What Is The Value Of Process Mining in Supply Chain?

Fauzia Khan
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Fauzia Khan
Digital Center of Excellence, Global Operations
Nokia, Munich

Fauzia Khan is leading RPA Program and driving end-to-end process management for Supply Chain with 11 years of experience in process and IT digitalization. She has been running process maturity assessment, applying SCOR Framework and launched pipeline of Robotics Process Automation projects (RPA) in Global Operations. Fauzia is a certified EFQM Assessor, and a consultant on Automated Business Process Discovery (Process Mining).
Exponential growth in data with 10x every 2 years, i.e. 90% created in the past 2 years

Manufacturing generates more data than any other sector of the economy

Only 1% of the shipping containers in the world are currently connected

A company can discard 99% of its data before decision makers have a chance to use it

IoT devices to grow to 25bn, majority in industrial IoT, by 2025 (GSMA prediction)
Complexity Of Supply Chain Operations at a glance in a digital & mobile world

New level of end-to-end supply chain and operations insights, events and actions

Complex Processes can lead to High Degree of Deviation
Megatrends In Process Improvement

So, why Process Mining?
THE ELECTRIC LIGHT DIDN'T COME FROM THE CONTINUOUS IMPROVEMENT OF CANDLES.
Journey from proof-of-concept to proof-of-value

Dec ‘16
- PoC
  - Process Mining PoC kicked-off as innovation seed

Mar ‘17
- PoV
  - Benefits with data sample
  - QPR Tool verified
  - PILOT approved

Apr ‘17
- PILOT
  - One year data sample
  - 3 processes
  - Identified process paths with high re-works and long lead times
  - ULTIMATE PoV: Findings directed to process redesign projects

Today ‘18
- Scaling up
  - Industrializing use cases via funnel management

So, we did Process Mining. And..
Spaghetti has been served!
How to run Process Mining exercise to accelerate business results and track improvements?

**STEP 1** Identify Process
- Define problem statement and identify scope

**STEP 2** Extract data & Build models
- Extract data and build models. Enrich data and iterate.

**STEP 3** Create value assessment
- Create value proposition and shortlist projects on effort vs impact

**STEP 4** Execute Action Plan
- Execute process improvement activities

**STEP 5** Re-assess Improvements
- Re-apply process mining to highlight improvements

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1 week

2 – 3 sprints each Sprint for 1 week

2 – 3 weeks

1...n weeks
Achievement of Process Mining exercise through shortlisting projects

- Findings understood and accepted by stakeholders
- Common ground of understanding achieved

Propose Solutions

- Team proposed ideas and solutions to rectify process bottlenecks
- Projects identified and mapped to different buckets

Shortlist Projects

IT Projects (1)
Change Mgmt (1)
VSM (3)
Training (1)
Redesign (3)
“People do not follow the standard process. They find work-arounds. What should I do?”

“I do not need Process Mining. My KPIs are green”

“No one has an overview about the end-to-end process with all the variations”

“We have conducted several interviews with our Process Community and gathered all the valuable information we need”

“Opinions.. opinions. And many more opinions”

“Process Mining.. What is that? Analytics?”

Handle opinions with facts
Not for the faint-hearted!

STEP 1 Identify Process
STEP 2 Extract data & Build models
STEP 3 Create value assessment
STEP 4 Execute Action Plan
STEP 5 Reap Benefits

Timeline: feels like forever……

I don’t need this
QPR tool – easy! (if you have data)
Bus Case? Risk? Break-even?
Never ending journey

That’s Eric (Stakeholder)
Successful projects result in big benefits

Achievements (2017 – 2018)

P2P process redesign in SAP Ariba
- Limit mandatory approvals
- Automated catalogue based approvals

Digital VSM analysis executed for several processes

Lessons Learnt

- This exercise provides fact based understanding of processes.
- Leads to critical competence sharing: why it happens what happens
Key takeaways

1. We must learn from the past to unlearn, and then think processes
2. Rewiring our brains: blame the process, not the people
3. Tame the silos: internal silos result in an inherent inertia
4. Opportunity is with data variety and velocity
5. Join hands to share critical competence: Why it happens, what happens
6. Relying on goodwill only is difficult. Get top down buy-in
The right tool for the right job