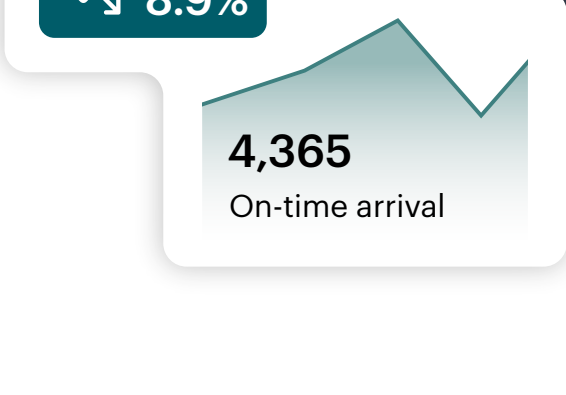
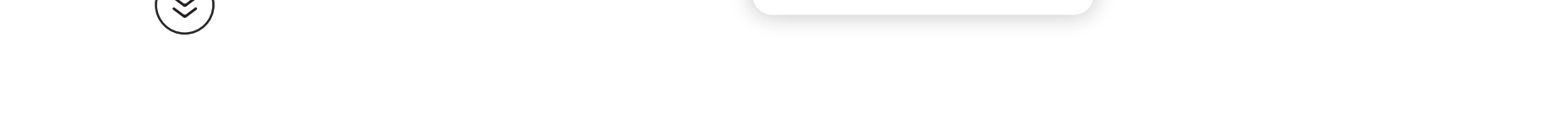


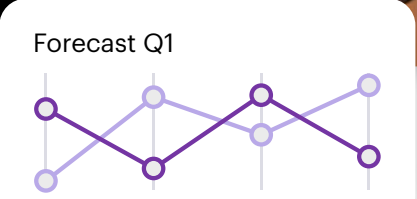
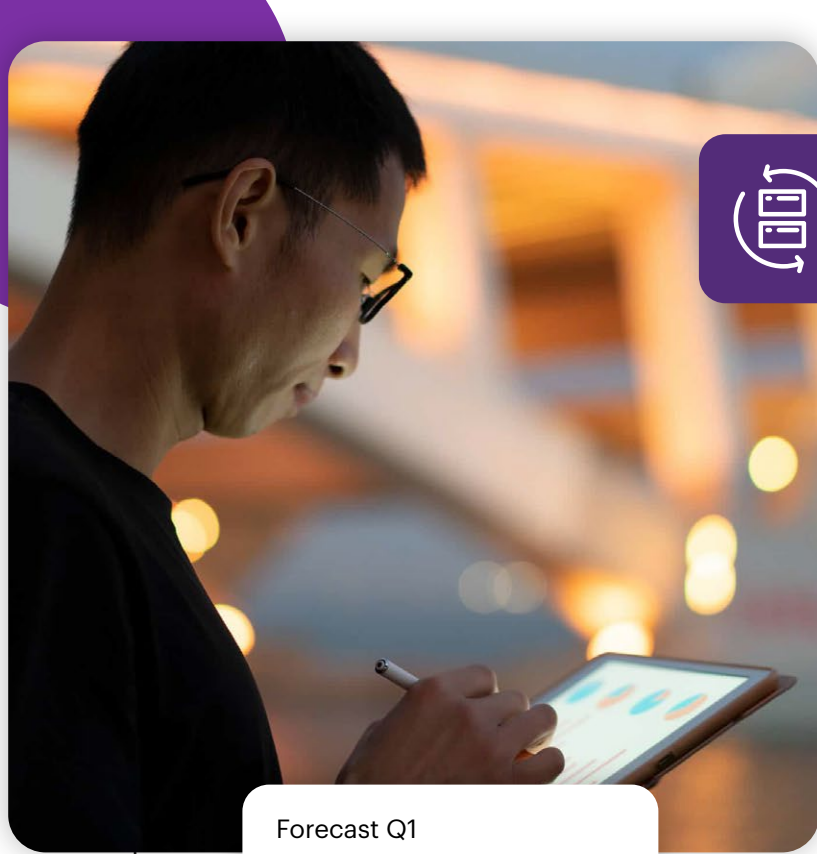
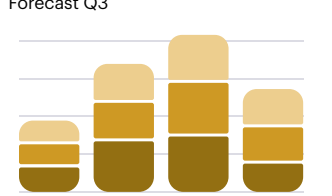
# The Role of Artificial Intelligence (AI) in Solving New Business Complexities

Supply chains are more complex than ever, and the challenges continue to multiply. It's important to utilize the role AI can play in your operations—but not all AI is created equal.



Business leaders recognize that, regardless of industry, every company is now in the business of data. With far-flung sourcing, manufacturing and logistics combined with increasingly tight timelines and higher stakes, the quality of business decisions comes down to the data they're based on.

