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## Francesca Gamboni

Senior Vice President  
Supply Chain, Groupe PSA

“It’s my ambition to get supply chain represented on the board”



INNOVATION &  
CHANGE

Francesca Gamboni, Senior Vice President Supply Chain, Groupe PSA

# “It’s my ambition to get supply chain represented on the board”

“The automotive industry is very challenging. It is extremely complex with a huge diversity in products and it’s very demanding from a cost management perspective. All in all, that makes it very exciting,” says Francesca Gamboni, senior vice president supply chain, of the Groupe PSA, the manufacturer of Citroën, Peugeot, DS, Opel and Vauxhall cars. In addition, the industry is going through a huge transformation. For example, all of Groupe PSA’s new models will be electric or plug-in hybrid by the end of 2020. “We are doing a lot to address sustainability and as we develop further we want to tackle this issue in an holistic way.”

Interview conducted by Martijn Lofvers and Oskar Verkamman, written by Helen Armstrong

European car manufacturers face the biggest change since car manufacturing began. The commitment to reduce CO<sub>2</sub> emissions and at the same time meet the unknown mobility requirements of tomorrow’s customers is complex and uncertain. The industry that employs millions of people and invests billions of euros is in transformation and the race to develop new fleets of sustainably powered vehicles is on.

The Groupe PSA, Europe’s second largest car manufacturer after the VW Group, is no stranger to volatility. Five years ago it was on the verge of bankruptcy. Saved by investors, in 2016 it announced a rapid expansion strategy. That included the acquisition of Opel and Vauxhall in 2017. It currently has plans to merge with Fiat Chrysler later this year.

In an industry that is a bastion of male dominance Francesca Gamboni stands out, not only for being female but in her call for fellow supply chain professionals to take responsibility and lead the way in driving sustainable supply chains. “This is an extraordinary industry. I love it for its complexity, challenges and its very smart people... but we need to do more,” she says.

## *Women in the automotive industry are rare. What attracted you (back) to this sector?*

“It is a passion. Actually, compared with other industry sectors people work under more pressure and this stimulates intellectually the people who work in this sector to go beyond limits and think “out of the box”. You build a car by working together so there is also a lot of teamwork which creates a very strong feeling of belonging and solidarity. I have worked in many industries and for me the automotive industry is the most exciting for supply chain.

I became involved in supply chain after joining PriceWaterhouseCoopers. I had recently graduated in industrial engineering and was working at the company where I did my thesis. PWC was looking to develop other fields than finance.

I was not looking for a career in consultancy but I knew it would be a way to learn quickly. It gives you the opportunity to work in dif-

ferent industry sectors and provides access to a big knowledge database. Customers have high expectations so it is very demanding, very challenging, as you have to learn their business and their issues very quickly in order to begin adding value.

In those days supply chain was in its infancy and my male colleagues, who were more keen on manufacturing, were very happy for me to take on supply chain projects! I then worked for other industrial companies in varying supply chain positions before joining car manufacturer, Renault Nissan. After nearly six years I moved to L’Oréal to run its Nordic operations. Although this is a great company I jumped at the opportunity to return to the car sector in 2016. I wanted more challenges, more complexity.

Since 2017 I’ve been responsible for the integration and turnaround of the Opel/Vauxhall supply chain and I currently manage a team of about 700 corporate staff and 15,000 functional staff.”

## *The automotive supply chain is very advanced with for example, just-in-time line feeding, but it can still takes six months to receive a new car. Compared with FCMG that is not very agile. Why not?*

“Automotive supply chain is vast; from customer demand to measuring customer satisfaction and that transverses the entire company. We don’t have the monopoly of best practices through the entire chain. Our management of complexity, diversity and manufacturing is second to none. However, our demand management, for example, is probably more advanced in other industries. But that is changing. Until recently demand management was a function of sales, simply because supply chain originated from plant logistics. However, over the last two years both demand and supply planning have become a function of supply chain, which is allowing us to fully exploit our potential. We are the first automotive company to do this.

