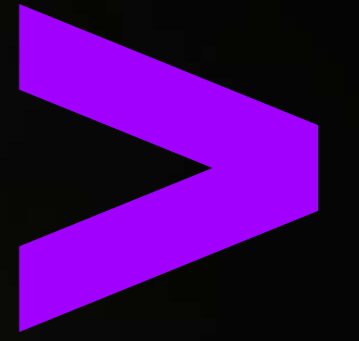


The Industrialist

inspire. innovate. ignite.



“John Deere is very relationship oriented, and that’s proven powerful during this tough time when products are in short supply.”

Wallas Wiggins

Vice President, Global Supply
Management & Logistics, John Deere

January 2022



Strong supplier relations unlock innovation

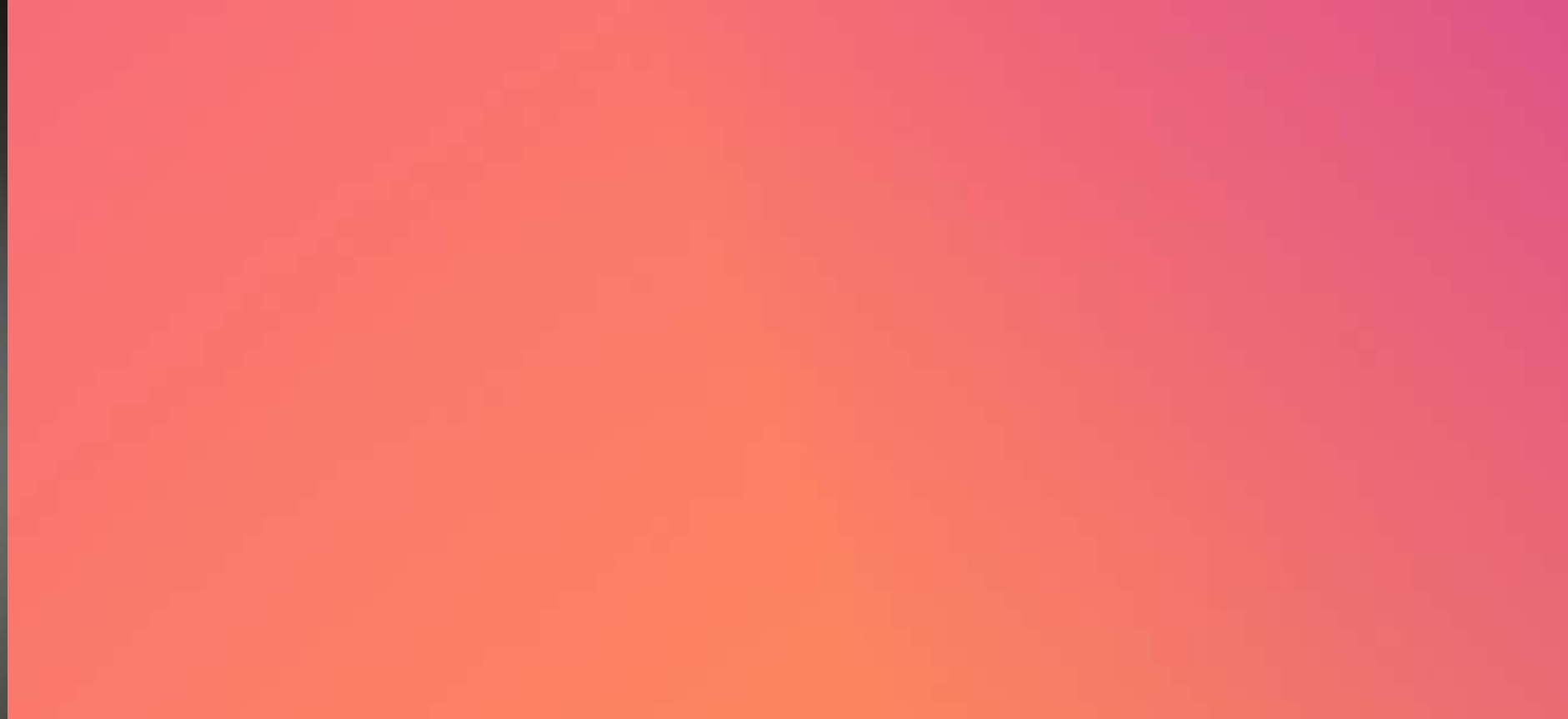
The past 20 months have pushed supply chains to their very limits. And no one knows this better than Wallas Wiggins.

