



How reinventing the supply chain can transform the planner role

In today's shape-shifting world, companies need to do more than just meet customer needs – they need to anticipate them. Customers want on-demand access to products that are specifically tailored to their preferences. In response, companies and their supply chains need to be able to deliver as fast as customers think. This need for greater agility, while being mindful of the bottom line, places pressure on supply chain planning and the planners who are expected to keep pace within an ever-accelerating environment.

In a [recent EY survey](#) of more than 500 senior-level executives from companies across the Americas with more than US\$1b in revenues, 53% of respondents said that fast-changing customer preferences require supply chains that can turn on a dime. In consumer products and automotive, responses were even higher (68% and 65%, respectively).

The same study suggested that the top two most important factors in creating a successful supply chain were end-to-end visibility and real-time responsiveness to external and internal factors because markets are

expecting supply chains to move at supersonic speeds. In fact, more than half of all respondents agreed that the ability for supply chains to respond in real time was an imperative. For automotive, consumer products and retailers, the imperative was more acute – 82%, 79% and 77%, respectively.

For many companies, this velocity of change can be overwhelming. It is particularly true when global supply chains are exposed to geopolitical uncertainty, trade and tariff disruptions among disagreeing nations, and the ever-present threat of natural disasters and pandemics.



Cascaded planning and legacy systems hobble today's supply chains

Much of the challenge for companies is that the current states of their supply chains, planning capabilities, organization structures, processes and systems are ill-equipped for today's business environment. This, in turn, places an undue burden on planners, who have to contend with greater workloads, complexity and frustration with planning as a career path. Let's look at some of the reasons.

■ Sequential supply chains and cascaded planning

Many companies still operate under a sequential supply chain model, where information and materials move in sequence from one supply chain partner to the next rather than moving across a connected supply chain network. Without the connectivity, companies have neither end-to-end visibility nor the capacity for real-time responsiveness to customer demands.

■ Outdated technologies

This lack of visibility is exacerbated by outdated technologies, including spreadsheets. Organizations struggle to deliver solutions that respond in real time to changes in supply chains. In a recent current state analysis of a Fortune 100 manufacturer, we found the organization had nearly 200 spreadsheets supporting supply chain planning.

■ Disparate systems

A series of waterfall deployments of systems that failed to live up to their full potential has left companies with disparate, disconnected systems that have made it increasingly difficult to effectively manage supply chain operations and sustain data quality. Similar to outdated technologies, disparate systems limit a company's capacity for real-time responsiveness.

■ Siloed structures and processes

From an organizational and process perspective, centralized supply chain planning has existed for decades, yet organizational structures and processes continue to remain siloed, further impacting visibility and inhibiting the ability to anticipate and deliver on customer needs before they know what they need.

■ Misaligned key performance indicators (KPIs)

Some companies have different leadership hierarchies for planning, production and even logistics. Plant leaders have their own goals related to asset utilization and throughput, while planning leadership's focus is often on flexibility and lower inventory. These competing priorities typically lead to competing KPIs and misaligned goals – all of which influences the customer experience.

In an environment where product life cycles are getting shorter and mass customization is the new norm, these types of supply chain planning challenges – and the lack of visibility and real-time responsiveness – in many cases lead to competing objectives, wasted resources, lack of agility and fragmented data. Add to that global threats stemming from political and economic uncertainty, globalization of organizations and teams, and an increasing importance regarding environmental impacts, not to mention rising regulatory burdens, particularly in emerging markets, and it is easy to see why companies are struggling to adapt to today's fast-moving business landscape.

Concurrent planning offers real-time, end-to-end visibility and responsiveness

Fortunately, there is another way. For companies looking to reinvent their planning processes, a transition to concurrent planning can make all the difference. With concurrent planning, a company's entire supply chain is always in sync, thanks to a single platform for all planning functions. Concurrent planning instantly and continuously balances a company's end-to-end supply chain, allowing for greater responsiveness and overarching visibility. Supply, demand, capacity and inventory, and even sales and operations planning and integrated business planning are all aligned. Information is available in real time, and everyone has instantaneous access to the people, data and results they need. Specifically:

■ Supply chain planning no longer relies on a sequential process.

With the interconnected nature of concurrent planning, all business functions within the organization are able to collaborate throughout the process. This enables teams to quickly address pain points. It also decreases lag times, leading to more efficient processes. In other words, companies can actualize end-to-end real-time planning.

■ Concurrent planning enables centralized planning.

Instead of certain data sets sitting with the demand team and another data set sitting with supply, concurrent planning gives all functions access to the same information, allowing for centralized planning.

■ Breaking down silos facilitates shared KPIs across planning, manufacturing, sales and marketing.

Breaking down the silos of the past empowers organizations to set KPIs that span more than one business function, with a greater understanding of the trade-offs throughout the network. This allows the organization to frequently work toward common goals and common objectives, instead of disrupting one for the sake of another.

Using a centralized, global system of record to manage all planning functions, companies can unify supply chain planning across time horizons, processes, information granularity and organizational boundaries. Meanwhile, using artificial intelligence (AI) and robotic process automation, companies can automate time-consuming, repetitive processes and tasks, freeing up scarce resources to focus on more strategic objectives.

Near-real-time data across supply chain partners and functions, real-time plant monitoring and intelligent machines that remove the requirement for boots on the ground at plants or in the regions provide instantaneous, end-to-end visibility responsiveness. In addition, systems that offer robust "what if" scenario analysis improve the speed and efficiency of organizational decision-making.

