

INDUSTRY SPOTLIGHT

**Supply chain
planning that
keeps your
customers
returning again
and again**

kinaxis[®]





Consumer products companies need the right tools to stay responsive to consumer behavior and ongoing market fluctuations.

Consumer products supply chains are complex and delicate. Global raw material sourcing, sprawling distribution networks, rapidly changing consumer preferences and dynamic promotions are just a few of the variables that affect the balance of supply and demand of a product. Small impacts are manageable and expected, but large events bring consumer supply chains screeching to a halt. These events are exacerbated by numerous trends and are pushing consumer products leaders to think about their supply chains differently.

Key forces driving change in the consumer products industry



SKU complexity

- The phase-in/phase-out process is getting more dynamic
- Innovation is happening in product and packaging, resulting in more SKU codes including bonus packs, shippers, MODs, and labeling changes



Rising distribution costs

- Transportation capacity is increasingly under pressure due to strong economy and DoT regulation changes in North America
- Direct to consumer is forcing many consumer products companies to think in each as opposed to cases and pallets



Increasingly dynamic demand

- Targeted promotions, dynamic pricing and omnichannel commerce are becoming more prevalent
- Rapid dissemination of information through social media are all making demands more dynamic



Brand names are under pressure

- Branded consumer products manufacturers are feeling the margin squeeze from specialized “cool” brands at high end who can advertise and sell without expensive slotting fees
- Private label products continue to pressure branded companies eroding margins within the category

Three big technology and process challenges in consumer packed goods 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 consumer packaged goods (CPG) being one of them.

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

1 Companies need to continue building resilient supply chains.

70% of the respondents in the industry reported that their supply chain has the built-in agility to adapt to changing business requirements. However, as more companies catch up in terms of functionality, it's important that companies not lose sight of the end goal and continue investing in their supply chain. Building resilience should be a run rate activity rather than a destination that companies need to reach.

2 Companies still rely on dated legacy technology for their planning needs.

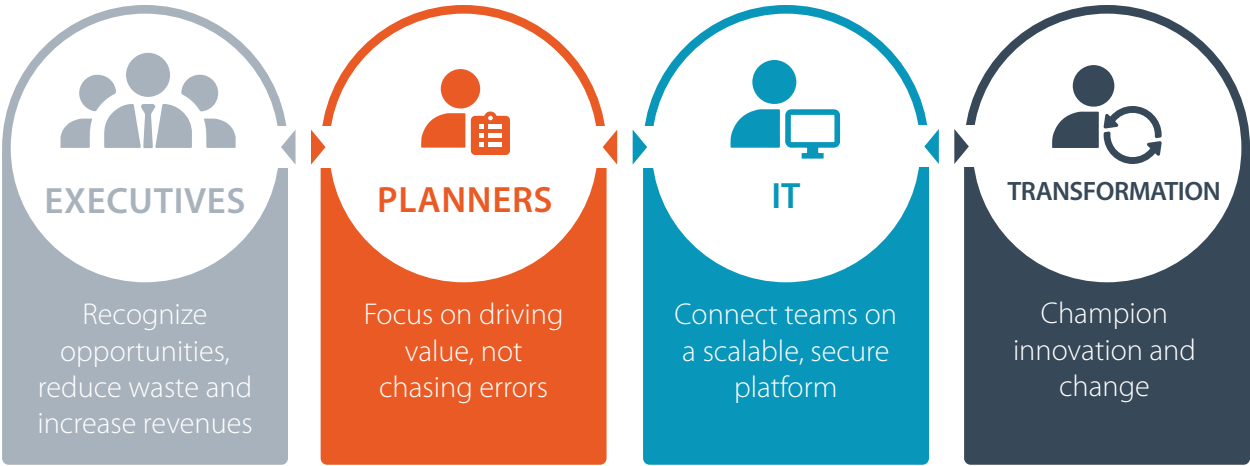
Over 55% of CPG companies still use Excel spreadsheets during some stage of the planning process. Furthermore, only 8% reported using a fully integrated supply chain planning software. This is a good opportunity for these companies to gain a competitive edge and leverage the right software for their supply chain. The ideal platform is easy to implement, use and scale when needed while providing the visibility and transparency all companies need today.