Wallas Wiggins, Vice President
Global Supply Management & Logistics, John Deere

“This has been an extremely stressful time for all employees, but specifically those in supply management. Taking care of people is number one.”

Wallas Wiggins is the Vice President of Global Supply Management & Logistics at John Deere, which builds connected machines and equipment for agriculture, construction, forestry, and other industries. He began his career in supply management at General Motors, and at John Deere he has seen the immense value of the supplier relationship. During the pandemic, the strength of those relationships helped the organization through a challenging time and, looking ahead, those relationships are also key to unlocking innovation. “Often suppliers approach us to share what they’re working on, and that can be a very powerful tool to generate innovation, growth, and get first mover advantage.”

We sat down with Wiggins to discuss that path to innovation, his passion and drive for sustainability, and how fundamental technologies like GPS have proven transformative when applied to specific challenges.



What one word describes you best?

Authentic.

I make it my business not to sugarcoat anything. Authenticity leads to trust, and trust enables us to do great things with other people and get them onboard. I try to be very transparent in my communications and actions with others.

Tell us about your career path and journey at John Deere.

I worked for General Motors for more than a decade across supply management, engineering, operations, and other areas. I then went to work for a small B2B startup in Detroit called Covisint, which focused on connectivity between suppliers and the automotive Original Equipment Manufacturers (OEMs). I learned a lot there about future technologies and it was really fun.

In 2007, I joined John Deere as a quality manager at a facility in North Carolina, before moving to the corporate strategy team at the headquarters here in Moline, Illinois. In that role I got to work with the

executives, and I learned so much about Deere, both the past and our vision for where we want to go in the future. I then went to John Deere's Intelligent Solutions Group (ISG), our precision agriculture organization, where I leveraged a lot of the skills I learned at Covisint. I then returned to my roots in supply management for a few years as the Director of Indirect Material and Services, before being offered my current role leading the entire global supply management and logistics organization, which I consider an honor and a privilege.

What's your approach to innovation? And are there any examples of groundbreaking innovations at Deere you are particularly proud of?

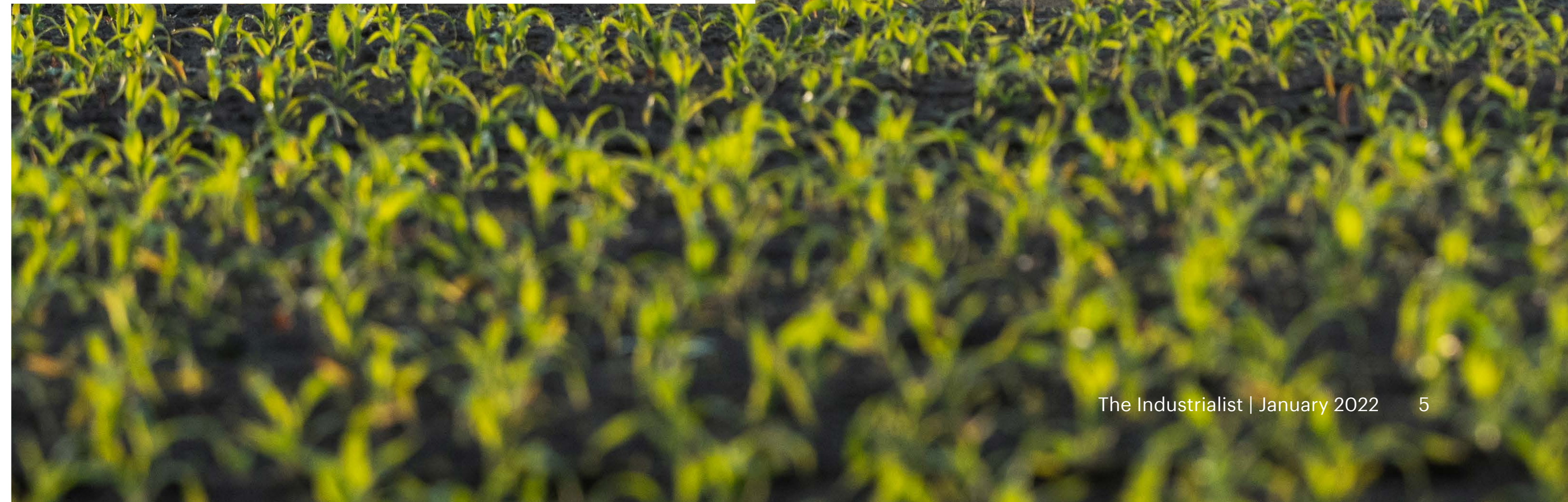
Our [See & Spray](#) application uses camera vision to view the ground it's passing over and a large library of images to distinguish between crops and weeds, so it only sprays the weeds. It's tremendous technology and works relatively quickly as the machine goes through the field. Deere came up with this in conjunction with [Blue River](#), a partner we acquired on the West Coast. The technology helps make the farmer more profitable, productive and sustainable for the future. [See & Spray](#) helps farmers manage their inputs while also being stewards of the land for future generations.

