

INDUSTRY SPOTLIGHT

**Drive innovation  
forward with  
a responsive  
automotive  
supply chain**





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**Productivity, profitability and competitiveness depend on shifting gears for more efficient supply chain planning processes and transparency.**

As the automotive industry continues to evolve and expand to meet consumer needs, dealing with complexity is nothing new for automotive companies. From the sophistication of their products from concept to consumer, to the volatility of their sourcing strategies and overall supply chains, automotive companies must be responsive and agile to remain competitive.

Today's automotive leaders face a new pack of challenges, due to both internal and external factors. A number of trends are pushing leaders to think about their supply chains differently.

# Key forces driving change for automotive companies



## Product complexity

- OEMs have very complex product offerings when considering base models and options
- Customers are looking for refresh designs and options causing complexity of wiring harnesses



## New business models

- The showroom is changing and customers want personalization with specific configurations
- Car sharing becoming more prevalent causing changes to the dynamics of market share



## Regulations and borders

- Constantly changing and restrictive regulations different by country and demographics
- Part movements across country borders many times until final assembly and delivery



## Limited insight into suppliers

- Limited visibility into Tier 1 and Tier 2 supplier capacity causes many plan changes and increased inventory of parts and WIP
- Plan changes causes expedites and expensive alternatives

# Three process and technology speedbumps slowing automotive supply chains

We partnered with International Data Corporation (IDC) to survey over 300 industry professionals to study current and future pressures on supply chain planning and how modern digital technologies are driving supply chain transformation initiatives. This survey was conducted across six industries, with automotive being one of them.

Based on this data, we identified three key trends we believe are shaping the future of supply chains for automotive companies.

## **1 Automotive companies are not seeing the effects of their digital transformation efforts.**

Only 54% of automotive companies reported that their supply chain has the built-in agility to adapt to new business requirements. Meanwhile, 30% reported that their digitalization efforts are inconsistent and not aligned with overall company goals. Regardless of current state, it is important for all automotive companies to align their supply chain goals with the company vision to maximize benefits and build a long-term, sustainable supply chain.

## **2 Automotive companies are still using legacy systems.**

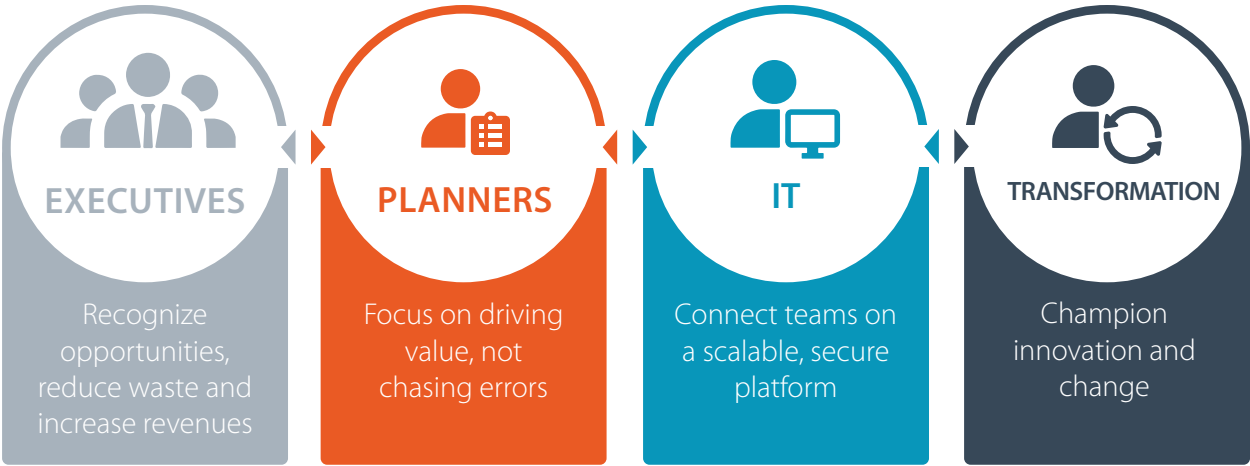
Only 23% reported that their current supply chain processes are best-in-class and 54% of the industry say they are still using legacy systems such as Excel spreadsheets for their planning needs. However, 15% of the industry reported using a fully integrated supply chain planning suite. This disconnect between the leaders and laggards shows that even though the majority are struggling with legacy systems, a select few companies are racing past their competition. More mature companies tend to use an integrated supply chain planning suite and performed better than less mature companies. One thing is clear: to remain competitive or even outperform, automotive companies need to move away from legacy technology.

