Supply Chain Scenario Modeler Solution from IBM

Making Smarter Supply Chain Management Decisions

IBM Global Business Services offers one of the largest Supply Chain Management practices in the world, with more than 8,000 professionals. Our SCM practice fuses business process and technology insights to help organizations across multiple dimensions – supply chain strategy, planning, product lifecycle management, sourcing and procurement, operations, asset management, logistics and enterprise applications.

The stakes are high in today's business world. Customer expectations are increasing while complex, globally interconnected supply networks have made it challenging to service customer demands. Supply chain risks are numerous, varied, and difficult to predict. Government regulations and consumer consciousness have made environmental sustainability a true business imperative.

Even the strongest supply chain strategy requires flexible, real-time decision making based on accurate information. Supply chain leaders now face the challenge of integrating information from across the entire value chain to make decisions that will help retain valuable customers and improve financial performance while safeguarding environmental sustainability.

Many traditional software solutions fall short of enabling real-time insights for optimal decision-making that impact real business outcomes. Recognizing these pressures and constraints, IBM has developed the Supply Chain Scenario Modeler (SCSM) solution, an end-to-end solution that helps organizations quantify, evaluate, and optimize the trade-offs between financial, operational, and environmental challenges across the entire global supply chain.

Real Questions – Real Impact

The IBM SCSM solution is a sophisticated analytics tool which can model the complete supply chain, integrate information, run scenarios, and provide real answers to real business questions. The model offers extensive "what-if" capabilities to address a wide variety of strategic and tactical questions in a range of operational areas. For example:

Transportation and Logistics

- How should customers be clustered to serve their needs?
- If one distribution center site is closed, which alternate site would be best suited to serve its cross-docks?
- Can the current network handle the capacity and what are the potential savings?

Inventory Management

- What is the financial impact of adjusting inventory levels?
- Where should inventory optimally be positioned?
- How should I manage item inventory or inventory location and how would a change impact customer service levels?
- If a supplier reduces lead times by 20%, what would be the potential savings?

Supply Chain Operations

- Currently a central hub is used for a specific Product category. Would it be better to go for direct shipments?
- Should I add, remove or combine locations to reduce overall supply chain costs?
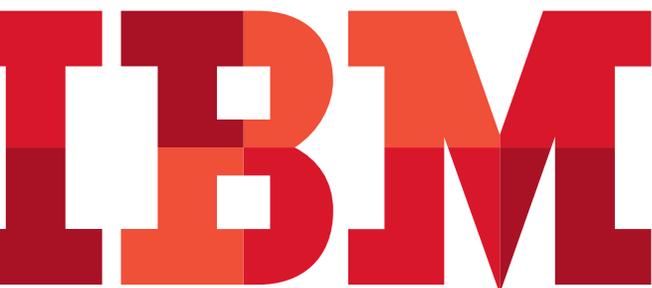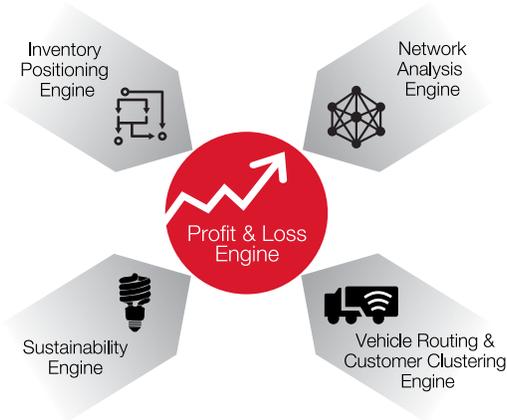
Sustainability
- How can I measure carbon emissions or energy usage of plant assets (fork-lifts and material handling equipments), automated equipment (conveyors), and other energy using assets?
- How can I make optimal financial and sustainability trade-offs?

How does SCSM work?
The IBM SCSM features four primary analytic engines, all driving a fifth engine focused on P&L impact.

Inventory Positioning Engine

Network Analysis Engine

Profit & Loss Engine

Sustainability Engine

Vehicle Routing & Customer Clustering Engine

End-to-End Visibility
The SCSM model provides a holistic view of the supply chain, enables interaction between multiple analytics engines, and the output flows into a P&L statement. The solution generates results that can even demonstrate the P&L impact at the SKU level.

Fine Tuning
SCSM can model areas of the supply chain and business which were not possible previously. Results can be viewed by such details as supply chain type, item, distribution center, supplier, product group or category.

Rapid Impact
The solution provides the power to view in minutes the impact a "what-if" scenario would have on the P&L, working capital, and energy usage. The solution also demonstrates the P&L impact of "what-if" by process, product, and location. IBM SCSM can even factor information from market campaign or pricing analytics as it analyzes impacts to network capacity utilization, inventory policy changes, sustainability, and ultimately - profitability.

Get Started with Supply Chain Scenario Modeler
IBM offers fast and powerful ways to dig deep into SCSM knowledge, identify immediate areas of value to your specific organization, and accelerate your understanding and the course of action for SCSM. These include:

Solution Workshops
IBM will conduct collaborative workshops with your leadership team to generate ideas, prioritize top opportunities, and explore the benefits of SCSM optimization within your organization. Workshops would be executed at your location or at one of the IBM briefing centers.

Business Value Accelerators (BVA)
IBM performs a rapid assessment of your current business situation, prioritizes high-impact opportunities, and assesses your organization's readiness for change.

Enterprise Roadmap Assessments
IBM can identify capability gaps and the projects required to bridge the gap between where you are today and desired future outcomes.

About IBM Global Business Services
IBM Global Business Services provides clients with deep business process and industry expertise across 17 industries. We draw on the full breadth of IBM capabilities, standing behind our advice to help clients implement solutions designed to deliver business outcomes with far-reaching impact and sustainable results.

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