3 Companies should continue breaking down the silos.

Among the six industries researched, CPG companies reported one of the highest levels of supply chain process integration, connecting stakeholders across the entire supply chain all the way from customers to suppliers. These companies are realizing the more integration and collaboration that exists across key processes, the higher the productivity. On the flip side, CPG companies reported collaborating the least with manufacturing operations, significantly impacting production planning. While active collaboration is required across teams, CPG companies should not neglect the production line – active collaboration can help manage inventory levels, minimize costs, and even help drive service levels.

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 consumer products 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 in 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.

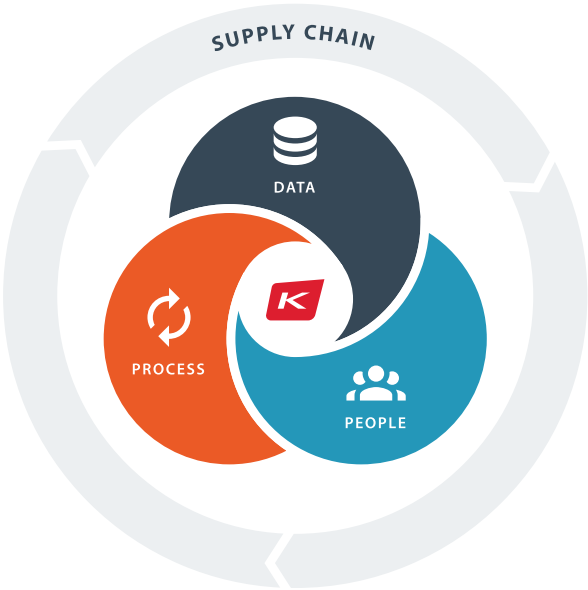
Act faster.

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.

Consumer products-focused functions

The unique challenges in the consumer products industry call for very specific planning solutions. If a disruption hits or a trend takes off, you've got to be agile enough to respond with the right product, at the right place, at the right time.

Here's how Kinaxis helps you support a healthy consumer products supply chain:



Concurrent planning

- Global visibility from demand to distribution, supply and production including finished goods, work in process, raw materials and capacity
- Easy trade-off decision framework with scorecard analysis



Full level pegging

- Understand issues of raw materials down to your finished goods
- Understand impacts of production downtime or key material issues and the products, and customers that will be impacted



Dashboarding

- Flexible exceptions based on your KPIs and guardrail thresholds by demand segmentation
- Understand impact of KPIs compared to plan targets



Co-packer and supplier planning

- Include capacity analysis for Co-packers and suppliers within your plans
- Share plans directly with suppliers and receive input directly from them to understand plan impacts



Expiry management

- Respect region/customer specific sell by dates
- Balance long supply lead-time and shifting demand