When it comes to innovation, I always ask what is the value and how does it help us differentiate? I want innovations that are meaningful and of high value to our customers.

Our engineers and production system folks work on innovation. But I personally believe there's a lot of innovation in the supplier community. I want to focus on ensuring we harvest that innovation from suppliers and translate it into benefits for customers, in order to further differentiate ourselves.

Innovation is not always about products, either. Being in the indirect space, I've seen powerful innovation in the processes, technology and people that support the manufacturing business.

So, innovation is not singular. It can come in a variety of forms and you must be open-minded to understand it, harvest it, and translate it into value for the customer.





What differentiates Deere in the marketplace?

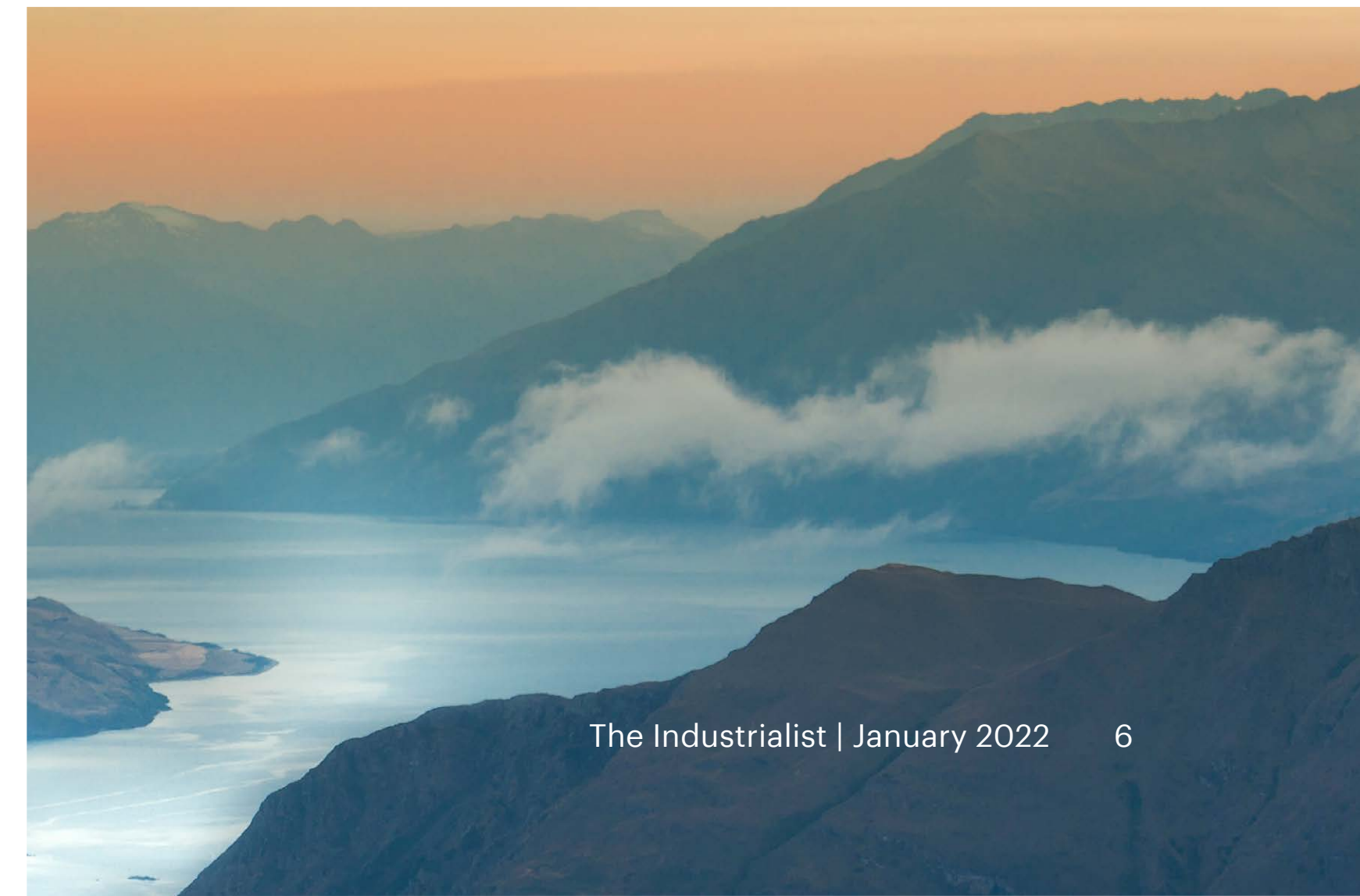
Internally, our [smart industrial operating model](#) focuses on differentiating value for the customer. We have this concept of economic headroom—we say, what’s the innovation, and what benefit does it bring to the customer? It’s not qualitative, it’s quantitative. We take that idea to a field to pilot it and measure results, and we come back and tell the customer the innovation delivers X dollars per acre economic headroom.