Data can be analyzed in various ways... and vendors often use the term "AI" to mean very different things.

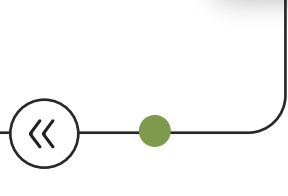
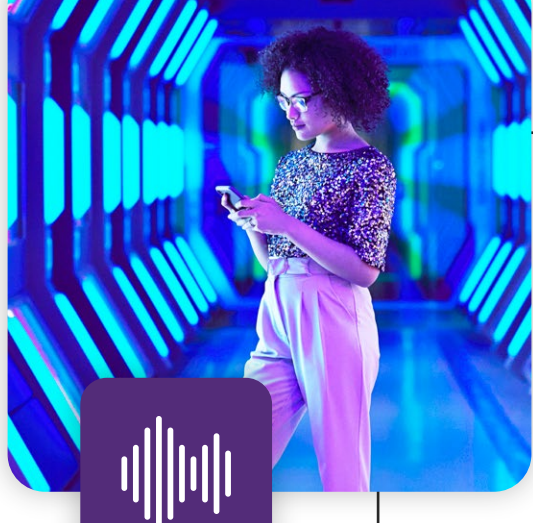


## Automation

Executes manually intensive tasks – such as identifying data inconsistencies – without human intervention. Automation is process-driven.

## Operations research

Utilizes fixed algorithms to perform defined calculations, such as determining optimal inventory levels. Operations research is math-driven.



## Artificial intelligence

Operates through self-tuning algorithms that seek to understand patterns and test specific actions, learning from the data to continuously improve results. True AI is data-driven.

Each of these analytics methods is important, and no organizational toolbox is complete without them all.

That's why it's vital to understand what vendors are truly offering and what they can really deliver.

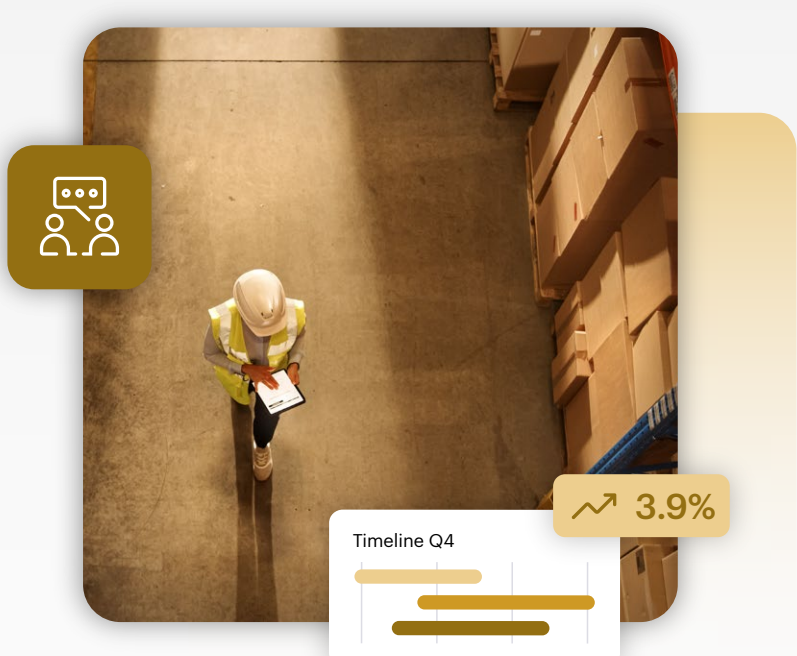
## The four types of supply chain AI

Understanding these categories helps business leaders understand AI's actual capabilities and the data required to power it.

### 1 Supervised learning

**How it works:** Think of it as AI with a tutor. It finds patterns across disparate datasets, uses them to recognize what “good” looks like, and becomes better at predicting outcomes over time.

**Supply chain outcomes:** Utilize labeled data to accurately forecast demand, optimize inventory, and flags potential disruptions based on historical patterns.