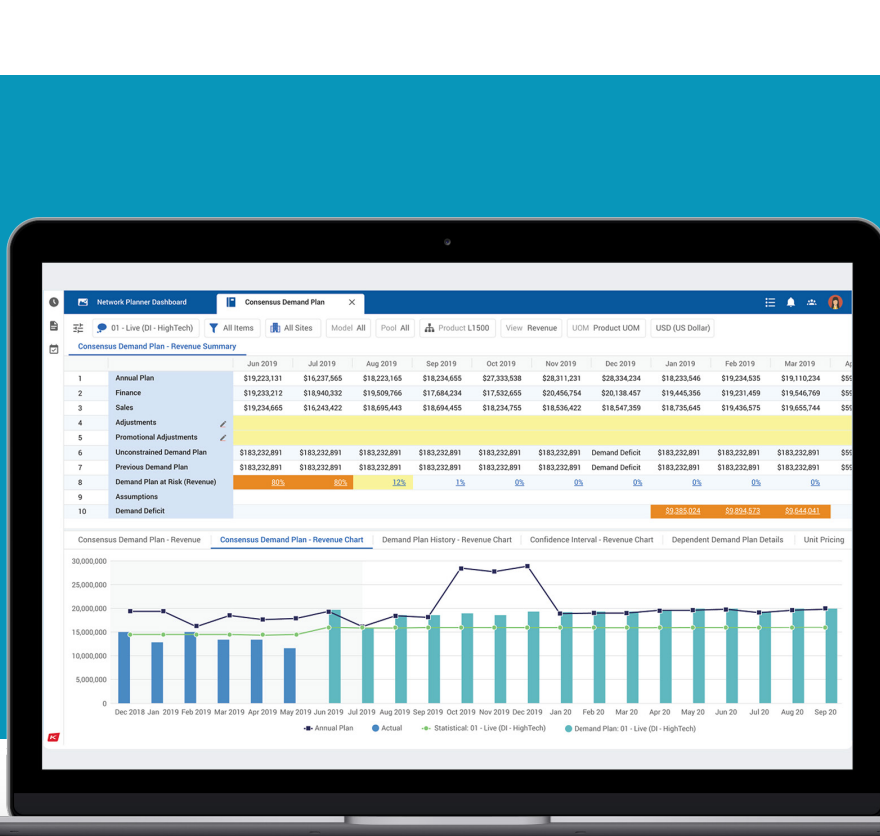


New product collaboration

- Across demand, supply, distribution, inventory, work in process and raw materials based upon key promotion label dates and sales distribution plans
- Collaborate on cutover dates for EOL and new products based on distribution plans

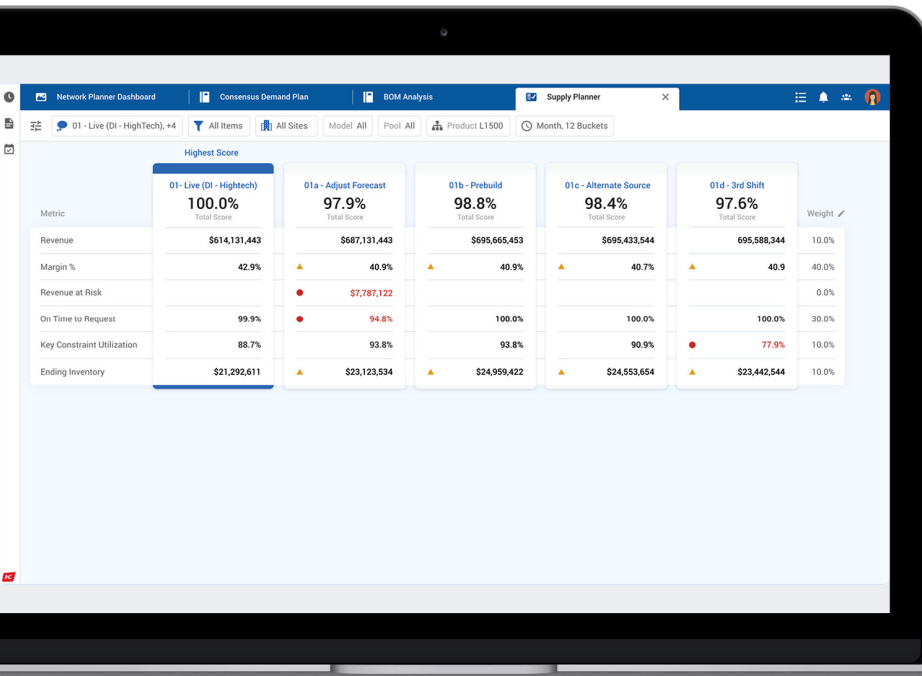
A platform built to fuel strong performance

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.