The way we sell innovations to customers is also important. The innovations help them understand what problem we are solving and the additional value we bring. The whole concept of production systems is to better understand how a customer gets work done, down to the specific tasks they do.

We focus on a job they must do and try to help them do it as efficiently and cost-effectively as possible.

Customers value their data and the security that protects it. We're focused on how we can help customers get the most out of their data.

Overall, it’s not just about specific product innovations. We differentiate ourselves by innovating in the farmer’s workspace.



What lessons have you learned in the past year that you are leveraging to drive resiliency in your supply chain?

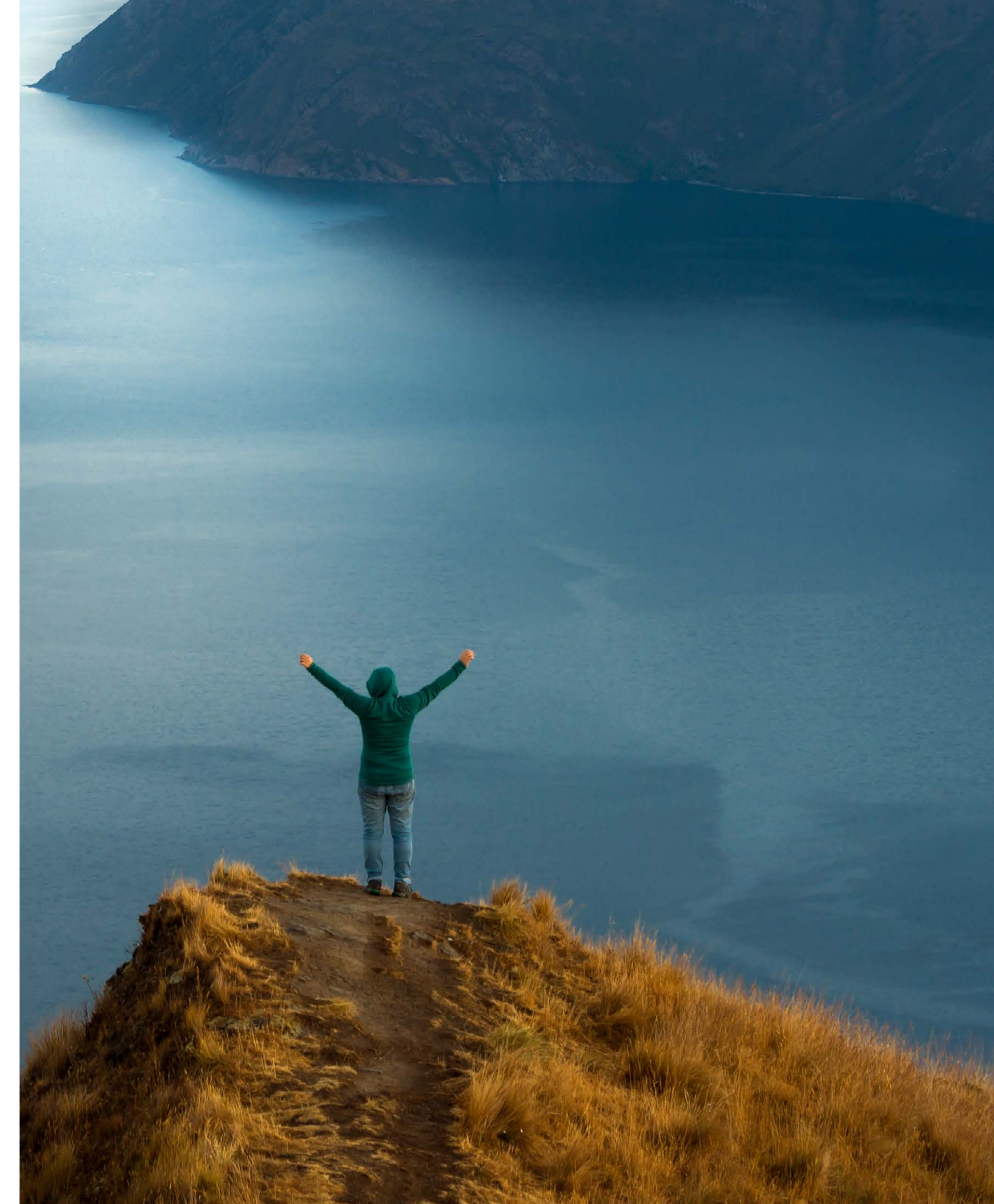
One key learning was the effect of the pandemic on our people and what, as leaders, we must do to ensure they make it through. This has been an extremely stressful time for all employees, but specifically those in supply management. It's important to give encouragement and support, and have people take a timeout when they need it, to refresh their minds before getting back to this "battle for products and parts." There's tremendous value in driving high levels of engagement, so people wake up in the morning and don't fear coming to work. They're ready for it. Taking care of people is number one.

