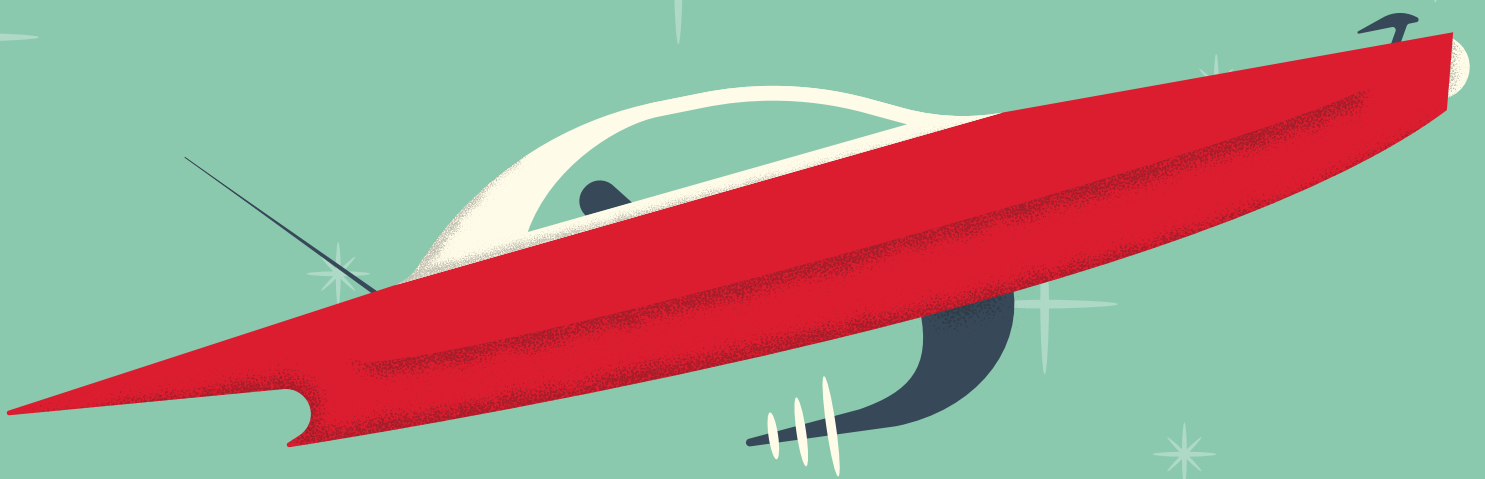


The path to

MODERN SUPPLY CHAIN PLANNING

Why the shift from siloed to collaborative is worth the journey



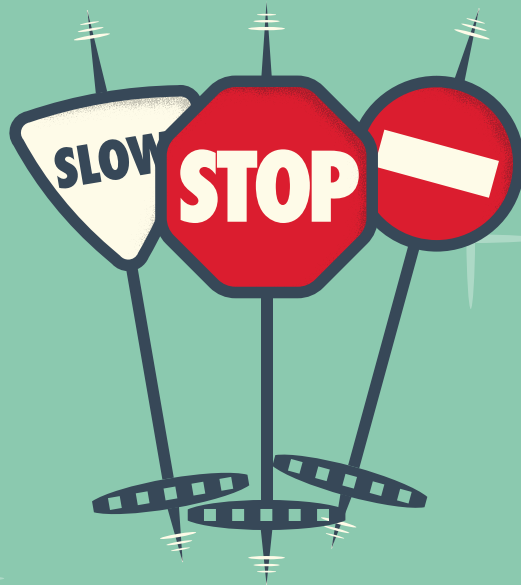


Finding new ways to make better, more confident decisions.
As a supply chain planning professional, it's what you do.

But if you find yourself working in a siloed environment, the ability to make better decisions is consistently hijacked by the need to create yet another workaround simply to ensure your supply chain lives to see another day.

In this eBook, we'll look at the characteristics of a siloed supply chain environment and identify some of the ways your organization can modernize the planning experience.

