UNICHAEL FULFILLMENT: The Three Megatrends Impacting the Past, Present and Future of Commerce

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Three Megatrends That Are Impacting UniChannel Fulfillment

**Megatrend #1:** The evolution of organizational development from Continuous Improvement to Transformation to Reinvention.

**Megatrend #2:** The increase in complexity of commerce from optimal single channel design to Uni-Channel, Uni-Logistics, Uni-Marketing and Uni-Technology Optionality design.

**Megatrend #3:** The speed of change and the level of innovation, entrepreneurship and disruption to keep pace.
Megatrend #1: The Evolution of Organizational Development from Continuous Improvement to Transformation to Reinvention

A BUG STORY

Changing = Ametaboloy
Transforming = Hemi metabolism
Reinventing = Holometabolism
Understanding Continuous Improvement, Transformation, and Reinvention

- **CONTINUOUS IMPROVEMENT**
  - Baby Ant
  - Adult Ant
  - Growth, but no Change.

- **TRANSFORMATION**
  - Baby Grasshopper
  - Adult Grasshopper
  - Change in wings and reproductive organs

- **REINVENTION**
  - Caterpillar
  - Butterfly
  - Metamorphosis: Reinvention, Totally Different
The Circle of Life for Companies

**AMETABOLY**
Continuous Improvement: Success continues

**HEMIMETABOLY**
Transformation for Greater Success
- Disruption in product or service
- Continuous improvement: Ametaboly

**HOLOMETABOLY**
Reinvention for Greater Success
- Disruption in business model
- Transformation: Hemimetaboly

Bankruptcy

Successful Company
Megatrend #2: The Increase in Complexity of Commerce from Optimal Single Channel Design to Uni-Channel, Uni-Logistics, Uni-Marketing and Uni-Technology Optionality Design
UniChannel Fulfillment, Uni-Marketing and Uni-Technology Complexity Requires

a. Distributed logistics

b. Lite business model

c. Automated portable, modular, agile “Each” order picking

d. Distributed inventory flow forecasting

e. Sell ANYWHERE

f. Retail science

g. Integrated technology suite
Optimality vs. Optionality

a. These are the most uncertain and volatile times in the history of the world.
b. Uncertainty and volatility make it impossible to make accurate predictions about the future or to define operating requirements.
c. The answer to these uncertain and volatile times is Anti-Brittle.
d. Understand VUCA: Volatility, Uncertainty, Complexity and Ambiguity
Optimality or Optionality

a. Should we be trying to establish optimal solutions, or should we be developing solutions that offer us a series of optional solutions allowing us to adapt over time the circumstances that occur?

b. Anti-Brittle Solutions:
   i. Are about Optionality
   ii. Allow for optimal solutions to be deployed over time to meet the short-term requirements for that time
   iii. Optionality is superior to Optimality
   iv. Given the uncertainty and volatility today, I believe optionality is the new optimal
Megatrend #3: The Speed of Change and the Level of Innovation, Entrepreneurship and Disruption to Keep Pace

- Digital
- Disruptive
- Distorted
The Digital Imperative

• We are engaging in a new era of business:

- New products
- New services
- New business models

• Digital Technology is changing all businesses
The Digital Imperative (continued)

• It is essential that all organizations vigorously pursue digitalization.

• Today we have the opportunity to start anew, to build an entirely new world

• Organizations that take control of the Disruption Cycle will surpass the organizations that pursue continuous improvement.
The Disruption Cycle IS:

- **Innovation**
- **Entrepreneurship**
- **DISRUPTOR!**
- **Too Risky! Too Different!**
- **Resistance to Change**
- **Courageous Leadership**
- **New Innovation**
- **New Boldness**
- **Disruption of the Status Quo**
- **Incubation**
- **Validation**
- **Professional Management**
- **New Status Quo**
- **ESTABLISHED FIRM**
- **Profitable Growth and Value Creation**
- **Risk Adverse**

**DISRUPTOR!**
Disruptive Innovation

- A high stakes game, with high rewards.
- Not a high-risk game; in fact, the certainty of high risk is to NOT traverse the Disruption Cycle, but rather to be Risk Averse and to embrace resistance to change.
- The process of changing the world an innovation, a disruption at a time.
Distorted Supply Chains: Uncertainty

Anti-Brittle Supply Chain Perspectives

“Uncertainty is a permanent part of the leadership landscape. It never goes away.”
— Andy Stanley

“Exploring the unknown requires tolerating uncertainty.”
— Brian Greene

“I used to be scared of uncertainty, now I get a high out of it.”
— Jenson Ackles

“Without the elements of uncertainty, the bringing off of even the greatest business triumph would be dull, routine, and eminently unsatisfying.”
— J. Paul Getty
Distorted Supply Chains: Speed

• Today is the slowest day of the rest of your life.
• Innovation obsolesces is shorter than ever.
• Speed Supply Chain Perspectives

“If you’re not fast, your competition will be.” —Adam Friedman

“In a world where everything is moving so rapidly, simply being fast is not enough: you have to be faster than anyone and everyone.” —Jeff Lerner

“We need to move from making a decision when you have 90% of the information to making a decision when you have 70% of the information.” —McKinsey & Company

“Make not just high-quality decisions, but high-velocity decisions.” —Jeff Bezos, Amazon Shareholders Letter, 2017
Takeaways

• We must focus on:
  - Reinvention drives innovation and big success.
  - Lasting innovation must be Anti-Brittle.
  - Complexity drives the need for innovation.
  - Digital, Disruptive and Distorted realities drive the speed of innovation.

THE FUTURE OF UNICHANNEL FULFILLMENT IS A WOLE NEW WORLD!
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