Supply chain executives and managers are managing the dual tensions of cost efficiency and supply chain resiliency. Every supply chain decision has direct ties to the financial results of the enterprise, and technology tools must support this integration.

Supply Chains Wrestle with Cost and Resiliency to Deepen Their Ability to Make Sound Financial Decisions

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Introduction: Efficiency Versus Resiliency

Pendulums swing, history cycles, and supply chain management has not escaped these truisms. With its roots as a cost center seeking cost efficiencies, supply chains have been on a maturation journey to something more sophisticated and need the tools to continue the journey.

Some years ago, operations management emerged and was often placed under the finance function. If sales and marketing were more creative, operations — with its lean toward logic and mathematics — seemed a fit for finance and the number crunchers. Over time, the supply chain became its own full-fledged function with C-suite roles such as a CSCO or COO and degree programs in higher education.

Sales and operations planning (S&OP) sprang up to integrate sales and operations, optimization engines leveraged the growing power of AI, network models created efficiency and scale, and the supply chain began to shift from being a cost center to a strategic capability. More recently, integrated business planning (IBP) emerged to fully integrate sales, operations, and finance.

Just as supply chains began to be seen as a strategic hub instead of a cost center, the era of disruption hit in all its many forms including the COVID-19 pandemic, geopolitical conflicts, demand volatility, and tariffs. This atmosphere of continuous upheaval has brought with it four significant impacts:

» The general public became acutely aware of supply chains while trying to find toilet paper, food, and household goods during the pandemic.

AT A GLANCE

KEY TAKEAWAYS

» A history of supply chain efficiency efforts has been confronted with a series of disruptions raising the need for resiliency.

» Organizations looking to balance the dual pressures of cost and resiliency need sophisticated (but not complex) tools to help.

» Digital capabilities are emerging to deepen integration between finance and supply chain planning and enable intelligent trade-offs to manage both cost and resiliency.

» Supply chain and C-suite leaders realized that a focus on lean management principles (i.e., just in time, efficiency, and minimal inventories) left them exposed to disruption and developed a strategic desire for resilience in supply chains.

» Companies put increased focus on — and investment in — digital transformations and capabilities. Supply chain managers came to realize they could not respond to disruption, keep the lights on, and optimize their operations without meaningful progress in digital capabilities. COVID-19 in particular triggered significant investments.

» The desire for elevating optimization and scenario trade-offs heightened the need for organizations to consider strategy, finance, and operations in integrated ways.

In addition, global macroeconomics and trade pressures have only exacerbated the impacts of costs on enterprises. This backdrop has created conflicting pressures: How are supply chains to balance profitability trade-offs that are increasingly complex? Supply chains that spent decades gearing themselves for efficiency suddenly found themselves sometimes wrong-footed in the face of disruptions.

IDC has seen the tension points confirmed in IDC's yearly *Worldwide Supply Chain Survey* of over 1,800 supply chain managers, executives, operating, and IT professionals. When the 2025 survey asked what factors prevented supply chains from responding more effectively to disruptions, the top 3 reasons listed were:

» IT landscape (legacy systems, integration, and capabilities)

» Partner constraints with upstream suppliers

» A focus on cost at the expense of resiliency

The survey also found that supply chains identified technology and the need for sophisticated decision-making as their top 2 internal issues.

In addition, the top functional areas supply chains are prioritizing are supply chain planning and IBP/S&OP. With that in mind, IDC asked what the specific challenges in supply chain planning have been over the past year. Figure 1 shows the top 7 responses.