## **3 Automotive companies need to continue breaking down silos.**

S&OP processes were described as well integrated by 35% of the survey respondents, but 21% cited their production planning processes as highly siloed. It's clear that automotive companies are enjoying high levels of collaboration across processes, integrating their suppliers all the way to their customers. However, the high level of siloed working environments simultaneously being reported is troubling given the level of complexity of automotive supply chains. To drive ongoing excellence, it will be crucial that automotive companies continue breaking down the silos and push for active collaboration across all processes, teams and stakeholders.

# When business units align around a single source of truth, the entire organization becomes more strategic

An end-to-end planning platform creates seamless operations, from the board room to the data center to the factory floor.



Manage your company like never before. With better visibility and collaboration across business units, your company responds to volatility without wasting time or resources. Accurate, cross-network data improves forecasts, so you can monitor trends and maximize gains. The end result is a business that seizes on opportunities slow-moving, siloed companies can't even see.

Create smarter, more confident plans with a connected and collaborative network. Collapsed silos ease friction between teams while cross-company, synchronized data reduces errors and delays. Without these obstacles, planners spend less time troubleshooting and more time advancing business outcomes.

Outdated processes and software shouldn't slow your supply chain. On an end-to-end planning platform, you only need to make updates in one place. Built-in features keep data secure and up-to-date while customizations guarantee that a variety of user needs are met. Without multiple, disconnected systems, the IT organization can be confident it's driving lasting transformation.

Complacency in innovation can be destructive to your company. Stay competitive with end-to-end supply chain visibility so you can know sooner and act faster. Leveraging new technologies allows you to respond instantly and securely to change. Lay a foundation for best-in-class supply chain transformation, so you can operate efficiently and become more agile in a volatile marketplace.

# Concurrent planning is the key for automotive companies

Traditional, siloed planning is like playing a game of telephone: information gets passed from one person to the next and hopefully still makes sense by the time it reaches you. Concurrent planning is like being on a virtual meeting: everyone is part of the same conversation, boosting agility, speed and efficiency. Kinaxis® revolutionizes planning by delivering the agility you need to make fast, confident decisions in an unpredictable world. We combine human intelligence with AI and our unique concurrent planning technique so you can plan better, live better and change the world.



A recognized Leader by Gartner, Kinaxis offers an unmatched 12-week RapidStart go-live process that's proven to transform CFO and supply chain metrics for companies of all sizes.

### Know sooner.

Break down silos, eliminate redundancies and cultivate trust with end-to-end visibility and transparency across your supply chain network.

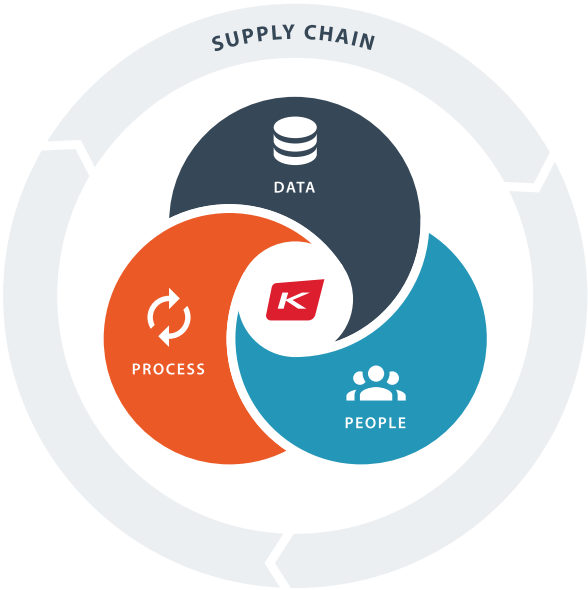
### Act faster.

Embrace volatility, build resiliency and seize opportunities with the agility to execute – no matter what comes your way.

### Remove waste.

Leverage AI, machine learning and prescriptive automation to maximize efficiency and eradicate wasted time, resources and talent.