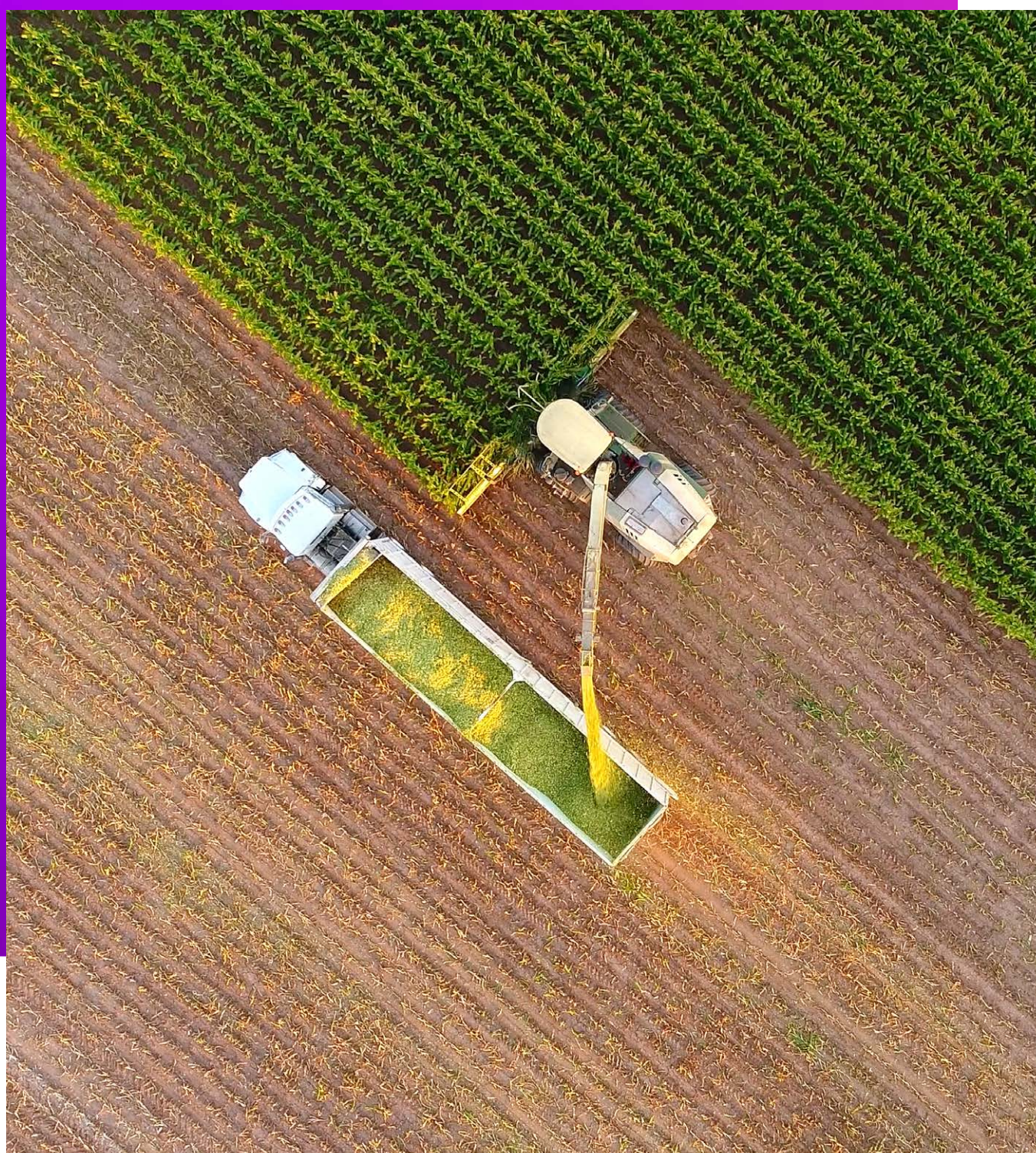
I've learned lessons around resilience, when it comes to suppliers. I don't think you can have too much resilience. This is something I've learned from Microsoft's CEO, from a [recent interview](#) he gave. He basically said, "leaders look into the future and try to make sure that what you're doing today is preparing you for that."

The problem is there have been so many "black swan events" we never anticipated. Having an open mind and preparing for that future through diversification and risk mitigation has become essential at Deere, but also for me as a supply management leader.

I've also learned the value of being flexible and of out-of-the-box thinking. We're doing all kinds of things we never had to do before, and being flexible becomes important, because we've got lots of standard processes. But we're learning that sometimes we have to be able to adapt. Our Smart Industrial Operating Model has enabled thinking outside the box and reminded us that understanding the required result is extremely important. With a clear result in mind we may find a way to get there faster or more efficiently. Some things can't take weeks—they must be done in days. Speed to execution is becoming essential.

I'm also learning a lot more about my suppliers. Deere is very relationship-oriented, and that's proven powerful. Our approach to supplier relationships has paid dividends in this tough time when products are in short supply.





What is Deere doing to improve sustainability, within the supply chain and more broadly?

As a part of our larger Environment, Social and Governance (ESG) approach, one of our key focuses is reducing greenhouse gas emissions. I'm responsible for energy within Deere, so we try to ensure all the electricity we buy is renewable energy.

We're also designing a structure to help us share our sustainability expectations with suppliers and capture ESG data in a meaningful way to track our own and our suppliers' contribution.

Suppliers contribute only about 5-10% of our total greenhouse gas emissions. But it's a starting point. We don't have a lot of time to waste, and we want to be thoughtful and meaningful with what we do.

Are suppliers embracing this importance of sustainability?

Yes. Some are probably ahead of us and ready to offer all kinds of information and data. A large majority are waiting for direction from us. And a small tail may find it a little more difficult. But this is something that's important to me, because I think everybody can contribute.

