last couple of years, where there is a realization that striving for the lowest cost service might lead actually to extreme risks, which in the current environment is simply not workable. Therefore, there is this kind of balance more and more in the role of supply chain. Of course, cost is important—especially in a time of high inflation. But how do you get the balance right between managing cost at the same time as you’re managing risk—all of that to make sure that you serve your customers and your consumers?”

How are CSCOs embracing technologies such as cloud, AI and automation, and becoming more data-led decision makers?


“The data piece is most important because it provides visibility and gives us the capability to build integrated business planning, which tells us how to build supply and demand dynamically for both the short and longer term and enable real-time decision-making. It is important to have a constant flow of data to track changes and adopt your actions and allocation decisions at the time of shipping.

“There is a long-term scientific and systemic approach as to how we do things and iterate them based on our learnings.

There’s a lot of short-term, ad hoc firefighting going on based on unexpected challenges thrown your way. All the big players realize the importance of data and integrated planning for real-time decision-making for both dealing with these short-term challenges and to continue building long-term, agile strategies.”

Halide Alagöz

Executive Vice President,
Chief Supply Chain and
Sustainability Officer
Ralph Lauren



“The CSCOs of the future will be technologists. I think in the next few years we will see a sort of re-engineering of the role itself. We’re moving more from traditional operations, less supply chain school to a more technology-oriented school. So, I see the role in a full transition between more of a business-focused role towards almost a technology role.”

Alessio Garofalo

CIO/CTO
Oxagon, NEOM

Travis Hedges

Director of Global Supply Chain
Digital Transformation
Northrup Grumman

“Cloud plays a huge role because it allows for easier access to the information to build these things out.”

Control tower applications then bring the information together. Seeing the health of the supply chain in real time. Not just reacting to things after they happen.”

Greg Jozwiak

CSCO,
DOW,Inc.

“A big aspect of supply chain operations today is the ability to pivot rapidly.”

Our investment in digital capability over the last three to four years has allowed us to organize information and data to make better decisions faster—managing this required thinking under a broader umbrella and redesigning how we operate across the company for customer fulfillment.”

Mike Corbo

Former CSCO
Colgate Palmolive

“It’s managing the present and shaping the future. We live in both camps. I think that future states will have to be fluid and dynamic. Digital transformation will ignite and will help. I would tell a new Chief Supply Chain Officer to make sure your foundation is solid and that you’re managing the day to day. And then ask, where’s technology going? Where’s the supply chain profession going? It’s more of a strategic approach and looking ahead.”

Sami Naffakh

Chief Supply Officer
Reckitt Benckiser

“Digitize when it’s going to create value. Invest in data and systems where you know you have an issue, and where you strongly believe that digitalization with data analytics, artificial intelligence, and advanced technology is going to help resolve that issue.”

Ron Castro

Vice President of
Supply Chain
IBM

“Now that supply chain leaders can integrate so many new technologies, we need to continue to develop the soft skills: observing, listening, understanding, communicating, collaborating, and negotiating to drive a growth mindset which enables the ability to relate to people from different backgrounds. Not just different cultures and communities, but also different areas of the business.”²

Higher profiles,
higher expectations

As supply chains speedily evolve into value chains, CSCOs are managing a broader portfolio of responsibilities than ever, making it essential for them to share with each other how they are navigating through this new world of pitfalls and possibilities. Find out more about the top five areas where CSCOs are becoming more future-focused in our report: “Own your transformation: Data-led innovation for the modern supply chain.”

Many thanks to these Thinkers, all members of the IBM Institute for Business Value Think Circles for Supply Chain, for sharing their thoughts. You may find more information about IBV Think Circles at ibm.com/thought-leadership/institute-business-value/think-circles/supply-chain.



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Notes and sources

- 1 "Global C-suite Series 26th Edition—The CSCO Study: Own your transformation: Data-led innovation for the modern supply chain." IBM Institute for Business Value. September 2022. <https://www.ibm.com/thought-leadership/institute-business-value/en-us/c-suite-study/csc>
- 2 Kay, Joseph. "Ron Castro on his AI-enabled supply chain." Hispanic Executive. May 31, 2022. <https://hispanicexecutive.com/ron-castro-ibm/>

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