FIGURE 1: *Supply Chain Planning Challenges in the Past Year*

Q *What have been the specific supply chain planning challenges your organization has faced in the past year?*
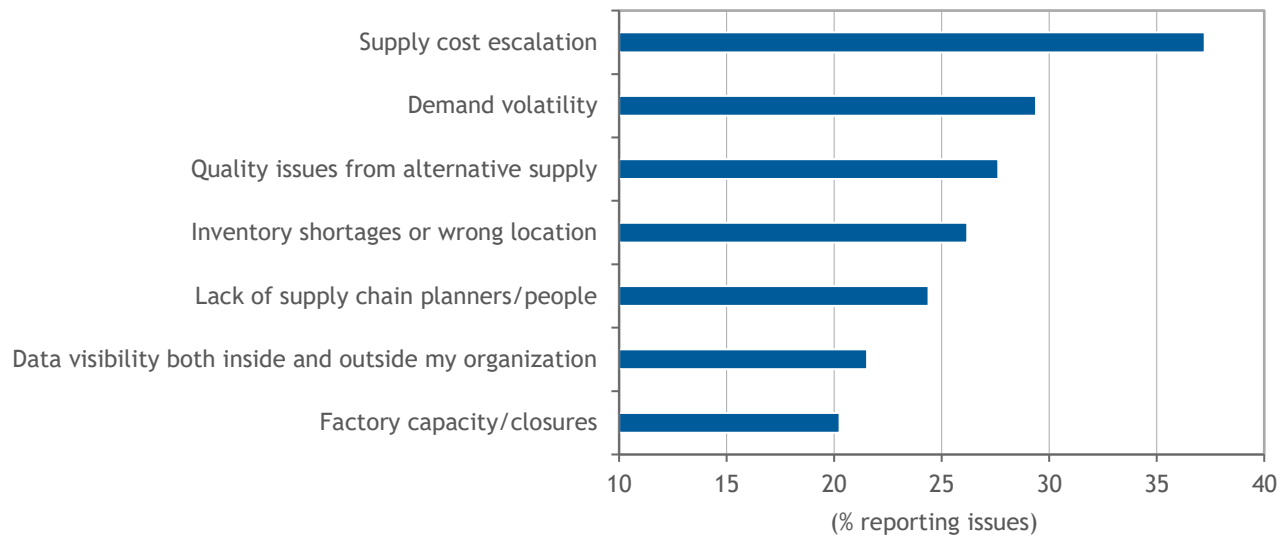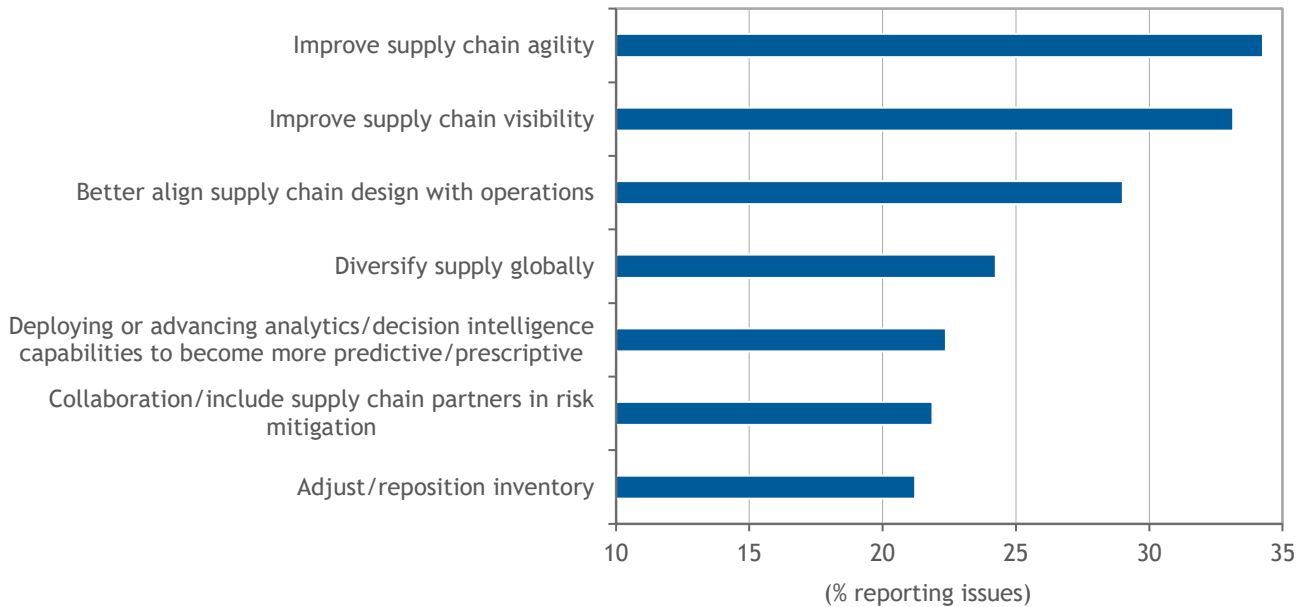

n = 1,848

Source: IDC's Worldwide Supply Chain Survey, 2025

While cost remains a challenge, so do things like sensing and predicting demand shifts as well as better optimizing inventory. On top of the need to improve planning, companies report they lack the right people in the right roles with the right skills.

