

Anaplan

The essential guide to decision-centric supply chain planning

How to build supply chain resilience by moving
from concurrent to Connected Planning.



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Supply chain challenges: disruption is business as usual

The priority of supply chain management is gaining the ability to gaze into the future and preempt trends, bumps in the road, supply chain blockages, and opportunities.

And yet huge challenges persist. The economic uncertainty of the last few years shows little sign of abating, with interest rates, inflation, and a cost-of-living crisis wreaking havoc with the usual cycles of supply and demand. Dealing with disruption, once an occasional thorn in the side of supply chain professionals, has become an essential part of the job.

At the same time, demand forecasting has become ever more complex as supply chain leaders juggle the variables at play. Factoring in an ever-evolving landscape of disruptions, shifting consumer behavior, and a complex ecosystem of supply chain partners has left many floundering.

This guide will explain how organizations are driving resiliency by shifting from concurrent and siloed data to decision-centric demand planning.



More than 60% of supply chain leaders say the supply chain management (SCM) process is responsible for escalating costs and risks. Over half expect SCM to become more complex over the next five years.”

Source: Gartner



The problem with legacy supply chain approaches

Many organizations continue to rely on legacy supply chain techniques, concepts, and approaches that haven't changed in decades. Organic supply chain evolution has created siloes of data and concurrent, or parallel, planning approaches. The result is disjointed processes plagued by poor data, islands of information, and a lack of visibility needed to make real-time adjustments.

At the same time, inefficient supply chain management is costing organizations due to stock-outs and excess inventory. While McKinsey acknowledges that retailers have bought inventory to hedge against supply shortages, this surplus is also the result of overbuying and changing consumer habits.

These challenges are the catalyst for a seismic shift in the way organizations conduct supply chain planning, driven by a recognition that legacy, siloed approaches simply aren't up to the job.

Only 30% of supply chain leaders feel that their strategy and operations are well aligned.

Around 90% of organizations say they will invest in greater supply chain resilience over the next two years.

Source: Gartner



Total retailer inventories hit \$740bn in 2022, a 12% surge on the previous year.”

Source: McKinsey

The shift from concurrent to Connected Planning

Supply chain resilience and agility hinges on visibility into the extended supply chain ecosystem. It also requires a shift away from concurrent, siloed data to connected, real-time decision-centric approaches.

And yet, legacy approaches to supply chain management often rely on spreadsheets and linear forecasts based on historical data. Their limitations are huge. Spreadsheets are largely descriptive and populated by user-supplied data, influenced by the biases of previous experience, which project past experience into a future state without the inferential analytics required to identify and assess future probabilities.

Instead, organizations need to refocus their people, processes, and technology on a single platform, moving from siloed, **concurrent** planning to transparent **Connected** Planning.

After all, in the consumer packaged goods (CPG) industry, supply chain is just one dimension of effective planning. Finance, workforce, sales, and marketing are other critical stakeholders. What's needed is a systematic approach that curates both historical and external data and rigorously analyzes it through probability-based scenarios — all connected across every stakeholder function from merchandising (including product placement, pricing, and promotion) and finance to monitor performance and make adjustments in real time.



Organizations need to refocus their people, processes, and technology on a single platform.”



Utilizing data to build supply chain resilience

Data and expertise must be curated and coordinated so that supply chain leaders can extract relevant demand signals and model scenarios from them. Bringing this data together into a single version of the truth will ensure supply chain leaders can access the insights they need to make informed decisions and adjustments based on real-time data and events. Agile supply chains are crucial to their resilience.

Supply chain leaders have a pivotal role to play in driving supply chain efficiencies; in forward-looking organizations, it is the role of the supply chain function to oversee and align the specialist business functions across business-critical areas to ensure they work in harmony to both mitigate supply chain risks while at the same time realizing the benefits of disruption and unexpected events.

These other areas include:



Avoiding stockouts and excess inventory requires organizations to build supply chain resilience using “what-if” scenario planning that factors in multiple cross-functional variables — not just supply or demand. Connected Planning empowers organizations with a clear line of sight into instabilities, impacts, and scenarios. Meanwhile, planners can model potential opportunities through “what-if” scenarios aligned with desired outcomes.



Connected Planning empowers organizations with a clear line of sight into instabilities, impacts, and scenarios.”

Developing an anti-fragile supply chain

Disruption is an undeniable fact of everyday business life. Supply chains have evolved into event-driven ecosystems, where sales and operations planning (S&OP) teams leverage data to identify market trends, and social or geopolitical shifts that could affect demand. The right people, processes, and technology allow you to harness uncertainty and turn it from a source of potential failure into an opportunity for business growth.


Against a backdrop of growing uncertainty, supply chain leaders must have the capability to predict disruption using a combination of internal and external data and insight to make decisions that turn disruption into opportunity and a source of competitive advantage.

The concept of an “anti-fragile supply chain,” a term coined by Gartner, involves organizations continually adapting and learning to thrive under uncertainty. While resiliency is about surviving uncertainty, anti-fragility is about thriving under uncertainty.

Gartner suggests that, instead of avoiding these disruptions or weathering uncertainty using contingency plans and redundant systems, an anti-fragile supply chain actively seeks out disturbances because within chaos, disorder, and the unknown lies opportunity.

What does resilience look like?

In a supply chain context, resilience is the ability to see supply chain events — whether that be new demand signals, supply disruptions, or contextual shifts — and align all the moving parts of your organization, plan and orchestrate execution in near real time. The old paradigm is concurrent processes working in tandem when what is needed is Connected Planning to save time, then turn events from crisis into opportunity. This is the essence of what Gartner calls the anti-fragile supply chain.



An anti-fragile supply chain loves mistakes, as it can learn and improve from them.”

Source: Gartner

Turn disruption into a competitive advantage

The complexity of demand planning is encouraging new approaches to supply chain management that better align business strategy and objectives with operations. With uncertainty and turmoil as the new normal, forward-looking organizations are turning their back on legacy, linear forecasts based on historical data.

Instead, Connected Planning provides organizations with a clear line of sight across functional areas and the ability to make real-time planning decisions. Integrating financial, inventory, sales, buyer, and merchandise data into one cohesive view, and bringing that together with data from your extended supply chain and partners — as well as real-time external market data — provides an unrivalled perspective.

More importantly, Connected Planning allows for modeling capabilities using probability-based scenarios to harness the opportunities presented by unexpected events and fickle consumer trends. Supply chain agility and resilience isn't about contingency planning and bloated inventories. It's about timely and effective supply chain management and connected decision-making that turns disruption into a source of competitive advantage.

Find out more about how **Connected Planning** can help your organization build supply chain resilience.



47% of supply chain leaders say supply chain complexity enhances their ability to innovate.”

Source: Gartner

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About Anaplan

Anaplan transforms the way you see, plan, and lead your business. By dynamically connecting financial, strategic, and operational plans in real time, Anaplan gives you the power to anticipate change, address complexity, and move at the speed of the market. Anaplan's Connected Planning platform lets you view and contextualize current performance, forecast future outcomes to fuel growth and mitigate risk, and optimize costs so you can make faster, more strategic decisions. Anaplan helps more than 2,400 market-leading customers in over 50 countries navigate their daily planning challenges with confidence. To learn more, visit

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