IBM **Services**

IBM Continuous Intelligent Planning

Evolve supply chain planning with continuous collaboration

It's impossible to predict the future, but you can prepare for it—which is where siloed, static processes are falling short. Your business is constantly adapting to change while simultaneously planning for uncertainty in the future. The traditional planning approach can lock your business in a constant state of reaction. This approach requires a great deal of manual effort and yields limited visibility. The disconnected system landscape hinders effective collaboration between your supply chain teams.

Workflows are how things get done in an organization. Intelligent workflows are automated, agile and transparent, laying the foundation for how businesses transform to deliver greater value both internally and externally. Intelligent workflows change the trajectory and the very nature of work with greater visibility, real-time insights and the power to remediate problems across multiple business functions. Our solution, IBM Continuous Intelligent Planning, is the key to implementing intelligent workflows and a proactive approach to supply chain planning that can help your business stay agile and build operational resilience for the future.

Our approach uses innovative technologies like automation, AI and analytics to unlock greater flexibility and workflow agility. These two aspects are particularly vital for supply chain, where visibility, tracking and the ability to act on insights can mean the difference between successful delivery and catastrophic disruption.

Continuous Intelligent Planning is a consultation-to-operation approach that combines a suite of IBM applications, data sets and AI models to help our clients reimagine supply chain planning with the capabilities necessary to better anticipate and navigate disruption.

Our approach to supply chain planning uses intelligent technology to support these benefits across your supply chain.

- **End-to-end visibility** through a combination of IBM Sterling™ control towers and connected AI capabilities
- **Demand sensing** for immediate assessment and the longer-term ability to continually evaluate the balance between lean operations and risk mitigation
- **Intelligent workflows** to replace manual aggregation with automation, saving time and freeing up resources that can be allocated elsewhere
- **Constant collaboration** through shared platforms and collaboration rooms to help supply chain leaders join forces with ecosystem partners to rapidly respond to and resolve issues—sometimes before they even occur

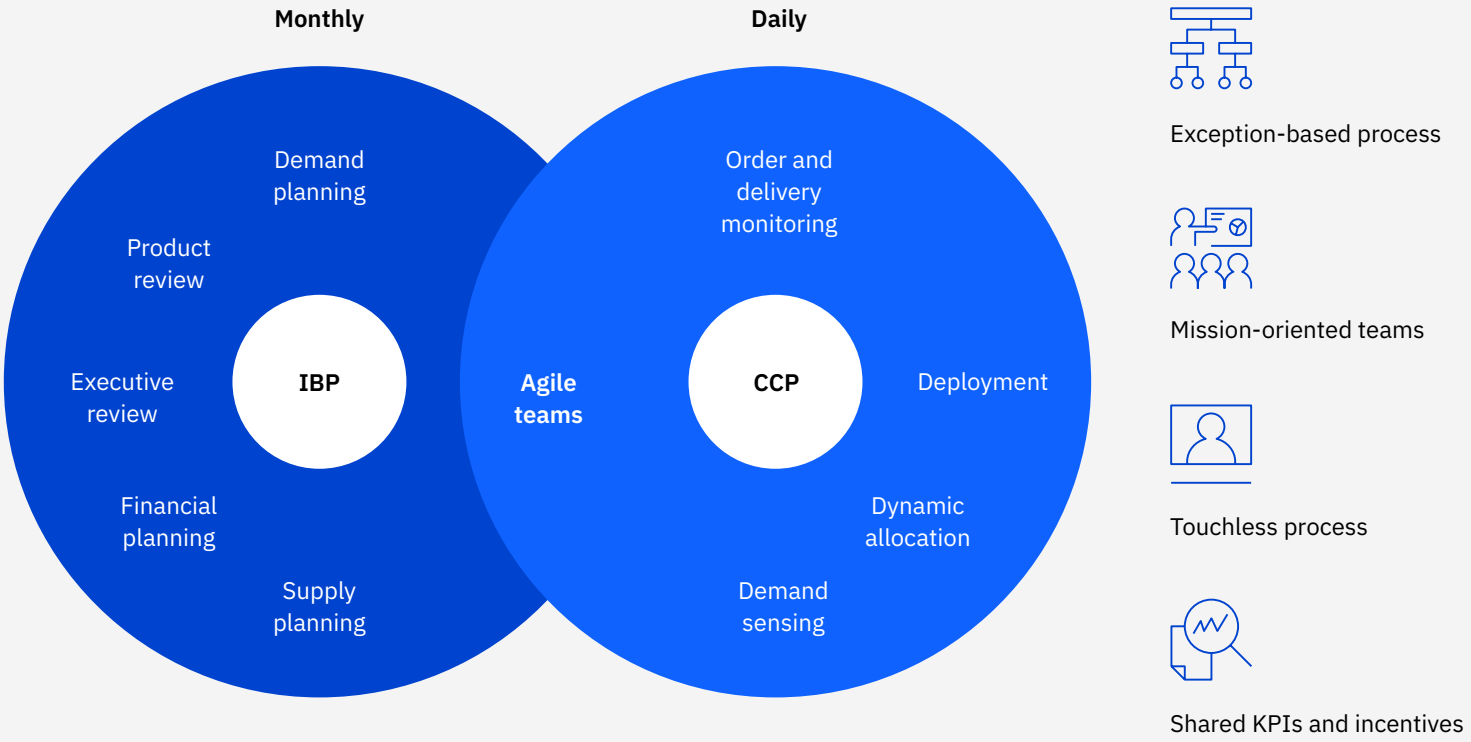

Figure 1. Continuous Intelligent Planning

Our approach to supply chain planning

Continuous Intelligent Planning starts with a portfolio of applications, data sets, advanced AI models and IBM Sterling control tower capabilities. We've combined this portfolio with the SAP Integrated Business Planning (IBP) platform to help streamline demand forecasting capabilities and bring precision to your supply chain planning. By implementing preconfigured SAP IBP solutions, you can align demand sensing and control tower capabilities. Use the collection of dynamic data sets from IBM—for example, data from The Weather Company® and the IBM COVID-19 risk index—to enhance your demand planning and drive greater forecasting accuracy.