The survey also asked how enterprises would better mitigate supply chain risks (see Figure 2). Figures 1 and 2 help illustrate the tension between cost and resiliency. In Figure 1, cost was the top pain point; in Figure 2, IDC's definition of resiliency — visibility + agility — captured the top 2 priorities. Meanwhile, supply diversification and inventory strategy adjustments are clearly needed but may serve to further complicate operations and planning.

FIGURE 2: *Steps in Mitigating Supply Chain Risks*

Q *What steps are you taking to mitigate risks in your supply chain?*

n = 1,848

Source: IDC's Worldwide Supply Chain Survey, 2025

Most supply chains now acknowledge the need to modernize IT capabilities, balance cost and resiliency, and improve planning across the organization. However, all this must be done at scale and in an environment of labor force pressures. There is also a need for sophisticated (but not complex) tools to help.

Emerging Technologies Balance Cost, Resiliency, and Truly Integrated Planning

Increasing resiliency, integrating planning, and modernizing technology capabilities while maintaining a focus on efficiency is a tall order. Fortunately, supply chain technology vendors have made strides in realizing these goals.

The need to balance cost and resiliency is a particularly complicated nut for some enterprises to crack. To that end, IDC has noted the development of integrated applications that further marry the disciplines of finance and supply chain in support of IBP and S&OP activities to complement all areas of planning (inventory, demand, and supply.)

While the issues facing supply chains are complex, supply chains seek solutions that are sophisticated, uncomplicated, and easy to integrate within the tech landscape.

Vendors whose tools stress deep ties between finance and supply chain planning can offer capabilities such as:

   »   Clear visibility into the financial impacts of supply chain decisions

» Scenario modeling for trade-off decisions from the executive to the execution level

» Simplified — or even automated — workflows and process optimization

» AI and decision intelligence capabilities to optimize decision-making and goal seeking

One of the ever-present roadblocks supply chains face in advancing their digital capabilities is the cost and complexity of such implementations. For this reason, IDC has watched with great interest as providers increasingly offer modern applications to improve supply chain planning. What's evident in this evolution is that tools in S&OP/IBP have advanced to enable financial and operational decisions in deeply integrated and highly intelligent ways.

Benefits

Applications to better harmonize financial and supply chain decisions, manage complex processes like IBP, and support high-level optimization at scale fit the priorities expressed in IDC's *Worldwide Supply Chain Survey*. Supply chains look to balance cost and resiliency, modernize tech capabilities, and ease labor pressures without unnecessary complications.

A host of application offerings exist that have the potential to realize such benefits as:

» **Implementation at appropriate scale:** Many applications can flex and stretch with the size of the operation.

» **Cost and transition management:** Rather than needing enterprisewide rip-and-replace initiatives (such as with ERP solutions), some applications and point solutions meet specific needs and come ready to support strategic capability road maps.

» **Decision intelligence/decision support:** Applications that harmonize multiple functions (finance, supply, demand, and inventory) and leverage AI and advanced analytics to enable scenario modeling, goal seeking, and optimization are powering up the ability for management and execution teams to make ever more sophisticated decisions.

» **Process optimization and automation:** Applications built to suit processes help guide enterprises in workflow, best practices, and even autonomous process steps where appropriate.

Considerations

While progress on planning applications has been promising, it's important for organizations to do due diligence and to consider the digital and organizational road map to improve managing risk, resiliency, and cost.

As with any transformation, it's necessary to consider organizational readiness. Identify silos and gaps in skill sets and prepare the organization to leverage advanced capabilities. Implementing tools without a workforce that can properly leverage them can prove costly.

The importance of quality data in the age of digital transformations also cannot be overemphasized. The upside is that the process of transformation can help improve data quality when done correctly. Look for vendors and partners that can set up new data models easily, enable integration, and identify and resolve data issues.

Finding a partner that is a good fit for the company's digital road map is key. Some vendors are focused on integrating supply chain with finance and other functions. Some are advancing generative AI and agentic AI for autonomous processes, some lead with process, and others are leading with advanced analytics and toolsets. Determine what best meets the needs of the organization and seek vendors that are a fit.

Finally, ensure the vendor has a track record of success integrating with ERP and other functional solutions.

Considering Anaplan

Today's supply chains are under more pressure than ever, from global disruptions and shifting consumer expectations to sustainability expectations and geopolitical uncertainty. Spreadsheets, legacy ERP systems, and manual data analysis can lack the agility and power needed to solve increasingly complex business problems and model their impacts throughout the supply chain, and financially, in real time.

Anaplan for Supply Chain aims to tackle complex business challenges while hiding the complexity from planners by utilizing a single platform for planning, spreadsheet automation, and reporting.

