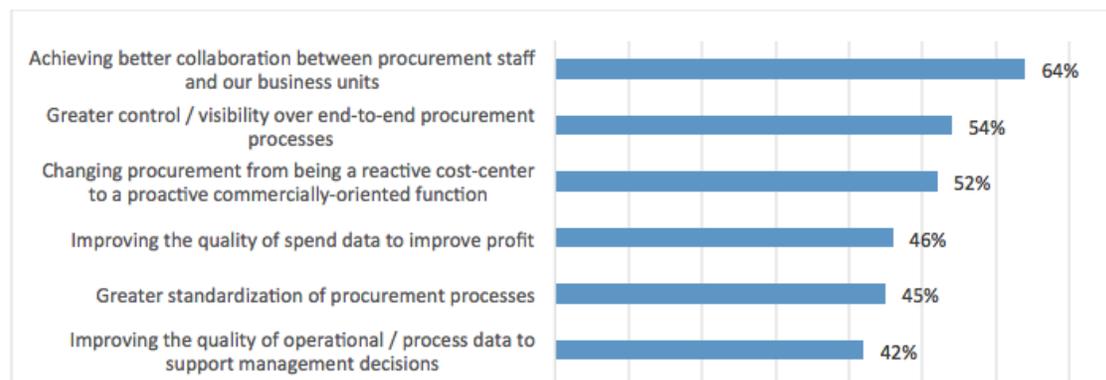


Supply Chain as-a-Service is the mechanism to shift MRO towards process excellence, according to SDI and HfS Research study.

This transition to As-a-Service means removing unnecessary complexity, poor processes, and manual intervention to make way for a nimbler way operating.

February 1, 2016—Bristol, PA and Cambridge, MA. To compete on a global scale, organizations have to ensure their direct, indirect and maintenance, repair and operations (MRO) supply chains are working together, according to a new research study sponsored by SDI, Inc. and published by industry analyst firm HfS Research. The report finds that more value is created through managing this most overlooked area of supply chain operations as an end-to-end business process rather than traditional approaches to extract value through a category procurement event. This is leading to the rise of As-a-Service, where value is delivered via on-demand, highly scalable plug-and-play services that impact business outcomes.

According to the report, “MRO as-a-Service. The shift to the As-a-Service economy changes the value proposition of MRO BPO,” which is based on a survey of a variety of procurement and MRO professionals in different industries and enterprises, MRO represents a significant opportunity if addressed as an integrated business process. Yet many enterprises report having stagnant, broken or non-existent MRO processes until they sought the resources to support MRO and drive it throughout their enterprise to impact business outcomes.



Source: "Procurement Index" Study, HfS Research, 2014

Sample: Enterprise Buyers Manufacturing & CPG = 49

The leading driver is to achieve better collaboration between procurement and the business units in the enterprise. Following that leading driver is a clear desire for enterprises to get better control and visibility of the end-to-end process and to operate procurement – in this case MRO – more like a business.

Based on this research, other market intelligence and feedback from clients and prospects, SDI rolled out their Supply Chain-as-a-Service for MRO offering which

allows clients to plug into any component of the MRO supply chain and begin realizing value immediately, while making the business case for a more holistic, end-to-end solution.

“We still believe strongly that the supply chain works best when it all works together,” said CEO, Chris Moore. “The As-a-Service offering represents a renewed focus on partnering with our clients and meeting their needs today while continuing to lead them towards the fully integrated, end-to-end business process that will deliver more reliable production, increased speed-to-value and improved simplicity for more agile and adaptable business operations.”

The outcome of a well-defined business process and the As-a-Service approach to MRO is increased effectiveness and improved efficiency. When managed as an end-to-end process, MRO can improve data and inventory visibility, improve spend visibility, optimize inventory usage, drive compliance, increase productivity, increase machine uptime, reduce freight costs, align stakeholders and drive profitability, according to the study.