The benefits of networked supply chains and concurrent planning across the organization are clear:



Reinventing supply chain planning leads to the evolution of the network planner

Traditionally, the life of the supply chain planner has not been an enviable one. For years, skills such as “ability to negotiate,” “ability to work in a dynamic environment,” “ability to synthesize data from multiple sources” and “ability to work independently and be a self-starter” have been key criteria in job descriptions.

These required skills have highlighted the stressful, sometimes unsupported and data-starved nature of the role over the past several years. Distribution and production planners have had to gather data from disparate systems and spreadsheets, and firefight and negotiate with production schedulers who often have different KPIs, agendas and supervisors at their likewise stressful roles at plants. Further, demand planners have been traditionally located closer to customers and sales, while supply has been located closer to the manufacturing base. Unfortunately, this has led to atrophy as planners are cut off from ready support, onboarding and continuous improvement training. As such, it is of little surprise that the supply chain planning role has a large turnover rate. Our survey of supply chain leaders suggested that a lack of skilled employees was the no. 2 obstacle to meeting supply chain goals.

As a consequence, when an organization reimagines its supply chain planning model, it makes sense to also consider reimagining the role of the supply chain planner. Under a concurrent planning model, where the company’s entire supply chain is always in sync, planners have access to information, people and processes in real time through interconnected, networked systems. It eliminates silos, automates repetitive tasks and aligns KPIs.

Planners go from functionally siloed data gatherers focused on only demand, supply, inventory or production to becoming **network planners** with a network-wide view of both demand and supply considerations, and the impact of their demand and supply decisions, all of which makes planners more productive, engaged and willing to see supply chain planning as a career rather than a dead-end job. It will also allow companies to address their supply chain talent shortage by using existing resources more effectively. Additionally, they’ll be able to attract and retain top talent. It’s a win-win for everyone.



Talent for the future network planner

Advances in supply chain technologies and supply chain concepts must be matched by advances in talent management capabilities. This includes accessing new sources of talent through the gig economy. Future supply chain professionals must drive the organization's strategy rather than just the supply chain strategy, and having the right people on your team is essential. To help clients assess their talent

strategy, we have identified a framework of four personas that will be vital to the future supply chain. Rather than each persona being an individual, it's more likely that the supply chain professionals of the future will have a mix of these personas and getting the right mix in your team will be vital to embracing the network planner approach.

Four future personas for the supply chain

Technologist

The technologist will work to design, configure, implement and maintain emerging technologies such as robotics, AI and machine learning tools. With a high aptitude in data and emerging technology, the technologist understands whether a human capability or technology solution is required. Where emerging technology is a suitable option, technologists will then determine how best to deploy and manage it. They will enable the rapid integration of new supply chain partners and reconfigure machine learning algorithms to incorporate new demand data. They embrace disruption and seek opportunities to pioneer technology to the business.

Orchestrator

The orchestrator unlocks opportunities for improvement and drives internal and external collaboration from a holistic view of the ecosystem. If you are breaking down the silos in the supply chain and you have data that provides end-to-end visibility, you will need the skills to be able to understand that end-to-end view and decide what to do with it. Orchestrators maintain a deep understanding across operations and external partners, and make key business decisions based on their insight into interdependencies, cause and effect. They work with customers to optimize ordering behavior and can make decisions based on all pertinent factors.



Analyst

The analyst drives data-led modeling and scenario planning to assess their impacts on the supply chain. Analysts possess the conceptual analysis skills to approach scenarios with a logical, systematic perspective and the process analysis skills to identify gaps that could be filled by technology or changes in business approach. Using advanced analytics, they model different scenarios to test them and drive business decisions. For instance, they may highlight gaps in material availability for emerging supply scenarios, which then triggers an automated communication to the supplier to ring-fence the increased quantities. They are open-minded and driven by insight. New skills are required to work in this way. Supply chain professionals will need to look at how they manage divergent views from the automated and human planning decisions, guiding machine learning algorithms to align with business strategy, integrating new data sources and supply chains, and acting on the insight from scenario-based simulations.

Innovator

The overarching role for the innovator is to drive new opportunities and sales and bring a commercial lens to the business. Innovators are the horizon gazers who look at the big picture and drive innovation to create new commercial options. They will work with the customer-facing organization as well as R&D and engineering to define the right service portfolio for target customer segments and draw out different ideas. People in this role will configure multiple, unique supply chains and build effective and agile networks that enable a differentiated service and increase overall profitability. Innovators will work closely with analysts and technologists to model scenarios and orchestrators to implement changes to the supply chain.

With concurrent supply chain planning, companies can move at the speed of change

Given that the top two most important factors in creating a successful supply chain as ranked by EY survey respondents are end-to-end visibility and real-time responsiveness to external and internal issues, a move to a concurrent supply chain planning model and transforming the planning role to that of a network planner can help companies achieve this success. Greater agility; better, faster decision-making; more efficient use of resources; and cost savings are only a few of the benefits a concurrent planning model can offer.

More important, concurrent planning gives companies the power to reach beyond simply meeting customer needs to anticipating them. In doing so, companies can develop long-

lasting relationships that turn fickle customers into loyal brand ambassadors by delivering individual customer experiences and tailored products on demand.

Within the organization, concurrent planning, automation and an alignment of KPIs will make planners better, more productive and happier contributors to the company's purpose.

In today's ever-accelerating business environment, reinventing supply chain planning can help keep companies moving at the speed of change.

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