

IBM's Global Supply Chain Transformation Wins 2019 NextGen Supply Chain Leadership Award for Blockchain and IoT

World's First Enterprise Computer Hardware Partnership Recognized for Using Disruptive Technologies to Achieve End-to-End Supply Chain Security

CHICAGO, April 17, 2019 /PRNewswire/ -- [NextGen Supply Chain Conference](#) -- IBM (NYSE: [IBM](#)) today announced, that its global supply chain transformation has won a [2019 NextGen Supply Chain Leadership Award](#) for the innovative use of blockchain and IoT. The distinction recognizes the world's first enterprise computer hardware partnership using these disruptive technologies to achieve end-to-end supply chain security. Using [IBM Blockchain](#) and [IoT](#), IBM's supply chain improved traceability and single source-of-truth to each network partner to improve product authentication and reduce warranty costs.

IBM's supply chain organization manages the critical supply chain operations of engineering, logistics, manufacturing, and sales transaction support. It digitized physical assets such as hard disk drives, while registering asset transactions throughout the product life cycle into an immutable shared ledger using blockchain and IoT as part of this award-winning initiative. One key project began as a Proof-of-Concept in 2018 between IBM and Seagate Technology, which came to a successful conclusion in March 2019. Both companies are now working toward a potential pilot deployment that may be expanded to include more suppliers.

"Industry 4.0 is an end-to-end industrial transformation, in which mastering the 21st century digital supply chain – enabled by blockchain, IoT, and AI technologies – is a critical success factor for enterprises to gain a competitive business advantage," said Ron Castro, VP of Supply Chain, IBM. "With these innovative technologies revolutionizing the entire supply chain by lowering transactional costs and accelerating processes, harnessing their transformative power is imperative for executives to build transparent, intelligent and predictive supply chains at scale.

IBM's supply chain transformation initiative contained three separate, yet complimentary project use cases to make a positive business impact as blockchain was infused into IBM's supply chain. The three application cases include:

- **Parts Provenance** – The initial impact for this blockchain application in IBM's supply chain included GDPR risk mitigation, improved compliance for data erasure, product authenticity, and reduced part and shipping costs. This encompassed capturing parts data as they proceed through the supply chain from suppliers and system integrator to customer.
- **Internet of Things (IoT)** – The Supply Chain IoT Blockchain project focused on improving products lifecycle traceability in IBM's complex global supply chain. This resulted in an increase in product traceability, while also achieving improvement on cost avoidance for parts provenance. By equipping each inbound and outbound shipment asset with an IoT enabled tracking device to provide near-real-time visibility of assets, IBM's supply chain can predict each asset's behavior to reduce the risk or loss or damage liability.
- **Customs Declaration** – IBM's supply chain group focused on improving efficiencies by decreasing compliance risks during import and export processes, while reducing delays and stoppages in supply chain logistics with improved data integrity and improved visibility of assets within the network. With the shared

ledger in IBM's supply chain accessible to each key stakeholder involved in the customs declaration process and automated interfacing of data to customs' system, time and cost savings were achieved in the logistics and customs process.

"The success of IBM's initiative can enable extremely effective confirmation of provenance and authenticity of assets, while optimizing security and efficiencies by simplifying and accelerating documentation exchanges between supply chain partners, " said John Morris, Vice President and Chief Technology Officer, Seagate Technology. "Additionally, it potentially increases productivity by eliminating redundant processes, while helping to strengthen regulatory compliance and build trust among all key stakeholders."

IBM's Vice President of Supply Chain, Ron Castro, presented his 2019 NextGen Supply Chain Conference keynote titled, ***Applying Augmented Intelligence (A.I.), Blockchain and Predictive Analytics to Expand End-to-End Visibility and Improve Operational Efficiency*** on Tuesday, April 16 from 10:15 – 11:15 a.m. CT.

About IBM Watson Supply Chain

A world leader in AI software, services and technology for business, IBM has deployed Watson solutions in thousands of engagements with clients across 20 industries and 80 countries. IBM Watson Supply Chain enables forward thinking supply chain business professionals to improve business outcomes by providing AI-powered insights, B2B collaboration and orchestration that mitigates operational impact and business risk. For more information visit: <https://www.ibm.com/supply-chain>

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