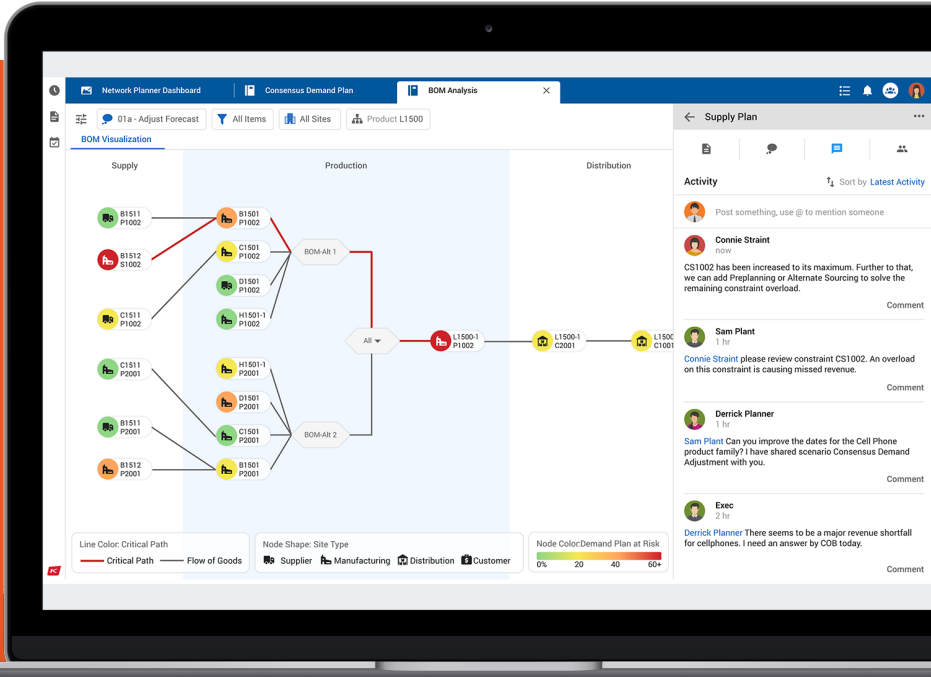


What-next scenarios

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.



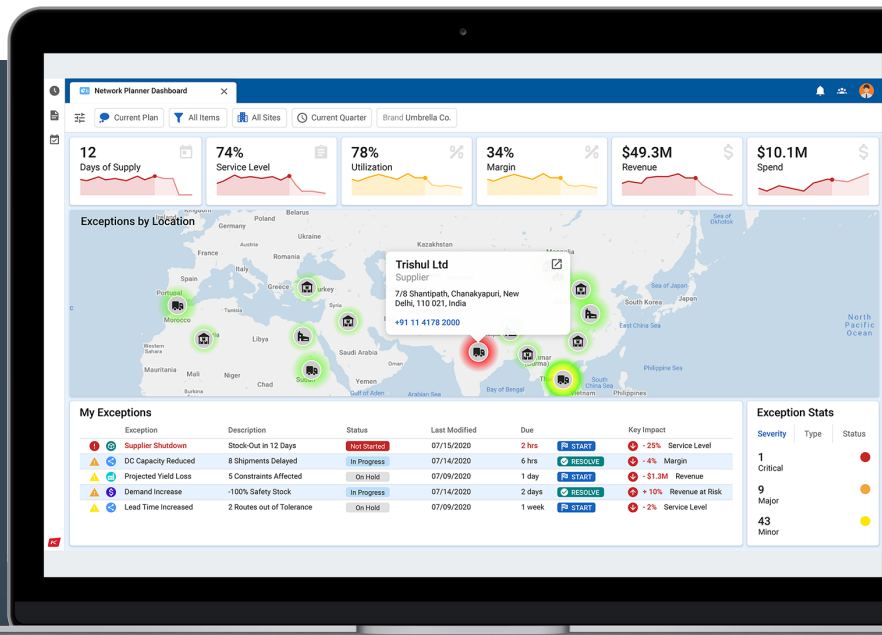


Planning and execution alignment

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

P&G



Pulmuone

Kinaxis delivers the agility you need to build resiliency into your consumer products 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.

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