# Collaboratory Objectives

## Outline

Outline impact of the Coronavirus on global supply chains especially in South America and Japan, focus on business issues, people and technology

## Describe

Describe actions being taken across in the supply chain, provide specific examples from two innovative companies: WOM and ChangeWave

## Develop

Develop recommendations that help your supply chain win with customers and with your shareholders
Collaboratory Agenda

9:00 AM
DSCI: Observations and introductions
George Bailey, Executive Director & CRO

9:10 AM
WOM: Perspective and recommendations
Christopher Laska, CEO

9:20 AM
ChangeWAVE: Viewpoint and learnings
Hiroko Sasaki, Founder and CEO

9:35 AM
Q & A

9:55 AM
Closing observations and summary

10:00 AM
End Collaboratory
Companies are struggling to get back to work

• Virus continues to spread
  • About 13 million cases
  • About 580 thousand deaths

• Geographically diverse
  • About 22,000 cases in Japan with 982 deaths
  • About 312,000 cases in Chile with 7,100 deaths
  • About 3.4 million cases in USA with 138,000 deaths

• Global supply chains face declining demand, or high demand and supplier problems meeting demand
  • Wave 2 has not started, but likely will ramp up in November 2020: Are we prepared???

• Government assistance has preserved many jobs, and much demand.....for now
Americas are hardest hit

https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200712-covid-19-sitrep-174.pdf?sfvrsn=5d1c1b2c_2
Example of Covid-19 disruption: work location

• Working from home in Japan*
  • 66% of employees are working at home
  • Train ridership down 73%

• Working from home in Chile*
  • Highest per capita infection rate
  • Office workers staying home, but difficult for many workers

• Working from home in the USA*
  • 77% of office workers are home
Perspective and Recommendations
## WOM - A new kind of operator

<table>
<thead>
<tr>
<th>Who we are</th>
<th>Changed Market By:</th>
<th>Success recipe</th>
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<tbody>
<tr>
<td>A Chilean Telecom Operator:</td>
<td><strong>Lowering GB prices by 98%, Chile 5th cheapest in OCDE</strong></td>
<td><strong>Existing customers always automatically get best offer</strong></td>
</tr>
<tr>
<td>- WOM (Word of Mouth)</td>
<td>- <strong>NPS market leader</strong>, holder of the 3 customer awards</td>
<td>- Not cheapest, <strong>best value for Money</strong> (#1 on NPS in all channels)</td>
</tr>
<tr>
<td>- Owner by private equity - Novator</td>
<td>- 55 months leading portability</td>
<td>- Over-invest where it matters, low cost elsewhere</td>
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<td>- Started 5 years ago</td>
<td>- <strong>EBITDA positive</strong> in 2 years, 800 Mn USD invested</td>
<td>- <strong>Disruptive people’s brand</strong>, #1 brand on social media</td>
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<tr>
<td>- 19% market share, 6Mn+ customers</td>
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</table>
Covid-19 having significant impact on countries and operators

**Covid-19 (7-Day Daily Average Death Rate per Mn Pop.)**

**Monthly Data Traffic up 60% since crisis (Mn TB)**

- All but 2 of 340 comunas in mandatory quarantine
- Only basic necessity stores can open

60% YoY increase in data traffic pushing networks
Available spectrum not made available
BUSINESS PLAN

Methodology

4F

FREE CASHFLOW

FAST ADAPTATION

FAST GROWTH & PROFIT

FORWARD COMMUNICATION
COVID-19: STATUS AND ACTIONS

- State of quarantine to contain the spread of virus
- Stores and kiosks - 50% of PoS available
- Reinforcing Telesales channel capacity, e-Commerce ramping up at a double-digit % growth rate and strongly promoting digital payment channels
- Work-from-home applied to the entire HQ team; some of the sales force is redeployed in the Telesales channel

- No disruption on sourcing from abroad
- Traffic on network increased 20% since progressive quarantine started (March 17)
- Double gigabytes for all pre- and post-paid plans + free social networks to support all our customers until May 31st, and new offer with roll out and +5GB in plans
- Customer recognition for Covid-19 support action (N°1 Brand in Chile across all industries) according to Kantar’s surveys + 1st Telco in PXI satisfaction survey

TO OUR WOMERS

- Teleworking
- Volunteer WOMers
- Health and safety measures
- Promoting digital attention

MARCH
- Free RRSS + 2 GB free for all
- Flexible collection process
- 2X in prepaid bags

APRIL
- Free international Whatsapp
- Free URL for everyone
- Solidarity Plan

MAY
- Double of GB to every plans
- 2X in BAM bags
- Free 20 GB BAM

WOM consolidates its leadership as the Brand that has best reached to the crisis, surprising positively for the unconditional support shown to the community and the country during the Covid-19 crisis.
SUPPLY CHAIN ACTIONS

After the October social crisis, and with the strong development of the pandemic, the logistics area had to quickly adapt to a new reality. With a new distribution and order system, with a picking-packing capacity, and expanding distribution networks to reach all of Chile.

- Governed by the probabilistic model of supply chain, which allowed reorienting resources according to the crisis.
- Considering increased demand, part of our changing logistics models of picking, packing and replacement to triple our capacity.
- It's going to able us offer customers 100% omnichannel trips and flexibility in their purchases.

**DIGITALIZE THE SUPPLY CHAIN OF RECEPTION, PLANNING OF DEMAND AND DISTRIBUTION**

- We redesigned the logistics distribution network, incorporating new national and regional curriers.