Ultimately, it comes down to connecting data, people and processes to create the transparency you need to help your organization realize better outcomes for executives, planners, manufacturers, suppliers and most importantly, your customers.



The warning signs of ineffective planning

When was the last time you or someone you work with took a step back to ask a straightforward question, “Why are we doing things this way?”

In a nutshell, that’s how your supply chain remains stuck in the past, slowly but surely falling behind your competition as one temporary fix is layered on top of another.

And while the obituary for sales and operations planning (S&OP) processes has long been written, to date it has gone unpublished, leaving organizations caught using old-school, set-in-stone planning rituals in a world that demands so much more.

At a certain point, every organization must make a conscious choice to adopt change.

It’s simple: Progress or perish.

So if change is the more difficult option, and usually results in failure, why bother attempting it at all?

Well, that’s also simple: To be better.

And to be better, it’s essential to recognize who you are as a planner, and more importantly, as an organization. Because you want to be better, it’s essential to understand the amount of influence you carry in your role as a planner, and how you contribute to your organization’s success.

Fortunately, the signs of ineffective supply chain planning are all around. Let’s take a look at some of the most obvious.

1 Siloed thinking.

In a siloed environment, supply chain planners work in isolation toward your own goals, typically without the benefit of a common set of data, continually second-guessing the numbers and judgment of your peers.

Without clear communication and collaboration between departments and business units, your well-intentioned changes run the risk of creating friction between silos, ultimately adding days or even weeks across the entire supply chain.

2 Disconnected execution.

When it comes to modern supply chain planning, your most important task is staying in sync with the business unit that sits just down the hall or on the other side of the world. But in a siloed environment, regional domains and processes are often intentionally fortified, hampering the ability to share and manage data across the organization.

Simply put, when information takes too long to travel from one end of the supply chain to the other, the resulting plan is obsolete before it's even put into action.

3 Lack of executive focus.

Some executives might only take a periodical interest in the performance of the supply chain

However, a healthy supply chain goes deeper than numbers on a dashboard. Sustainable supply chain success comes from planning with long-term vision, with consistent, thoughtful leadership that nurtures effective execution.

To create meaningful change, leaders must ensure current metrics to monitor supply chain health are taken into account while helping to drive strong cross-functional team alignment.

4 Poor system performance.

Asking the IT department to fix your supply chain's performance isn't going to help. And while your growing collection of Excel spreadsheets provides an opportunity to work on your formula creation skills, they severely limit your ability to scale, and are prone to inaccuracy thanks to human inputs – and collaboration only seems to make things worse.

Combine this with an aging set of disparate systems and you have a supply chain that's at imminent risk of failure.

There is a better way

If your organization is still operating in silos, there is a better way to operate your supply chain. And it starts with concurrent planning.

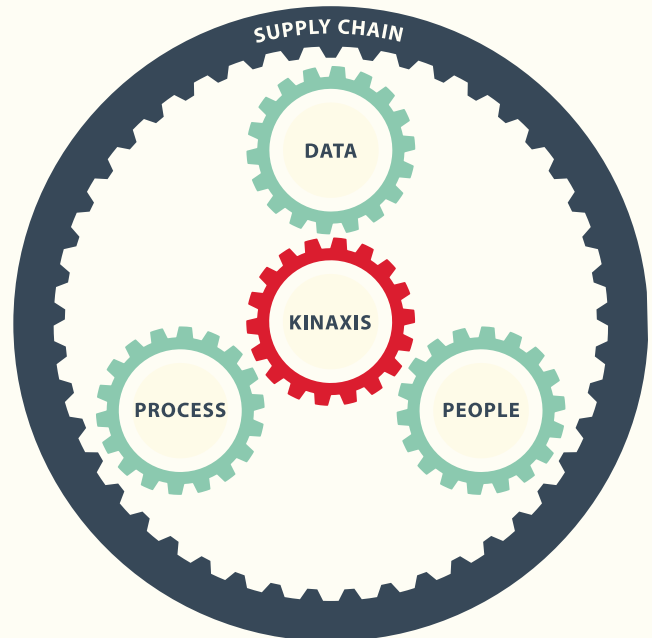
Concurrent planning

S&OP is evolving out of necessity and it revolves directly around concurrent planning. Gone are the days when sequential, isolated planning and monthly meetings based on out-of-date data are sufficient to drive stability and success.