- **Industry-specific AI models** move supply chain planning from reactive to proactive.
- **Proprietary data sources** drive visibility into potential disruption and demand.
- **Control tower capabilities** correlate data from siloed systems and capture organizational knowledge.
- **Continuous collaborative planning** enables dynamic response to changing customer demands.
- **Experience-led engagement** uses IBM Garage™ methodology to foster a culture of innovation, empower you to experiment with confidence, and drive agility and resilience across your supply chain.

Transform your planning experience
In a recent IBV study, 51% of supply chain executives said their most effective short-term strategy to rebalance supply chain strategy is to reallocate production lines to other products. And 61% of those supply chain leaders agreed that developing agile and resilient workflows is the best long-term strategy to prepare for the future.[1] Both of these strategies require intelligent supply chain planning.

Continuous Intelligent Planning integrates your business planning processes with real-time continuous planning. By automating certain aspects of your workflow, you can redirect time and resources toward collaboration and focus on refining planning models for your industry and organization.

Establish a center of excellence
Our approach establishes a framework and governance structure to help you adapt to changes and propel ongoing innovation. For each of the five key steps of the planning cycle—product review, demand planning, supply planning, executive sales and operations planning, and continuous collaborative planning—we'll help you identify objectives, key stakeholders and critical performance metrics.

Boost visibility with a control tower
Clear visibility yields enhanced insights and drives better decisions. Continuous Intelligent Planning helps you make use of organizational supply chain and enterprise data, external data, and partner data to proactively monitor and manage transactions. AI capabilities process all this data to develop digital playbooks that curate your organization's knowledge to optimize responses to future events. You can also set up alerts for potential disruptions related to transaction processing, approvals, the movement of goods, and unpredictable changes in demand and supply patterns.

Build on a foundation of modern planning architecture
The underlying architecture is the beating heart of your planning processes and execution. Continuous Intelligent Planning has the added layers of real-time demand sensing, production planning and dynamic allocation—all in a shared, collaborative platform.

60%

decrease in lost sales.[2]

30%

increase in forecast accuracy.[2]

50%

reduction in supply chain overhead.[2]

Use cases

01

Drive greater accuracy in demand forecasting

Problem: Due to supply chain disruptions, a large US food and beverage company recognized that its demand forecasts didn't accurately reflect actual demand.

Solution: IBM integrated new data sources, such as weather, local-focused trends and mobile usage patterns, with internal shipments data to gain a holistic view of product-specific and regional patterns. We used rapid demand sensing to build demand forecasts and gained actionable recommendations on production and packaging schedules, as well as a marketing mix.

Business benefit: The company's demand forecasting accuracy rose to 98.4%—an improvement of 75%. Its projected revenue improved by USD 71 million and it saw a four-point increase in fill rate.

02

Simplify and integrate intelligent supply chain planning

Problem: A global technology company's demand planning approach was fragmented, with too many planners working in silos.

Solution: IBM integrated forecasting and sales planning to streamline work, provide end-to-end visibility across the supply chain and correlate the data from siloed systems.

Business benefit: An AI-powered supply chain control tower predicts disruptions and takes action on data-driven insights. Automating over 8,500 human actions per month empowers employees to focus on higher-value work. The company also saw a marked increase in customer satisfaction through better fulfilment of needs.

03

Inventory optimization and agile planning

Problem: An e-commerce food and beverage company identified a growing number of lost sales and sought to understand and mitigate those losses.

Solution: IBM integrated the company's annual operating plan with demand and supply planning to achieve balance between inventory investment and service levels.

Business benefit: The company uses SAP IBP as its global platform across business units for e-commerce, beverages and foods. Demand sensing helps improve short-term forecasts, while the advanced forecasting capability considers over 70 external variables to improve overall accuracy.

04

Achieve long-term strategic objectives

Problem: A food manufacturing and distribution company recognized that it needed to embrace technology solutions and smarter supply chain planning to achieve its goals.

Solution: IBM augmented the SAP IBP platform with industry-trained machine learning (ML) algorithms to accurately predict demand and simulate fulfillment scenarios for future planning.

Business benefit: The company achieved a first-of-its-kind global and unified demand planning view through active collaboration with SAP on co-innovation items.

“In today’s changing world, traditional means of supply chain planning are not enough—but planning is more crucial than ever. When demand forecasting is not enough, you need demand sensing.”

— Takshay Aggarwal, Offering Leader, Continuous Intelligent Planning

Why IBM?
Continuous Intelligent Planning goes beyond lifting and shifting your organization to a new system. Our approach adds a robust layer of intelligence to your planning processes, looking for opportunities to optimize your supply chain along the way. IBM has a legacy of tried-and-tested technology, AI innovation and process expertise that helps you realize the value of intelligent, proactive demand planning.

Talk to an expert to learn more about how IBM can help build intelligence into your supply chain planning.

Learn more →

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1 “IBM Institute for Business Value Smarter Supply Chain Study,” June 2020

2 Based on IBM client data, actual results may vary

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