The report also identifies eight ideals for moving from legacy operations for MRO to the As-a-Service economy:

	IDEAL	FROM	TO
CHANGE MANAGEMENT	Write off Legacy	Legacy technology investments which limit business agility and create masses of exceptions usually addressed through adding internal and external FTEs	Using platform based solutions, DevOps, and API ecosystems for more agile, less exception oriented systems
	Design Thinking	Resolving problems by looking first at the process as the source of the solution	Understanding the business context to reimagine processes aligned with meeting client needs
	Brokers of Capability	Focusing governance and operations staff on managing to the letter of the contract and the decimal points of service levels	Orienting governance to source expertise from all available sources, both internally and externally, to address capability gaps
	Collaborative Engagement	Evaluating relationships on baselines of cost, effort, and labor	Ensuring relationships are contracted to drive sustained expertise and outcomes
SOLUTION IDEALS	Intelligent Automation	Operating fragmented processes across multiple technologies with significant manual interventions	Using of automation and cognitive computing to blend analytics, talent, and technology
	Accessible & Actionable Data	Performing Ad-hoc analysis on unstructured data with little integration or business context	Applying analytics models, techniques and insights from big data, real-time
	Holistic Security	Responding reactively with post-event fixes. Little focus on end-to-end process value chains.	Proactively managing digital data across service chain of people, systems & processes
	Plug & Play Digital Business Services	Undertaking complex and often painful technology transitions to reach a steady state	Plugging into “ready to go” business outcome focused, people / process / technology with security measures

Source: HfS Research, 2015

With those change management ideals underway, it is then possible to craft an As-a-Service solution that incorporates talent, processes and technology to

achieve the solution Ideals of Intelligent Automation, Accessible and Actionable Data, Holistic Security and Plug and Play Digital Business Services. While the report finds there are pockets of progress being made towards the as-a-service economy, seven out of ten major \$10B enterprises view it at least five years out before they make the leap to as-a-service with their core enterprise processes.

Service buyers, advisors, and service providers need to take a hard look at what they want to achieve and how these ideals can help them get there. Then they need buckle down and commit to new levels of collaboration and get creative with investments in resources and partnerships to simplify and focus.

“The way MRO services are delivered and managed is changing before our very eyes, and many enterprise operations executives and service providers must make intrinsic changes to how they operate to stay relevant in an uncertain and challenging future,” said Phil Fersht, CEO and founder, HfS Research. “It’s the forward-thinking service buyers and providers who set out their vision and path forward for sourcing with defined business outcomes aligned to the As-a-Service Ideals, that will achieve success. The conservative among us who refuse to accept these times of unprecedented, disruptive transition will be competitively challenged.”

[Access the full report here.](#)

About SDI

By helping organizations understand how each link in their MRO supply chain impacts the entire enterprise, SDI helps them achieve year-over-year savings, enterprise-wide efficiencies and newfound control.

Using a custom suite of products, services and tools, SDI’s platform coordinates, aligns and optimizes every step of the MRO business process. Lower costs, smarter inventories and more reliable production are all natural results from a more connected MRO supply chain.

To learn more visit: www.sdi.com or contact info@sdi.com

About HfS Research

We coined the [As-a-Service Economy](#) term because we see a profound change under way that is more all-encompassing than a simple business model or product line. It’s a global shift that will leave few sectors of business or society untouched.

To help our clients and the market get to the As-a-Service Economy, we serve the strategy needs of business operations and IT leaders across finance, supply

chain, human resources, marketing, and core industry functions in organizations around the world. HfS provides insightful and meaningful analyst coverage of best business practices and innovations that impact successful business outcomes, such as the digital transformation of operations, cloud-based business platforms, services talent development strategies, process automation and outsourcing, mobility, analytics and social collaboration. HfS applies its acclaimed [Blueprint Methodology](#) to evaluate the performance of service and technology in terms of innovating and executing against those business outcomes.

HfS educates and facilitates discussions among the world's largest knowledge community of enterprise services professionals, currently comprising 100,000+ subscribers and members. HfS Research facilitates the HfS Sourcing Executive Council, the acclaimed elite group of sourcing practitioners from leading organizations that meets bi-annually to share the future direction of the global services industry and to discuss the future enterprise operations framework. HfS provides sourcing executive council members with the HfS Governance Academy and Certification Program to help its clients improve the governance of their global business services and vendor relationships.

HfS trailblazed the freemium research model. More than 75% of our published research requires just a few check boxes in our simple registration to download—no subscription, no hassles.

See how we're revolutionizing the research business with the [Four Pillars of HfS Research](#)—our guiding principles.