### CONCURRENT PLANNING





## THE RAPIDRESPONSE DIFFERENCE

# A more efficient, responsive way to manage your end-to-end supply chain, no matter what happens.

In today's volatile global market, traditional planning techniques are no match for the complexity and uncertainty that can occur at any time. Issues such as material shortages, logistics challenges and market volatility can quickly lead to massive supply chain disruptions. It can be impossible to reliably deliver on promises when you're locked into disconnected, cascaded planning processes that generate second-rate results.

Stop settling and start succeeding with a new, more intuitive way to plan. Our concurrent planning engine lets you instantly and continuously balance your end-to-end supply chain. With secure, cloud-based integration capabilities, you can connect all your internal and external supply chain data sources and algorithms.

With Kinaxis RapidResponse®, it's easy to implement and meld your existing resources into a configuration that works best for you. Use RapidResponse to run one or more of our customer-proven supply chain planning applications, even if you have existing enterprise resources planning (ERP) instances. Or, build your own custom apps and embedded algorithms, with or without code using our developer capabilities. We give you the flexibility you need to create the supply chain you want. If you can dream it, we can build it.

# Automotive-focused functions

The unique challenges in the automotive industry call for very specific planning solutions. After all, like your customers, your organization needs to be able to see and react to all obstacles on the road – and make the most of new destinations – by taking precise, responsive action in-the-moment.

## Here's how Kinaxis helps you support a healthy automotive supply chain:



### Full visibility to plan

- Supplier collaboration
- Global and regional S&OP
- Long range planning
- Inventory optimization
- Timeline visualizations, concurrent (multi-site) planning and what-next scenario functionality



### Multi-level supply planning

- Integrated planning across market, stock exchanges, production and all tiered suppliers
- Simultaneous evaluation of constraints across all levels
- Multiple sourcing and balancing supplies across network
- Inventory management across the tiers



### Industry forecasting

- Top-down forecasting with flexible hierarchies
- Time varying segment, brands and market shares inputs
- Automatic aggregation and disaggregation
- Multiple features/options forecasting
- Time varying take rates



### Allocation management

- Flexible construct to manage constraints across the network using priority or fair share strategies
- Management of these strategies across any level of the supply chain – customer/region/models/brands