**STRUCTURAL MODIFICATIONS TO CURRENT LOGISTICS OPERATIONS**

**REDESIGNED OF THE DISTRIBUTION NETWORK**

**NEW ORDER MANAGEMENT SYSTEM**
WOM
KEEP THE PASSION
BE BRAVE, BE HONEST, BE INNOVATIVE
Hiroko Sasaki

Founder & CEO of ChangeWAVE Inc.
Support people, organization and society, to make A SUCCESSFUL FIRST STEP ahead towards the new paradigm from the old.

Set up the very first drop to MAKE WAVES OF CHANGE prevailed naturally.
Old Paradigm

A Bridge from the old to the new

New Paradigm

Gradually, we begin to create a strong new normal

People start new things
COVID 19 and Women Leadership
Women leaders are regarded as more compassionate, ethical, people oriented, and risk averse.

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Source: Pew research center ‘Women and leadership 2018’
Supply chain transformation

✓ Sustainability
✓ Risk management
✓ Social orientation
✓ Flexibility
✓ Collaboration
How COVID 19 has impacted Japan

Diversity & Inclusion
Women leadership empowerment
Female on board/executive teams by country

Female representation, %

<table>
<thead>
<tr>
<th>Country</th>
<th>Average female representation</th>
<th>Companies with at least one woman on executive team</th>
<th>Female workforce participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>28</td>
<td>100</td>
<td>48</td>
</tr>
<tr>
<td>Australia</td>
<td>27</td>
<td>98</td>
<td>46</td>
</tr>
<tr>
<td>Sweden</td>
<td>24</td>
<td>94</td>
<td>47</td>
</tr>
<tr>
<td>United States</td>
<td>21</td>
<td>90</td>
<td>45</td>
</tr>
<tr>
<td>Singapore</td>
<td>19</td>
<td>73</td>
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<tr>
<td>United Kingdom</td>
<td>18</td>
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<td>South Africa</td>
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<td>Nigeria</td>
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<td>80</td>
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<td>Denmark</td>
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<td>France</td>
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<td>Brazil</td>
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<td><strong>15</strong></td>
<td><strong>65</strong></td>
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1. n = 1,039; 2019. Respective weighted averages: 9% and 45%

Source: Diversity Matters data set; World Bank (labor force participation rate, September 2019)
Difference by gender

Hours spent for house work & child care per day
(family with children under 6 years old)

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<th>Norway</th>
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<tr>
<td>Child care</td>
<td>0:49</td>
<td>1:20</td>
<td>1:00</td>
<td>0:40</td>
<td>0:59</td>
<td>1:07</td>
<td>1:13</td>
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<tr>
<td>House work</td>
<td>1:23</td>
<td>3:10</td>
<td>2:46</td>
<td>2:30</td>
<td>3:00</td>
<td>3:21</td>
<td>3:12</td>
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Source: White paper on gender equality (2018) - Gender Equality Bureau Cabinet Office Japan
Gender implicit bias score

Strong association btw
Male = Family
Female = Career

Strong association btw
Female = Family
Male = Career

(N=3,210; Data from ANGLE IAT test)
How COVID 19 has impacted Japan

Diversity & Inclusion

Women leadership empowerment
Percentage of remote workers in metropolitan area (LINE research)
How COVID 19 has changed the role split between husband and wife for housework/childcare

26.4% Husbands’ role increased

16.5% wife’s role increased

Source: research by cabinet office (2020.6.12)
56% started thinking about changing career (triggered by COVID 19)
Re-defining working style

Re-defining how we communicate and connect

Re-defining essential management literacy (handling implicit bias)

Re-defining the purpose of diversity inclusion strategy

Re-defining needed leadership
Women leaders are regarded as more compassionate, ethical, people oriented, and risk averse.

% saying men/women in top executive business positions are better at each of the following

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Source: Pew research center ‘Women and leadership 2018’
‘CEO and chairman of 17 major Japanese companies got together online. Most of their performance were strongly hit by Covid 19. However, we have confirmed that we need to accelerate women leadership empowerment, just because this is the critical moment to turn the business around, “
Newly appointed woman in C-suites of a large Japanese corporates (20 billion USD revenue) in her 30’s
New Paradigm has finally started
Thank you!
• **Question:** Does the very premise of "profitability" and stakeholder engagement need to be reframed? What about a circular economic model? What about supply chain decentralization and blockchain where access to communications tech is verified AND less costly?

• **Answer:** DSCI thinks that profitability is an essential measure of business success. This will continue to be true, despite the challenges that we face in a pandemic infected world. Profitability is sometimes seen as a longer-term result. For example, Amazon did not deliver profit until 5 years after its founding and yet customers received great value and investors celebrated tremendous share price growth. Supply chains will be more decentralized in the future because local market conditions demand rapid supply chain reactions. However, a more centralized approach to decision making will govern progress in managing data, developing algorithms, and using data science. It also seems that the New Customer is global and has much in common despite a few country-based differences.

• **Question:** From Tokyo - We are experiencing a dramatic surge in the number of COVID19 patients in Tokyo. The test is restricted and remains very low even at this time. To recover the economic demand, many believe that we need to test people extensively and isolate those that are infected and have a healthy move around to generate demand for the supply chain. What do you think about the role of the test for the supply chain?

• **Answer:** We know that work and life habits in Japan have radically changed, because of the Coronavirus. However, Japan has coped with the Coronavirus much better than the USA! We would expect that the testing in Japan will help identify the infected people so that they can be treated and isolated. Supply chain leadership in Japan should remain vigilant. We think that Japan should continue expanding the use of robots, AI/ML, and other work automation. There is a unique opportunity to become a key player in the supply chain business if labor costs can be made less relevant due to technology.
Closing Observations and Summary
Thank You
Visit us at dscinstitute.org

Check out our Forbes Coronavirus Blog at https://bit.ly/2ZCZ2Qx