

E2open Shadow Planning: Reveal the Blind Spots in Your Supply Chain

Many brand owners—particularly those in automotive, high-tech, apparel, and industrial manufacturing—rely on contract manufacturers (CMs) and component suppliers to meet customer demands. Yet, a critical blind spot exists between when an order is placed with these partners and when the finished goods or components arrive at the brand owner's distribution facility. Without shadow planning capabilities, this gap leaves companies without visibility into whether their CMs will meet production schedules, manage supply constraints, or address potential delays. It's like the old moon landing's silent, two-minute re-entry, when communication fades, and everyone holds their breath and hopes the re-entry will be successful. For the modern supply chain, however, this blind spot is not acceptable.



What is shadow planning, and how does it help businesses?

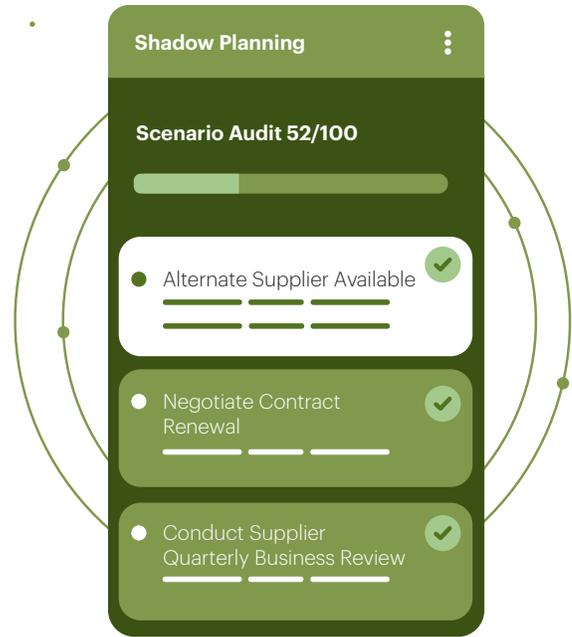
Uncertainty in supply chain operations is not ideal, but it's inevitable. Traditional planning methods have become increasingly incapable of helping businesses manage modern disruptions, which has left brand owners looking for a better way to not only respond to disruptions, but to anticipate them as well. Shadow planning is a proactive approach to this issue.

Shadow planning helps brand owners cultivate parallel or alternative plans for disruptive events to maintain business continuity. Data-driven insights about everything from production to supply are fed into a supply chain digital twin, allowing brand owners to run scenario planning simulations that inform how to create sound contingencies for a variety of disruptors. With these digital tools, brands can create a responsive supply chain that can pivot more easily in response to market stressors.



Shadow planning helps businesses keep contingency plans in place for a proactive rather than reactive response to disruption.

Effective communication and real-time visibility during production and transportation stages are crucial to ensure smooth supply chain operations. This visibility, gained from shadow planning, equips brand owners with the tools to monitor whether CMs will meet expected delivery timelines and accurately track the status of inventory and capacity across the supply chain. By using shadow planning, brand owners can gain proactive insights, manage risks, and maintain confidence in their suppliers' and co-manufacturers' ability to deliver.



Challenges facing brand owners

Because of the complexity of the modern business landscape, traditional planning methods are no longer good enough. Historically, a brand could potentially get by with limited visibility and a slower response time, but that is not the case in today's digital, real-time, omnichannel market. A lack of visibility and poor response time mean that the effects of supply chain disruption can result in a significant drop in performance, and by proxy, customer satisfaction.

Here are three of the major challenges today that cannot be addressed by traditional planning methods.



Limited visibility into contract manufacturers' operations

Brand owners are often forced to trust that their CMs will meet production commitments, but this lack of transparency leaves them vulnerable to unexpected delays, stock shortages, and costly operational disruptions.



Data gaps in supply chain forecasting and execution

Without sufficient inventory, production capacity, and logistics data, brand owners struggle to create optimal plans for capacity utilization, inventory balancing, and supply assurance.



Inadequate tools for proactive disruption management

When disruptions arise, reactive adjustments may be too late to prevent customer impact. To avoid this, brand owners need real-time insights to enable proactive, rather than reactive, planning.

Trust, but verify: Strategies to close the gap

To bridge the visibility gap, brand owners must, “trust, but verify” by implementing supply chain processes that create transparency. Through these strategies, brand owners can gain incremental insights into whether CMs will fulfill their commitments.

In addition to increasing visibility with suppliers, CMs, and logistics providers, shadow planning also allows brand owners to run scenario planning on a supply chain digital twin. Given that it can take some businesses days, weeks, or even months to identify a disruption, these speculative digital simulations give brands with more responsive supply chains a strategic advantage over their competitors.

Shadow planning requires visibility across every stage, with communication and collaboration as critical success factors. With e2open’s connected supply planning and execution solutions, brand owners can effectively track, manage, and adjust to stay on course and prevent disruptions. Partnering with e2open empowers brand owners to deploy the following tools and strategies to create a clearer picture of their supply chain and assess if CMs are on track.



Key features

- **Forecast sharing & forecast commitment:** Allows suppliers and contract manufacturers to gain insight into demand projections, providing a foundation for realistic capacity commitments.
- **Inventory data sharing:** Real-time inventory visibility prevents unexpected shortages and helps CMs adjust production plans.
- **Can-build and clear-to-build:** Real-time assessments of component availability let CMs confirm whether they can meet production needs before initiating the build.
- **Digital supply chain twin:** A virtual model of the supply chain, enabling brand owners to monitor operations in real-time, anticipate risks, and simulate alternate plans.
- **MRP data sharing:** Detailed materials requirement planning (MRP) data helps coordinate production schedules and material sourcing to avoid bottlenecks.
- **Shadow planning simulations:** These simulations model various disruption scenarios, providing actionable contingency plans based on real-time data insights.

Key benefits of shadow planning with e2open

- **Enhanced capacity utilization:** By monitoring supplier availability and capability, brand owners can maximize production efficiency, prioritize critical products, and avoid excess capacity or resource wastage.
- **Balanced transportation choices:** Tracking transportation constraints and inventory requirements allows brand owners to make strategic choices between air, sea, and ground shipping to optimize lead times and costs.
- **Efficient inventory risk management:** E2open’s solutions help balance excess, shortages, and obsolescence, ensuring inventory levels meet demand without overstocking or undersupplying.
- **Management of critical component constraints:** Visibility into inventory and supplier performance allows brand owners to assess potential constraints, avoiding bottlenecks and aligning production to mitigate risks.



Become the customer of choice with e2open

E2open's connected supply planning and execution tools help brands leverage true shadow planning to close the gap on the unknown. Brands that demonstrate active collaboration, transparency, and reliability with their CMs can gain preferential treatment by becoming the customer of choice.

E2open empowers brand owners to establish a comprehensive shadow planning solution and digital twin that addresses the complexities of modern supply chains. With thorough assessments, real-time monitoring, and data integration, e2open enables organizations to anticipate disruptions, develop robust contingency plans, and maintain operational continuity.

By investing in shadow planning, brand owners can safeguard their supply chains, protect profitability, and build stronger, more agile operations capable of thriving in the face of uncertainty.

About e2open

E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 480,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 15 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™

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