Even if you're a small supplier, there are small things you can do to contribute to an overall increase in sustainability across operations. We've engaged around 400 suppliers. The initial results of what they are doing in this space are very positive.

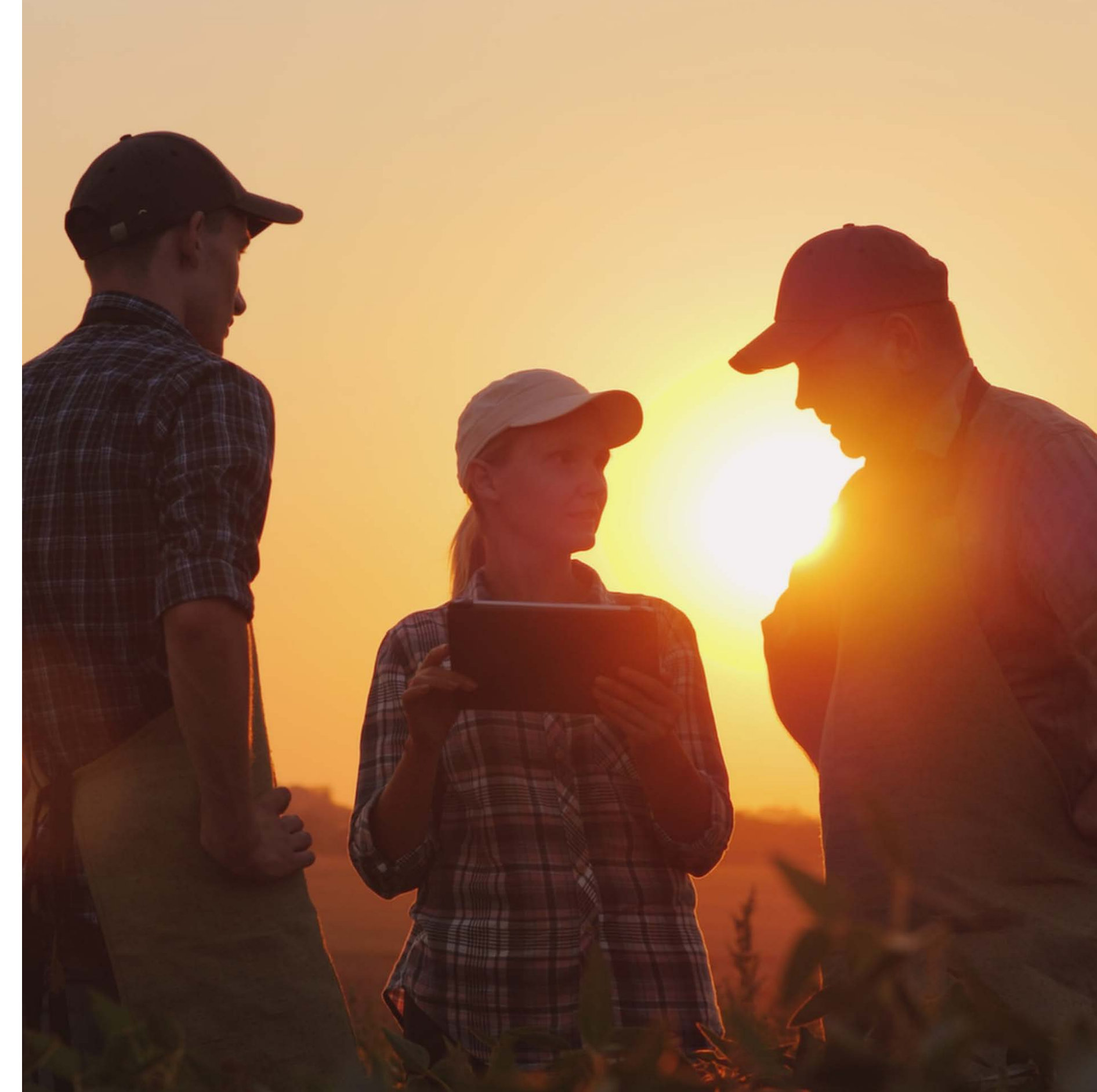
What are you doing to improve Deere's competitiveness and growth agenda?

