Rethinking supply chain models in the midst of uncertainty

Remaining resilient, embracing change

Unbundling systems and scenarios for resiliency. CSCOs Thinkers explored the impact of today’s continuous challenges: inflation, the pandemic bullwhip effect, supply chain shortages, and demand volatility, along with analogous and increasingly unpredictable shocks. This has led to a desire for a different conversation, but these organizational leaders are embracing the opportunity offered by these unique circumstances to consider a disruptive change to their traditional supply chain operating models.

Insights from IBM Think Circles

The Thinkers discounted major scenarios, or “new normal” hopes, as holding little value. When pressed to name one scenario, they pointed to the notion of “flat complexity” in the supply chain. Many are using this to their advantage. Digital twins offer a way to conceptualize and manage complexity. Digital twins are critical to enabling quick reaction and decision-making, and they can provide a deeper understanding of what is occurring physically in the supply chain. Many are using them to uncover hidden bottlenecks and risks.

A post-COVID world is one where we will continue to talk about resiliency and costs but will we have a lot of inventory sitting around for uncertainty? Power of purpose

Before COVID-19, CSCOs would have joked that it is a crisis to accumulate too much inventory. But today’s exhausted supply chain leaders are saying something akin to “We have lots of inventory, but it’s the right stuff.” Post-COVID, there is a shift in the conversation, but these organizational leaders are embracing the opportunity to consider a disruptive change to their traditional supply chain operating models.

Building a transparent supply chain

The CSCO Thinkers agreed that speed and flexibility are critical components to enabling quick reaction and decision-making. But they defined in detail and measured agility and velocity in a way that relates to operations, visualization, and understanding the carbon overlay. “If it’s not the mother of all storms, it’s something else. If it’s not the Suez Canal, it’s another.”

Crisis mode has become business as usual—which is not sustainable. For us, it is establishing core products around purpose and core principles, using these to drive definitive decisions—decisions that are unique to each organization and anyone’s preference. In response, all the Thinkers said “When you are in a position of purpose and measurement, you can postulate anything, but when you have the asset in use, you think about the times for the business, the clients.”

Imagining a sustainable supply chain

Implications from IBM Think Circles

The quantum decade is here. We are moving toward an ability to process and model data. “It’s important to apply agility and speed to the places in your supply chain that it matters. We can’t do everything at once”

“Agility and velocity are critical components to enabling quick reaction and decision-making.”

“Visualization can give a deeper understanding of what is occurring physically in the supply chain.”

Marginal gains across the entire supply chain will matter more than before for CSCOs. Last year, CSCOs would have said that the end-to-end supply chain visibility had become the gold standard for decision-making. But this year, they debate the value of not even looking at the data. CSCOs believe it is not about information but about a decision-making and execution framework that is transparent, resilient, and sustainable.

If you look at what the entire borders process in the data, we look at a variety of sensitivities and can make some choices that will support better decisions.”

By looking into their values and objectives, we can look at the real, energy, and water conversation and focus on our ability to serve our customers. We can look at what is the value of timelessness. We are really investing on those principles. For us, it is establishing core products around purpose and core principles, using these to drive definitive decisions—decisions that are unique to each organization and anyone’s preference.

A closing word: Next

A “win/lose” world is not real, and we continue to build and invest in a world that is not about “good enough,” but about “best” of all possible solutions. If “good enough” is not good enough, then how do we continue to invest in sustainability? How do we continue to make an impact if we are not able to take on the broader issues? Inflation, the pandemic bullwhip effect, supply chain shortages, and demand volatility, along with analogous and increasingly unpredictable shocks.

IBM Institute for Business Value

Partnered publication with IBM Think Circles

IBM logo and ibm.com are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide.