



SOLUTION BRIEF

Break the Planning Silo to Gain Agility

Discover how supply chain innovators connect planning and execution to conquer complexity, disruptions, and risk across different industries





Planning can no longer exist in a silo

Today's complex, intertwined supply chains face a volley of volatility, uncertainty, and disruptions that extend well beyond their four walls. It is all too clear following the pandemic that risks anywhere in the layers of multi-tier suppliers and partners can and will impact a company's bottom line.

The pressure for companies to generate more value and better performance from their supply chains hasn't changed. When it comes to organizational strategy and the expectations for financial performance, customer satisfaction, and contribution to environmental, social, and corporate governance (ESG) goals — that pressure is only increasing. More than ever, companies are focused on maximizing the returns from their existing investments and amplifying benefits across the enterprise.

Clean fuel to power your supply chain decision-making engines

A disruption or change in market conditions of any size can have severe consequences on an organization's objectives if they don't respond in a timely fashion with the best course of action. The first challenge is having the visibility to detect that an issue exists — along with its likely impact — in time to take corrective action. The second is determining the available options, evaluating each scenario, and making the best decision to maximize the outcome. Finally, organizations must be able to implement the decision by collaborating with extended multi-tier supply chain partners to orchestrate the response and maintain continuity across the supply chain.

Data is the fuel that informs supply chain realities. And, like the fuel in a racecar, the data needs to be clean of impurities and available to the engine in real time. To be effective, data must be fresh, accurate, relevant, and harmonized across systems and enterprises to maximize its value. The promise of supply chain technology can only be realized if the data it's fed is tightly aligned with supply chain requirements, which are exceedingly complex. Any time lag or lack of quality insight is a liability to results.

Connection is crucial

Connecting data, systems, functions, partners, n-tier suppliers, and business applications is most efficiently accomplished through a purpose-built supply chain platform with an extensive business network. This connection fosters efficient, multi-tier collaboration to improve communication, build partnerships, and align actions to achieve shared value.

Point solutions offer limited value in today's realities. However, business applications built on a platform supported by a network unlock value beyond the sum of its parts — also known as *the Power of And*.

Connection in Action: Three Case Studies

Let's study three use case studies where *the Power of And* provided new opportunities for ongoing performance gains.

Case Study

Creating new capabilities to counter complexity in the automotive industry



The automotive industry has experienced a lot of change recently, including regulatory compliance and advances in product innovation. One leading company transformed its supply chain to meet today's resulting complexity and changing dynamics while better positioning it for tomorrow. Key to their transformation was the adoption of an "outside-in" approach to planning, building plan-and-respond capabilities that are fully informed by external, real-time supply chain realities with connected execution across the multi-tier supply and logistics ecosystems.

The manufacturer prioritized visibility from the start, providing access to real-time details across their extended network. This new visibility opened the opportunity for collaboration with suppliers. The company prioritized collaboration on their forecasts with suppliers, aligning the partners on decisions and goals while building relationships and trust. This collaboration extended beyond their first tier of suppliers to second, third, and beyond. This multi-tier collaboration and alignment improved supply assurance and facilitated more effective processes and proactive communication, which resulted in less error and increased productivity. For example, the automaker improved supply assurance by requiring suppliers to confirm their ability to meet part-level demand against a rolling 12-month forecast.

The automaker then leveraged its updated supply visibility and collaboration to help better plan for supply and meet anticipated demand. With a multi-tier understanding of supplier constraints, capabilities, and capacities, the company could quickly produce viable, constraint-aware supply plans that met anticipated demand across time horizons and locations. Priorities and business rules were





incorporated into the supply plans to protect key business goals and customer commitments. As demand and supply changed, planners were able to run multiple scenarios across the supply chain to assess options and select responses with full awareness of impacts.

Improved supply assurance gave the company greater confidence in its ability to both plan supply and respond to disruptions of all sizes while minimizing costly corrections. By adding the ability to optimize inventory across the network, they ensured the available inventory was in the right places at the right time. The automaker established inventory targets across time horizons and locations throughout the supply chain, helping them improve customer service levels and reduce expedited costs. This effort also significantly reduced safety stock, freeing up working capital for the automaker.

With *the Power of And*, the company had a comprehensive view and plan for ensuring supply is available and positioned optimally across the supply chain to meet customers' needs over time. However, even the best-laid plans are subject to the real world of execution, and disruption can easily overwhelm logistics. Too often, planning functions are limited in how quickly or accurately they are informed about logistics disruptions, creating broken customer promises and avoidable costs.

The automaker sought to tie planning and execution better together, identifying issues and impacts, assessing all options, and implementing informed decisions quickly. The company also added inbound shipment tracking to provide a predictive arrival time and early warning of potential delays and the impact on customer orders. Planners can then determine a corrective response to best address the situation, leveraging the full capabilities of the extended supply chain. Increased logistics visibility enabled faster identification and assessment of disruptions of all sizes and improved insight into inbound orders quickly. This increased agility and speed in responding to issues threatening customer service or financial performance. In addition, information about carrier and lane behavior was used to improve predictions and identify cost and resilience opportunities to optimize its network.

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Case Study

Delivering on-time and in-full with demand sensing and inventory optimization



Committed to its customers, a leader in durable goods underwent a digital transformation of its supply chain to best position itself strategically and deliver on its customer-focused goals. In addressing demand, they felt they had maxed out on gains with their current demand technologies, experiencing minimal improvements in forecast accuracy over several years. At the same time, they experienced low forecast accuracy at the node level, which drove higher inventory and higher backorders. They also identified opportunities to improve accuracy with some downstream data not currently incorporated into their S&OP process.