That's because supply and demand waits for no one – not for a monthly planning meeting, or for input from your executive team. And more than ever, running a profitable global business requires speed and agility in both strategic and tactical planning.

Making the transition to a modern approach to S&OP means saying goodbye to scheduled decision-making – a frightening thought for many. At first, it may seem like an impossible step. How can you let go of the security of regular meetings planned weeks in advance? Or the safety of knowing those big decisions only come around once a month?

Taking a step back, we realize we got to this state of scheduled decision-making because of siloed business functions, disparate data and technology limitations we're currently saddled with. We'll overcome it by looking toward a future where S&OP processes run continuously and collaboratively.



The benefit of concurrent planning

Concurrent planning bridges functional silos and connects all nodes in the supply chain, enabling cross-functional coordination and faster, more effective decision-making. It allows you and your peers to seamlessly scenario plan across multiple time horizons, providing improved performance and profitability.

Concurrent planning also helps solve the planning horizon challenges many organizations now face. Namely, bridging activities for short-term planning (low impact, high frequency) with long-term planning (high impact, low frequency), and accounting for high impact, high frequency events.



Essentials for driving modern planning across an organization

Time for a quick reality check. Today's supply chains are more complex and more volatile than ever. Uncertainty and risk are merely an act of Mother Nature or introduction of a strong new tariff away.

In a siloed environment, the lack of visibility across your supply chain severely inhibits your organization's ability to collaborate, putting added pressure on planners to have the confidence to make the right decision when time is of the essence.

Taking a modern approach to planning will help your organization manage complexity and volatility by connecting your supply chain's data, processes and people. Here's how:

1. Connect data.

With numerous data sources, you're likely also dealing with a large number of capacity data elements on top of all your demand and supply records, making data quality challenging to maintain. With multiple tools and no direct link to formal systems of record, the validity of your capacity data becomes questionable at best.

When using multiple data sources, which sometimes even have conflicting numbers, you're likely to get questions about which source is correct. That's especially true when data changes, which, let's face it, happens often.

By eliminating spreadsheets, concurrent planning experience eliminates the error-prone mechanical task of manually stitching data together in Excel.

By integrating all data into one platform, people gain confidence in the system and feel secure that the data they're using is up-to-date. When done in real time, planners better understand trends in their supply chain, helping shorten planning cycles and response times to disruptions as they arise.

2. Connect processes.

To make an informed decision, having the right data is only half of the equation. The second half relies on having the proper processes in place to support decision making.

For example, with only half the story you might find yourself caught with a demand plan that features a 50 percent overload on a critical resource, or one that sacrifices your margin to deliver an order on time.

So while making critical business decisions requires complete access to demand, supply, capacity and inventory data, connecting the right processes provides much-needed support, which helps you act with confidence.

By connecting processes with the right data and the right people at the right time, planners can take corrective action faster, with confidence.