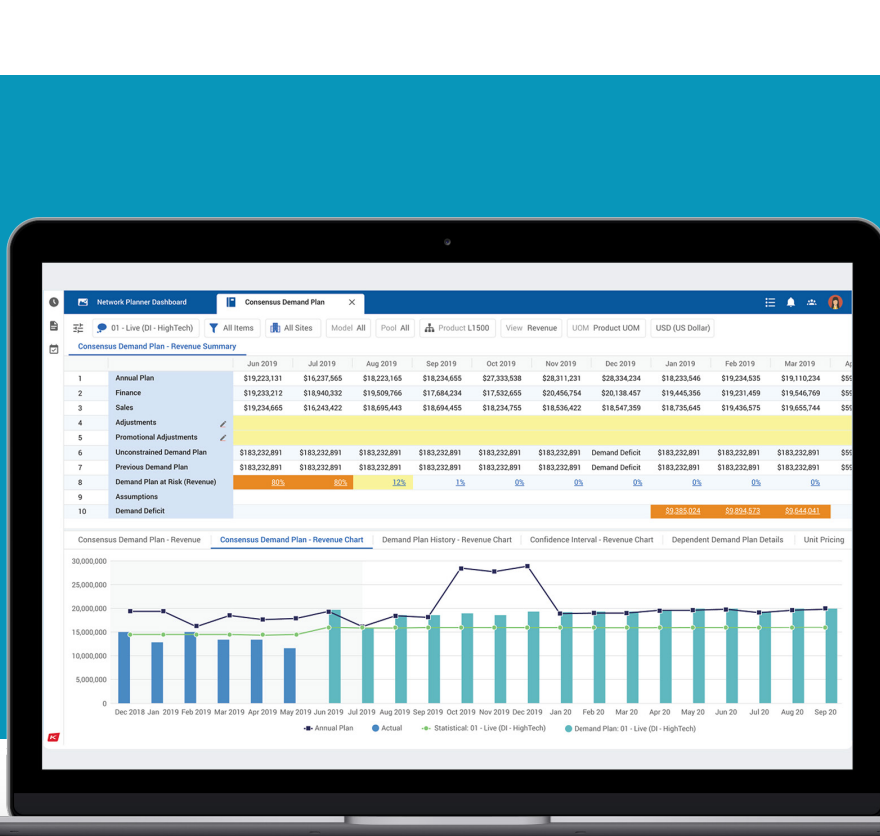
### Constraint management

- Units and time-based constraint modeling
- Flex lines modeling to create mix loading
- Machine and feature level constraints modeling
- Multi-scenario constraints modeling using various options like adding, run rates, prebuild, balance across resources, etc.



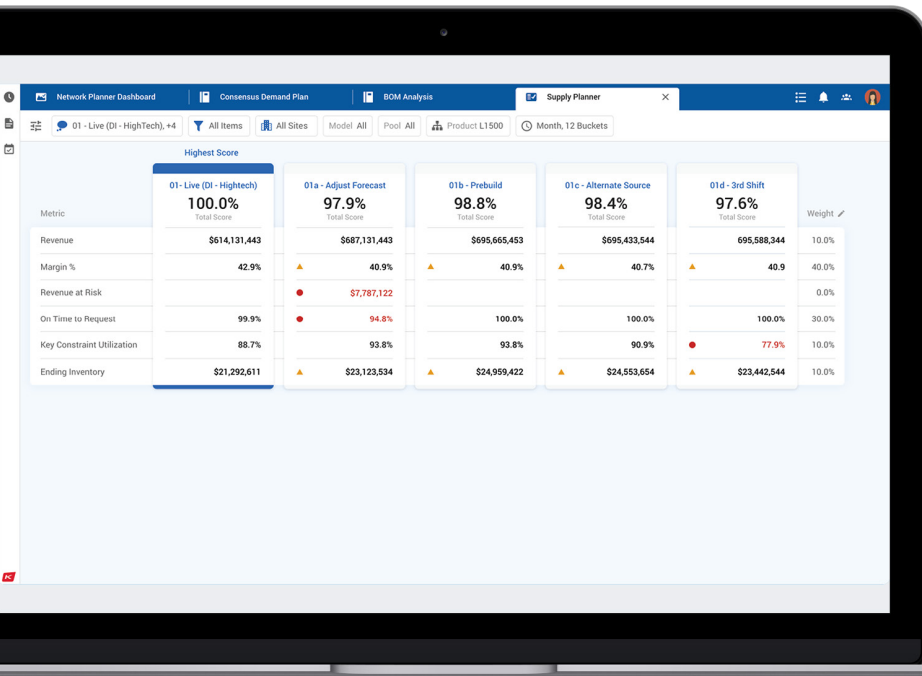
# A platform built to fuel strong performance

From data synchronization, smart collaboration and AI-enabled “always learning” algorithms, you can do more with your supply chain planning processes than ever before. Craft and test elaborate “what-next” scenarios and make decisions in real-time with partners so every challenge is met and not a single opportunity is missed.



## End-to-end synchronization

Our single cloud-based platform, code base and data model let you synchronize all aspects of your supply chain for dynamic supply and demand balancing.