First, the company automated the capture, harmonization, and analysis of cross-retail demand data and included the newly discovered downstream data. This management and automation of demand signals reduced manual effort and inefficient, automated processes while providing valuable channel and consumer insights. The addition of the newly discovered data also helped to improve their comprehensive picture of demand.

The manufacturer also automated these daily demand signals to feed into demand sensing technology that utilizes machine learning (ML) to process demand signals and interpret the impacts based on current realities in the supply chain. The manufacturer experienced a double-digit improvement in short-term forecasting accuracy as a result. This complemented the company's traditional statistical forecasting for longer-term time horizons with AI-driven, shorter-term forecasts based on real-time signals from the multi-enterprise, multi-tier network.

With *the Power of And*, the company deployed intelligent, automated daily tuning of its forecast, which helped it improve its inventory positioning to create new efficiencies to fulfill demand best. The company reduced excess inventory and backorders by setting inventory targets at the node level over time. Like earlier, they reduced working capital invested in inventory and the associated carrying storage and transfer costs. The benefits of this approach to inventory optimization are accelerated due to the daily processing of demand signals and automated adjustments from sensing demand.

Case Study

Enabling corporate strategy with end-to-end supply chain planning



A leading consumer packaged goods (CPG) company with global operations found itself in a challenging situation. With changes in their product offerings to adapt to consumer buying trends, new production competencies were imperative to ensure success. The company realized it needed an innovative approach to supply chain planning to support the strategic direction. Key to their success was adopting advanced planning functions internally and externally, fueled by current and meaningful data.

Starting with the demand planning function, the CPG brand focused on attaining the most accurate view of demand across a highly complicated, multi-tier channel ecosystem of wholesalers, distributors, and retailers.

Fulfilling that demand as expected and aligning with strategic and financial objectives requires a comprehensive sales and operations planning (S&OP) process. The CPG company is supported in its S&OP process with end-to-end visibility, leveraging its digital twin. The company can now identify gaps and corrective responses through dynamic simulations. They can also engage and build consensus among stakeholders, managed by comprehensive workflows.

The combination of demand planning and S&OP builds internal and external stakeholder alignment, supply chain and financial goals alignment, greater agility to protect demand plans, and higher planner productivity. However, without integrated and advanced supply planning capabilities, the company would be putting supply assurance at significant risk, leaving it vulnerable to supply scarcity, logistics issues, geopolitical considerations, and other adverse effects.

Integrating supply planning capabilities allows the brand to capitalize on visibility and capability to ensure supply consistently. With a firm understanding of anticipated demand, the company leverages visibility across the supply chain business network to quickly construct a feasible plan — from raw materials to components to finished goods — that ideally can fulfill forecasted demand.

Key to this feasible plan is a comprehensive understanding of constraints and their impacts, giving the company confidence in the viability of the supply plan and in the ability to commit to customers. With aligned demand, supply, and S&OP capabilities and the company's supply chain digital twin, planners can see where supply can't meet demand, generating a gap to be reconciled in the S&OP process.

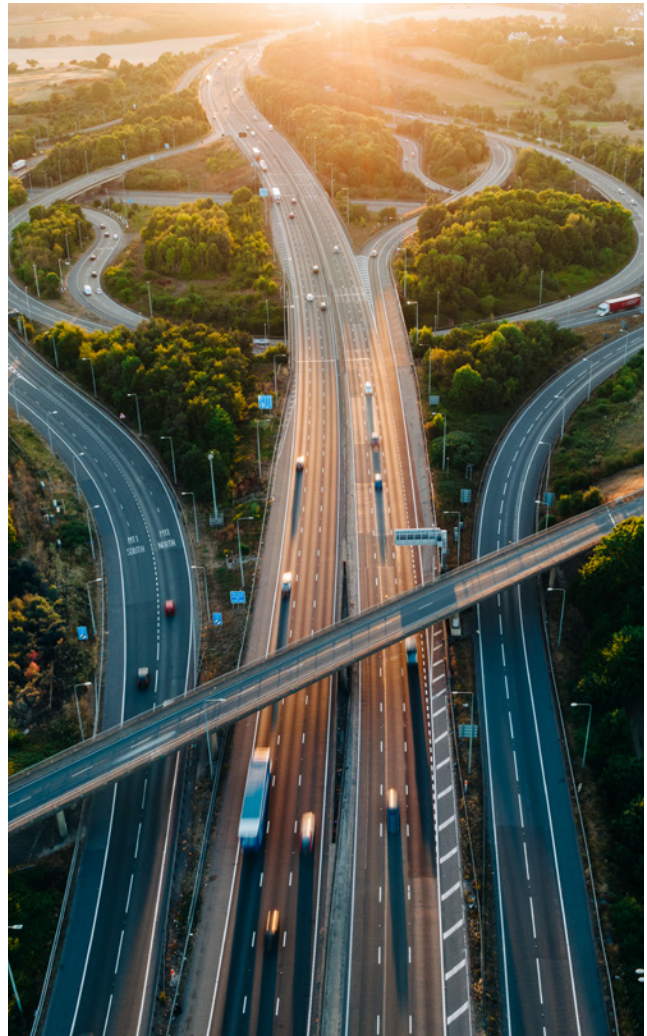


Supply chain planning is more critical than ever — and it's changing

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Connect Your Supply Chain

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SBBTPS2301

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