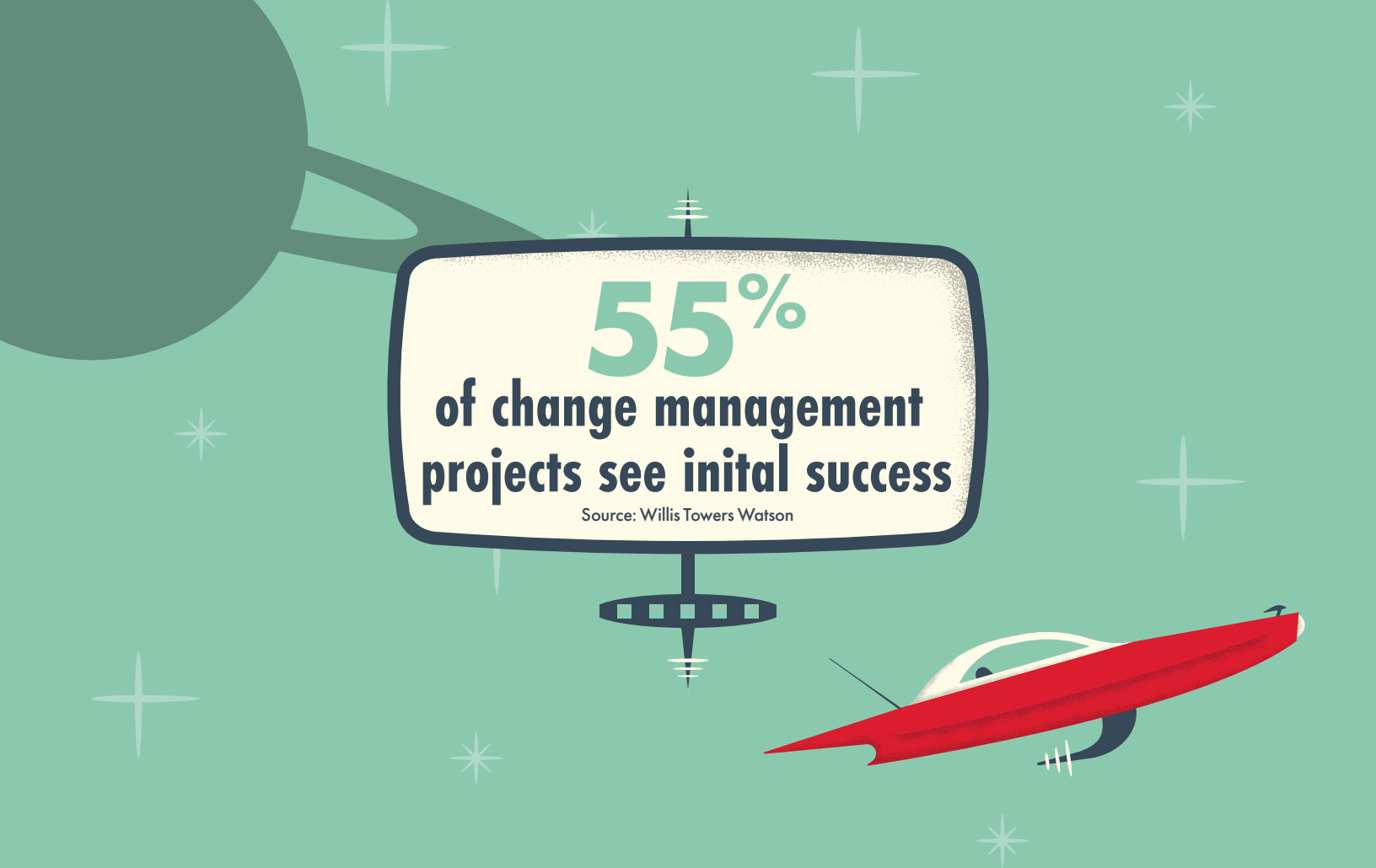
3. Connect people.

Gone are the days when planning for a single function happens in isolation. By connecting people, you enable collaboration. Collaborative decision-making ushers in an era where informed trade-offs are made as shared company-wide objectives take precedent over those of the individual.

In turn, collaborative decision making enables a faster, more efficient understanding of the end-to-end impacts of potential choices.

To connect your supply chain, it's imperative to look beyond your company's four walls to include every business unit, partner, manufacturer, supplier and customer.

Cross-functional conversations become inherently easier, as the impact of changes a planner makes on one side of the world are immediately reflected throughout the supply chain helping collaboratively drive resolution through consensus and trade-offs.



