Supply chains, AI and manufacturing transformation

Transcript

ROBERT HERSH: I think there are two things: supply chain resiliency and AI. The thing that was new around supply chain, this time around, was the dimension of risk. We were talking about resiliency before — it was getting multiple sources instead of understanding what the risk of what you're dealing with today. That was the first thing. The second thing was around AI, the difference between generative AI versus AI that we've been using in manufacturing for a long time. On the operation side, it's more of backward-looking analytics, like measurement, and then there's predictive analytics, and then there's machine learning, and then there's — I'll call it the operational side of AI. It's all based on having good quality data, good data governance, a good understanding of what data means coming out of disparate systems, into a common data model, so that you can run all of that kind of analytics, predictive analytics — start getting into machine learning that's of value for manufacturing clients.

KELLY SCHINDLER: If you think of a spider web, in the middle of the spider web is AI on this topic. And then it's branching out, into all these different areas. And one of them is the human element of it and the people, the workers. With that element, you've got the lack of trust and culture to embrace this. They're fearful of losing their jobs because of the company taking this on, so they're not willing to embrace it. And so it's getting over that culture element and helping them create that trust factor that 'This is not to replace you, it is to augment you.' And they actually have a responsibility to do this for their employees because it actually gives them that place they want to work at. They want to be at a company that has the latest and greatest. So, you've got the human part of it. You've got the machine part of it, the physical CapEx equipment. It knows 'I've done so many clicks, I'm about due for maintenance.' To me, you've got a supply chain element of it, which kind of spears off of what Bob was saying and using AI to help with your integration of your vendor suppliers to your customers and knowing 'What is your plan of quantities and sales?' And everyone's getting together and building that idea together. And so, I think there's an AI element of the whole supply chain. There's always the back-office element of it, the tax and the financial reporting, and the financial planning aspects of it, usage of energy, usage of workforce, scheduling on when people are scheduled on what shifts, so that you are getting the most cost-efficient use when you can use AI to come

up with that scheduling of the production. So, there's yeah, so many different elements of the web on this, but it was basically: 'You have a corporate responsibility to start looking into this.'

ROBERT HERSH: You have to have a digital-first mindset, by digitizing everything that we're doing in the right way.