It has allowed us to make huge progress because, by having both sides of the story, we can prepare the response to demand in the most efficient way. By having the tools, procedures and processes available we are able to make a more accurate forecast, rather than only one based on ambition, and anticipate the industrial constraints

Francesca Gamboni was born in Chelmsford, England, but grew up in Italy and now lives between Paris and her family home in Lugano (Switzerland).

**Education:**

Master of Science, Industrial Technology Engineering, Politecnico di Milano, Italy.

**Career**

**May 2016 – present**

Senior Vice President Global Supply Chain, PSA Groupe, Industrial Direction, Paris, France, Supervisory Board Member, Opel GmbH

**Aug 2013 - Apr 2016**

Direction General des Operations, Nordic Operation Director L'Oréal, Paris, France

**Nov 2007- Aug 2013**

VP After-sales Logistics Renault, Paris, France, General Manager Inbound Logistics Renault- Nissan Europe/ Euromed/Eurasie)

**Mar 2003 – Nov 2007**

Supply Chain Director packaging sector; Program Manager global beauty sector (Indonesia); Supply Chain Business Analyst rolled products sector, Rio Tinto-Alcan-Pechiney, Paris, France.



to it. The objective is to see the reality and prepare for it in the best way. If you don't like the reality then you need to act."

**What has it taken so long for an automotive company to have demand planning in supply chain?**

"The automotive industry is fairly conservative but I think the main reason is because supply chain had always been linked to manufacturing. When I came to Groupe PSA 99% of people in supply chain came from manufacturing.

Fortunately our executive committee, starting with the president, understands supply chain very well and within the company we are requested to become "the owners of the truth". Therefore as we go through our transformation it made sense to put demand planning in supply chain; In order to improve demand accuracy we needed an entity that was credible because we are responsible for fulfilling this very same demand.

So, in 2018 we implemented Sales & Operations Planning. We have an 18-month rolling process for which we have the support of the whole company; everyone knows at which moment they have to provide which information and make decisions. This industry is very complex so information and decisions come from across the entire company. If someone fails to provide his or her information the process cannot go further. Supply chain is not taking decisions but orchestrating this process, which culminates with us meeting at executive committee level, including twice a year with the president, to make the final, most important decisions."

**What is your approach to digitalisation in supply chain?**

"Digital is key but our approach has not been to start with technology and see where we can apply it. There's no point, for example, in using technology to track cars that are out for delivery if our 3PL is doing this for us. We first need to find a business case for digitalisation. Therefore, we first analyse our key business challenges and decide how we can solve them with digitalisation. We start with projects that are linked to a specific objective such as cost efficiency,

demand forecasting, sustainability or customer satisfaction and follow a four-step digitalisation pathway.

Firstly we use IT to capture data and assess the problems. Secondly we decide how to use the big data to analyse the problem. Thirdly we use artificial intelligence to predict, or prevent the potential issues and solve them in a collaborative way. And fourthly we are using blockchain.

One of our projects has been to track containers containing parts. Every day we transport tens of millions of parts in our containers and every day some get lost, broken or stolen. This is an issue for all car manufactures. We started putting track and trace in our containers to confirm where they are and if they are where they should be. We discovered a lot of issues when we analysed the data which allowed us to pull performance beyond simple container investment optimization.

We are also using AI for forecasting, especially for electric cars where we have no historical data. This is revealing that certain phenomenon, which in the past we were not aware of, collate to our sales. This has been an eye-opener."

**What are your personal ambitions for the upcoming years?**

"To get supply chain represented on the executive committee! Being on the board will be an enabler and it will give supply chain the leverage that is necessary to fulfil its full potential. I believe we are nearly there. It is just a question of time.

The board is also the environment where you can talk about sustainability and if this is supply chain driven we can embrace it in an holistic way."

**Interview conducted by:**



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