Anaplan for Supply Chain provides risk-agnostic, robust scenario modeling capabilities to help businesses assess, mitigate, and act on risks, including scenario planning for tariffs and the next disruption or geopolitical uncertainty to come. These same capabilities can enable customers to assess, evaluate, and execute commercial opportunities to grow the business. The solution pushes plan changes instantly to share dynamic updates across teams without batch processing or delays. Everyone works with the same version of the plan, enabling faster decisions with full visibility and confidence.

Anaplan for Supply Chain is also designed to translate the financial trade-offs of supply chain scenarios. Users can quickly evaluate the financial impact of risks and opportunities across the full P&L, including cost of goods sold and total delivered costs, to make informed, confident decisions. Key offerings include:

» **Anaplan for Supply Chain** is a cloud-native supply chain planning platform that unifies operational and financial data to optimize decision-making across strategic and operational time horizons, accelerating time to value with out-of-the-box applications and intuitive scenario modeling to navigate supply chain volatility.

» **Anaplan Intelligence** builds connections and collaboration across businesses through the orchestration of embedded predictive and generative AI and customizable agents that drive efficiencies, continuous improvement, and productivity. Anaplan Intelligence accelerates time to better outcomes by enabling organizations to make the right decisions at the right moment.

» **Anaplan's growing suite of applications** helps accelerate time to value and lower costs for supply chain transformation. Through supply chain applications, Anaplan offers tailored solutions with built-in best practices that fully leverage the flexibility, capabilities, and configurability of the Anaplan scenario planning and analysis platform.

Anaplan offers a full end-to-end software suite for supply chain planning transformation, covering the strategic to operational planning levels, including:

- » IBP

- » Statistical forecasting

- » Demand planning

- » Supply planning

- » Inventory planning

- » Rough-cut capacity planning

A hurdle in supply chain planning is getting the right data, in the right format, at the right time. Anaplan Data Orchestrator (ADO) automates data ingestion, transformation, and distribution with a no-code interface that connects seamlessly across cloud and on-premises multi-enterprise data systems. With built-in automation and a single source of truth, teams can eliminate manual work, reduce errors, and accelerate decision-making to achieve actionable insights.

Anaplan for Supply Chain offers real-time responsiveness, financial alignment, and strategic visibility, so organizations can navigate supply chain volatility with confidence. At every level, AI and analytics are utilized to foster dynamic decision-making and to transform supply chain planning.

Challenges

While Anaplan has solutions that provide heightened integration between supply chain, sales, and finance, it's important to consider some possible challenges to their use:

- » Is the organization ready for composable solutions and tailored applications? Some organizations have structured their IT architecture around ERP solutions. Shifting to leveraging applications and/or point solutions, while carrying potential benefits, will require new ways of thinking and working within the IT landscape.

- » Is the organization ready for deeper integration across supply chain, sales, and finance? Spending the time, energy, and money to implement solutions that are then hampered by organizational inefficiencies will reduce ROI.

- » Data quality can be a hindrance to implementing robust optimization and automation tools, whether Anaplan's or those of other vendors.

Conclusion

Supply chains have long focused on cost and the elimination of waste. In a time of disruption, this has left them exposed to risk. Where there is problem, there is opportunity, and a group of supply chain planning vendors have emerged with applications to support integrated financial and supply chain decision-making with advanced digital capabilities in optimization, scenario modeling, and decision-making.

Enterprise leaders are well aware that the need to balance efficiency and resiliency combined with the complexity of supply chain decisions requires new digital capabilities.

About the Analyst

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As a research director, Eric Thompson is a member of the IDC Worldwide Supply Chain Strategies Program, responsible for providing research, analysis, and guidance on key business and IT issues pertaining to manufacturing, retail, and healthcare supply chains. He currently leads the Worldwide Supply Chain Strategies: Planning and Multi-Enterprise Networks practice, providing fact-based research, analysis, and insight on best practices and the use of information technology to assist clients in improving their capabilities in these critical supply chain areas.

MESSAGE FROM THE SPONSOR

Make Your Next Supply Chain Move a Strategic One

Anaplan helps organizations improve supply chain agility by connecting operational, financial, and strategic planning in a unified environment. AI-infused capabilities support faster scenario modeling, smarter decision-making, and better alignment across teams. By harmonizing data and enabling collaboration across functions, companies can evaluate trade-offs, adapt to disruption, and plan with greater confidence across time horizons.

Learn how Anaplan enables more resilient and connected supply chain planning at https://www.anaplan.com/solutions/supply-chain-management/.

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