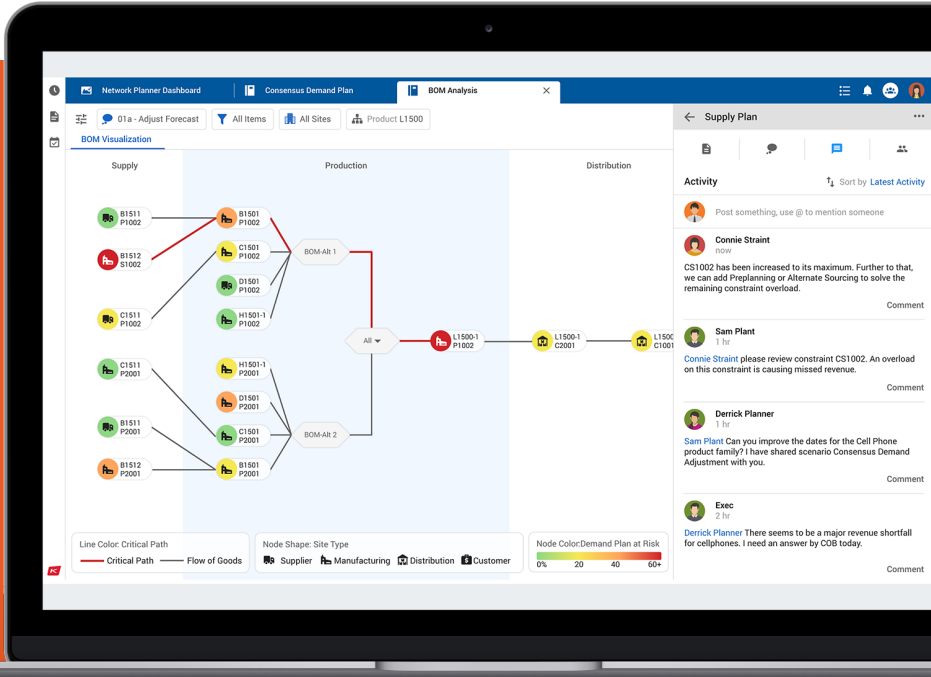


## What-next scenarios

Run any number of scenarios, create infinite supply chain digital twins and capture historical context in seconds for accountable decision-making based on key performance indicators (KPIs).

## Smart collaboration

Our responsibility matrix shows you who to work with, delivers the context you need and archives your decisions – all within the platform – for faster, smarter collaboration.



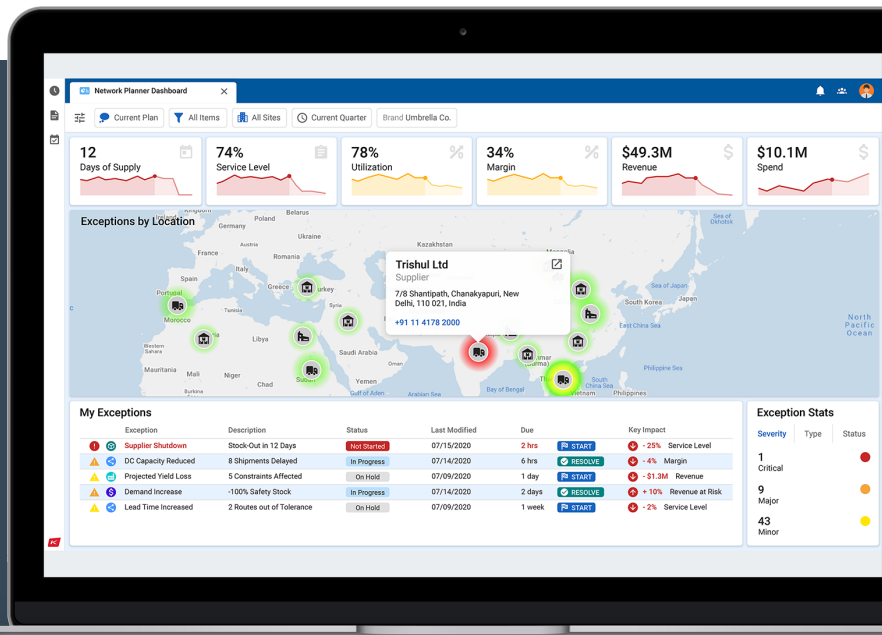


## Planning and execution alignment

Our ERP-agnostic planning solution lets you connect all internal and external data sources, including multiple ERPs, without duplication. The result is a unified, connected digital enterprise.

## Automated intelligence

Automate routine tasks and escalate exceptions with AI and predictive algorithms that are always on, always learning and always synchronized. Let machines do the heavy lifting so you can focus on what really matters.



## Personalized user experience

Our responsive role-based user interface lets you tailor metrics and data, and guides you through your day with personalized workflows, playbooks and alerts.



INDUSTRY LEADERS DEPEND ON KINAXIS FOR CONCURRENT SUPPLY CHAIN PLANNING



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**LIPPERT**

Kinaxis delivers the agility you need to build resiliency into your automotive supply chain. Get started now with the fastest, successful end-to-end advanced planning go-lives on the market. Learn more at [www.kinaxis.com](http://www.kinaxis.com).



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