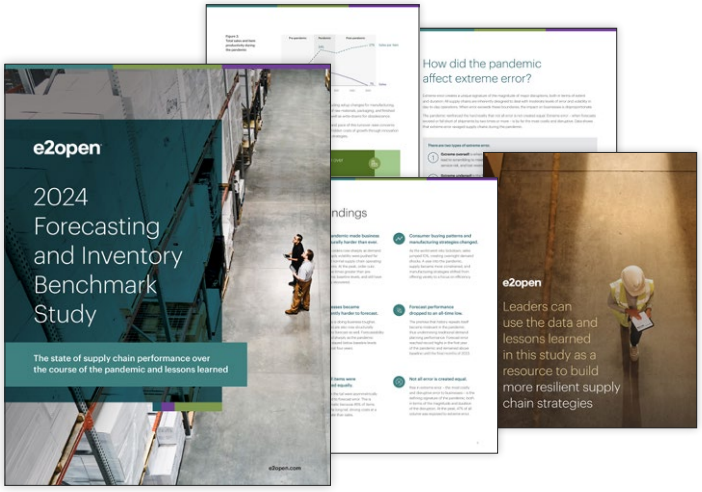
e2open®

# Just the Facts

## The e2open 2024 Forecasting and Inventory Benchmark Study

**The e2open 2024 Forecasting and Inventory Benchmark Study examined supply chain planning performance over the past five years — covering every phase of the Covid pandemic, and its aftermath. Given the probability of future large-scale disruptions of this type, the report provides key learnings for how businesses can improve operational resilience.**




## Impact of the pandemic on supply chains

The pandemic was an unprecedented disruptive event. It led to some dramatic shifts in the business landscape, including:

**5X** increase in order cuts at the peak of the pandemic versus pre-pandemic levels, which has still not fully recovered

**Forecastability** dropped sharply and stayed below baseline levels for almost four years

The key takeaway here is twofold: 1) it's much harder to do business in the post-pandemic environment; and 2) long-held supply chain practices are no longer good enough.

## Impact on planning performance

There was a breakdown in planning performance during the pandemic which exposed a vulnerability in traditional planning methods. This resulting chaos had a disastrous effect on supply chains, such as:

**47%** of all volume was exposed to extreme error in April 2020 (extreme oversell or extreme undersell)

**4 years** – the amount of time it took for forecastability to recover from the pandemic

Not only is it harder to run and forecast your business during a major disruption, but investments in traditional planning provide less value too.

## The solution: multi-echelon inventory optimization + demand sensing

AI and real-time data are proven to improve forecast accuracy in normal operations. Supply chain operators that employ this technology gain a competitive advantage over their competitors, including:

**30-40%** reduction in forecast error when utilizing demand sensing

**3x more value** realized from planning investments in people, processes, and technology with demand sensing

**40-50%** reduction in safety stock when combining demands sensing with Multi-echelon Inventory Optimization (MEIO)

Our survey data shows that companies get **3x more value from planning investments using AI**, and companies that are serious about squeezing the most from inventory investments should combine MEIO with demand sensing for optimal performance during periods of major disruption.

## Want the full story?

Learn more about how MEIO combined with AI-driven Demand Sensing can improve forecasting and reduce inventory.

**Download the report**

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