### 2 Unsupervised learning

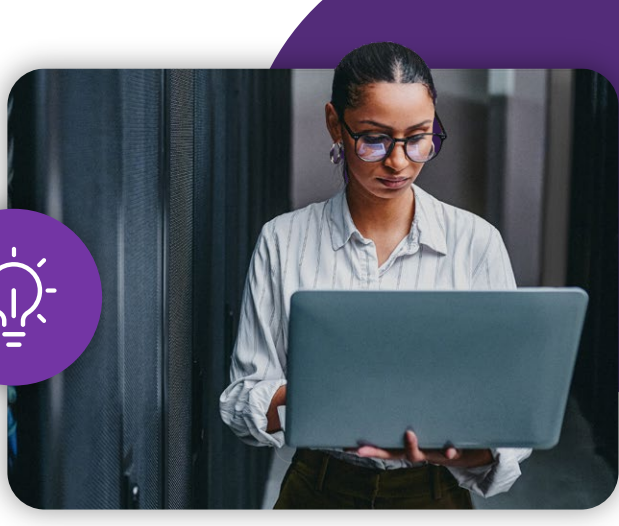
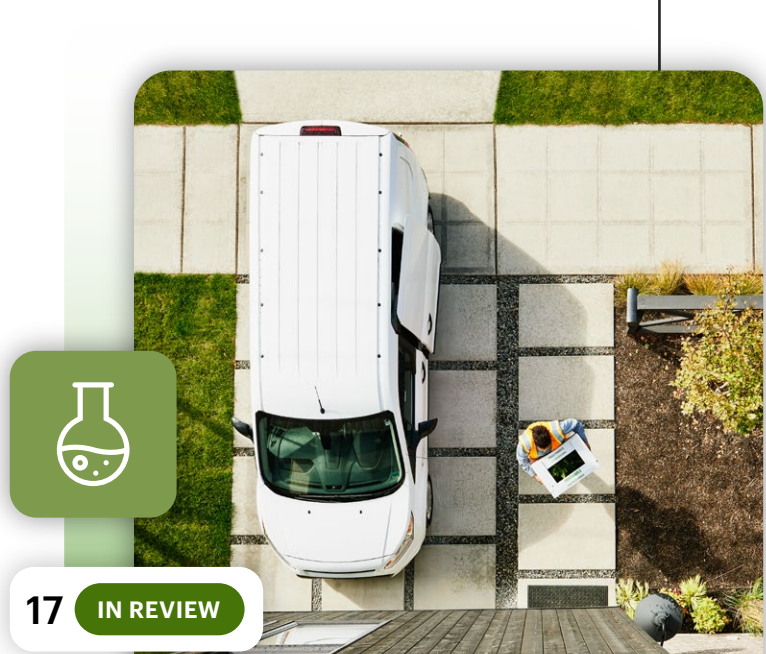
**How it works:** This AI works like a detective. It spots hidden patterns in supply chain data – many of which are not obvious to the human eye – without training or guidance.

**Supply chain outcomes:** Identifies anomalies, detects unusual supplier behavior, and uncovers inefficiencies across logistics networks to help you stay ahead of potential risks.

### Reinforcement learning

**How it works:** This AI learns by experimenting. It explores different scenarios through trial and error, learning which actions to take based on the best outcome.

**Supply chain outcomes:** Dynamically adjusts delivery routes and warehouse operations in real-time as conditions change.

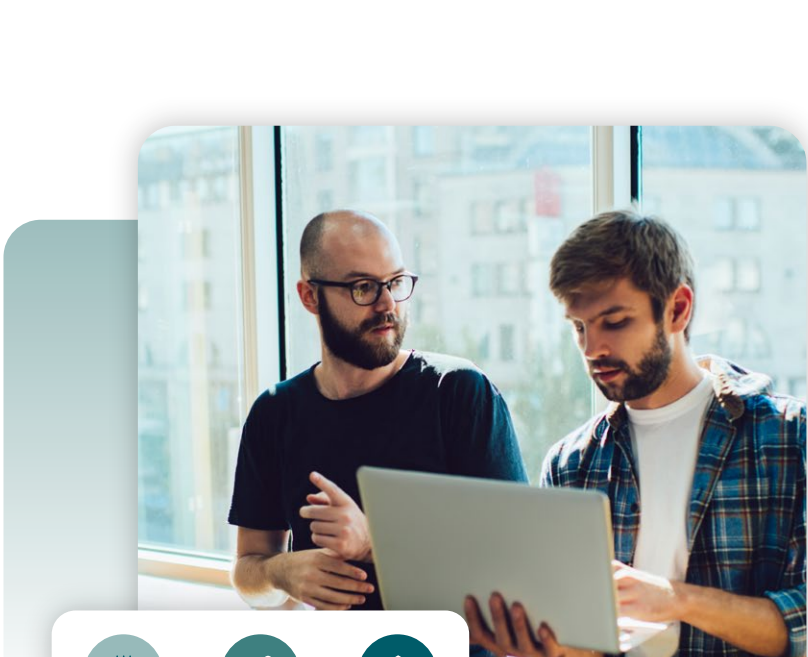


### 4 Generative AI

**How it works:** Think of it as a creative chef coming up with new dishes. It uses large language models (like ChatGPT) to interpret masses of unstructured data and generate new content with similar characteristics.

**Supply chain outcomes:** It creates robust contingency plans for unprecedented disruptions and simulates complex supplier scenarios, so you're always prepared for the “what ifs.”

While each plays its own unique role, together they can truly unlock the full potential of AI in the supply chain.



**WHITE PAPER**  
**Download the AI Buyer's Guide** to cut through the marketing hype and understand what AI really means – and can accomplish – in your supply chain.

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