There are two areas here. One is the traditional supply management approach to bringing value to the company—i.e. cost reduction and an above average supply base from a quality standpoint. As the business grows, we continue to support those kinds of activities. But growth can also come from the market growing, which it's doing right now. We scale up to support that and we get our suppliers scaled up. We do capacity checks to ensure they can manage that increase.

Another element of growth comes from hitting the market with a new and different product people want. What we're focused on this coming year is harvesting innovation from the supplier community, because a lot of that innovation can be translated directly into our products and services.

Part of that involves talking to engineering groups about what we do next and going back to suppliers with that information. We share our roadmaps with suppliers regularly and talk about the technologies we're looking at for the near future, to see what they can do to contribute.

We also ask suppliers where they see opportunities for John Deere. Often suppliers approach us to share what they're working on and that can be a very powerful tool to generate innovation, growth, and get a first mover advantage. That's extremely important in a growth market.



Can you highlight examples of how Deere technology is differentiating?

GPS location is fundamental. John Deere is one of the few private companies in the world that has its own satellite correction network. It ensures when our customers are in the field, our instrument is accurate to 2.5 centimeters.

Many of our innovations are very specialized, like See & Spray. However, we are also working on fundamental technology solutions to help our customers manage the challenges and variability in their operations.

Machine learning and AI are vital, for example. With Engaged Acres, data is captured when a farmer runs a pass in the field for tillage. When it's time to plant, they can use that data to ensure they're planting in the right rows. When it's time to spray, they use that same GPS data to ensure they're spraying in the same place.

It creates a stack of data relating to a farmer's field, from the time they till the soil, all the way to harvest. That data is analyzed to get yield insights. For example, identifying locations where they should plant more because the yield is higher. Almost every machine Deere makes is connected, so data can be sent from machines to the customer's operation center. We provide tools that customers can use to manage their data and gain insights to reduce costs and increase yield.

What do you see happening in your industry and what will the game changers be?

For agriculture and construction as our main business areas, technology-driven precision is the driving motivator for a lot of what we do. If we can execute a job for our customer more precisely, that helps them to be more time- and cost-efficient. That is a game changer and the future direction for our equipment and systems.

The backend is also important. All data collected in a customer's operations center helps the customer be more profitable and productive and operate in a more sustainable way. We're also looking at whether there are additional goods or services we can offer customers based on this accumulation of data. It could provide solutions that they didn't even think they needed. That's what happened with our GPS system. Originally farmers didn't recognize the value, but once they ran a pass, then came back to harvest and realized they could identify the exact same row based on a GPS signal, they decided it was a keeper.

My belief is that as we develop these things and they hit the marketplace, farmers will adapt quickly.

What will John Deere look like two to five years from now?

I'd like to think we will continue to ideate and introduce technological changes to the marketplace, both in agriculture and construction. Other areas of our business will benefit from the innovations and technologies we are building. For example, we're one of the world's largest providers of forestry equipment.

We will continue to be very customer-centric, but one of the big elements of our strategy is the aftermarket. We're already working on ways to take that John Deere experience you get when you buy a brand-new piece of equipment and extending it. For example, by retrofitting old tractors with new technology, to extend its lifespan and enhance the customer experience. So overall, the John Deere of the future really is a lifecycle of John Deere embracing customer experience enhancements along the way.

What inspires you most?

My favorite song is 'The Impossible Dream' from the Broadway show *Man of La Mancha*. It resonates with me because it focuses on strength, kindness, and resilience. I grew up very poor, and my parents and family had to exercise a lot of strength, kindness, and resilience. The current situation with the supplier community also demands those things.

Human situations bring these things to light and those are the things that inspire me. I'm a fan of the underdog. Sustainability is very similar. As humans we haven't done the best job of taking care of the planet, but we've woken up and recognized we need to. So, let's get started. Let's show some strength in doing this, some resilience, and find all the pockets of improvement we can make. The concepts of strength, kindness and resilience really inspire me.



About The Industrialist

The Industrialist is our monthly digital magazine that puts game-changing perspectives in the spotlight. It combines thought-provoking content and insights, to keep you on top of what's new in the industrial industry.

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