55%
**of change management
projects see initial success**

Source: Willis Towers Watson

Getting organizational buy-in

We've established that the future of S&OP is about collaborative decision-making and perpetual planning. This new way of looking at planning concurrently will shift your business processes and supporting organizational structures. Frequency is no longer a limiting factor, and the resulting faster scenario analysis and simulation will enable efficiency and cost savings.

Now it's time to convince your organization.

This step should not be underestimated, as a move to a modern planning experience will impact how an organization manages its technology, data, processes and people.

According to Willis Towers Watson, nine out of 10 organizations train managers to manage and communicate change.¹ Yet, only 55 percent of change management projects see initial success, and only one in four maintain that progress over the long run.²

With a robust change management plan, you're taking the first step towards a successful transition to modern supply chain planning experience for you, your colleagues, and your organization.

To get the ball rolling, reflect on the current state of your organization's supply chain and honestly answer each of the following:

1. Is our current approach helping us maximize our business goals?
2. Are we creating a culture of accountability, while ensuring people feel empowered and enabled to make decisions confidently?
3. Are we prepared for the scale of what processes and technologies we may displace?
4. How can we use technology to augment business processes and analysis?
5. Based on what we know, what would our organization's supply chain look like if we could redesign it?

One thing is for sure – there will always be resistance to change. People will always complain about change as much (and sometimes less) than they complain about the current state of operations, even if they know every in and out about how your supply chain runs.

The move to a modern supply chain planning experience is all about finding efficiencies and streamlining of processes. Sounds simple enough, but objectively, some will fear that evolving this part of your business won't meet their needs or requirements, and will result in longer hours to accomplish what they currently know they can achieve during a current work day.

To mitigate concerns, executives must buy-in, both to the supply chain changes and the change management process itself. It's up to the executive leadership team to bolster enthusiasm and ensure everyone is ready.

The success of any supply chain initiative requires the participation of executive sponsors throughout the project and beyond. They must communicate, support and promote the change and leverage other change cheerleaders within the organization.

Realizing a modern planning experience

It's fair to say that no one wants to live, or work, in the past. Not even your supply chain.

The ultimate remedy? Stop operating in silos.

To maximize performance and shift to a modern, concurrent supply chain planning experience, your organization must embrace the opportunity to collaborate.

Assembling all the parts to achieve this experience isn't something that happens overnight, and it's not something you 'set and forget.' You must strive to go beyond the tactical exchange of data and must do more than provide a cursory nod to process.

Your journey demands a strategy that allows for adaptation and change, and requires an ongoing commitment to working together towards common goals.

Key stakeholders must participate in the transition to the modern planning experience, who are willing to collaborate on a daily basis across all geographies and roles to foster measurable improvements in their supply chain's decision-making process.

Only by working together to resolve supply chain risks can your organization improve supply chain flexibility and, ultimately, the profitability of the enterprise and satisfaction of your customer.



Want to learn more?

To learn more about modern supply chain planning and the benefits of concurrent planning, check out the following resources:

Analyst report

Gain a competitive advantage with next-gen supply chain planning

In this Aberdeen research report, you'll learn why concurrent planning is the modern answer to effectively streamline supply chain responsiveness. By bringing your data, processes and people together on a single platform, concurrent planning gives you get instant end-to-end visibility into the impact of changes to your supply chain.

LEARN MORE

On-demand webinar

Slide into a new planning experience

Join Lizet Tymon, Director of Advanced Planning at Jabil and Bill Dubois, Director of Industry Marketing at Kinaxis, as they explore how:

- Visibility, flexibility and agility support confident decision-making
- Jabil transformed its S&OP processes to making planning easier
- The latest innovations from Kinaxis are reshaping the planning experience

LEARN MORE

References

- 1 [2013-14 Change and Communication ROI Study, Willis Towers Watson, November 2013.](#)
- 2 [Longmore, Emma, Change management: Do your leaders have the tools to make change possible?, Willis Towers Watson, September 16, 2015.](#)



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