

Gartner for Supply Chain

Supply Chain Digital Transformation: Business Case on a Page

Demonstrate project value and
surface project risks



Introduction

Articulating how the supply chain can add value to the organization provides the invaluable business benefit of enhancing customer experience and supporting growth priorities. This is what can help make a successful business case for large digital supply chain transformation.

To successfully articulate their business case, supply chain leaders should consider the following five strategies:

- 1. Create the ambition for change.** For many CEOs, the COVID-19 disruption highlights the substantial risks the organization faces without an agile, responsive and resilient supply chain. There has never been a better time for supply chain leaders to advocate for digital investment to make the supply chain connected, transparent and highly orchestrated.
- 2. Assess digital maturity.** Ensure you understand your current digital maturity before starting to create a business case in order to gauge estimated business benefit. Your maturity assessment should include people culture and mindset, data availability, processes, and IT legacy applications.
- 3. Mix transformation with optimization.** A business case for creating a digital supply chain must support all three business priorities atop the CEO agenda: business growth, cost optimization and agility. It should include a mix of digital optimization and digital business transformation opportunities, all tied to the same future-state supply chain vision.
- 4. Avoid the ROI trap.** A business case should evaluate benefits against a range of business outcomes and risks tied to eventual financial gains. Describe benefits as expected performance metrics improvements, and then translate them into estimated savings.
- 5. Clearly explain key initiatives.** Develop a bold long-term vision that explains to stakeholders in the C-suite how creating a digital supply chain will help to achieve the organization's future goals. Also explain the short-term initiatives necessary along the journey and the associated business benefits.

Gartner's Business Case on a Page for Digital Transformation Template offers supply chain leaders a useful approach to structuring an effective business case for large digital supply chain transformation.

This one-page deliverable is designed to objectively compare project value with project risks; calculate the project's financial benefits and costs; estimate the project's nonfinancial outcomes; and identify the factors most critical to the project's success.

Business Case on a Page for Digital Transformation: Illustrative

Example of documenting the key elements of the digital transformation business case on one page.

Project at a Glance
 Name: Mobile CRM Application Development
 Summary: Develop an internal customer relationship mobile application to enable employees to access client data profiles from remote locations using cell phones and tablets.

Project snapshot		Key objectives	
Net present value: \$6 million Total cost: \$3.2 million Value score: 37 Risk score: 20		<ul style="list-style-type: none"> • Provide account executives with ability to access and edit enterprise data on the road. • Increase overall sales team productivity from dynamic locations. • Allow for better work-life balance. • Reduce costs for provisioning and supporting devices. • Provide for a better customer experience. 	
Asset class		Key assumptions	
<input type="checkbox"/> Mandatory <input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Business opportunity <input type="checkbox"/> Innovation		<ul style="list-style-type: none"> • Up-to-date client information is critical to improving the sales process. • Lack of mobile access to data is a major roadblock. • Mobile applications are more value-add than comparable web applications. • Build vs. buy due diligence was performed to a satisfactory level. • Executive buy-in will be obtained by sponsor (Susan). 	
Key stakeholders		Key performance indicators	
Name: <ul style="list-style-type: none"> • Susan Cohen (Sponsor) • Ashish Gupta • Jonathan Saddleback 	Position: <ul style="list-style-type: none"> • Director of Account Management • Head of Applications • Consultant 	Leading indicators: <ul style="list-style-type: none"> • Key stakeholder meeting attendance • Super users identified • Number of new accounts open within existing clients 	Lagging indicators: <ul style="list-style-type: none"> • Variance to cost • User satisfaction score • Revenue realized from implementation

The criteria for determining value score and risk score should be tailored to fit different specifications for each individual organization and project initiative. Gartner experts suggest gathering current performance metrics, then estimating performance improvement from large digital supply chain transformation, and finally translating to cost savings (e.g., rework saved, service calls avoided, costs reduced).

Business Case on a Page for Digital Transformation: Template

Type in the fields below to complete the interactive form, documenting the key elements of your digital transformation business case on one page.

Project at a Glance Name: Summary:			
Project snapshot Net present value: Total cost: Value score: Risk score:		Key objectives	
Asset class <input type="checkbox"/> Mandatory <input type="checkbox"/> Maintenance <input type="checkbox"/> Business opportunity <input type="checkbox"/> Innovation		Key assumptions	
Key stakeholders Name: Position:		Key performance indicators Leading indicators: Lagging indicators:	

Source: Gartner

About Gartner

Gartner is the world's leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow.

Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and an objective resource for more than 14,000 enterprises in more than 100 countries — across all major functions, in every industry and enterprise size.

Supply chain digital transformation: How we help

Digital is a key priority for most supply chain leaders, but less than half have defined or plan to implement a supply chain digital transformation roadmap that addresses both short-term improvements and a strategic long-term vision. Supply chain digital transformation is proven to drive growth, mitigate risk, and optimize costs, but requires strong alignment between business and supply chain strategy to succeed. Gartner's experts in supply chain digital transformation guide supply chain leaders in designing a roadmap for the future digital supply chain planning organization. Visit gartner.com to learn how we enable our 2,500+ supply chain leader clients with insights, advice, data and tools.



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This research is drawn from **Make a Compelling Business Case for Digital Transformation**, a Supply Chain Executive Report by Gartner VP Analyst Pierfrancesco Manenti and Gartner Senior Director Analyst James Lisica.