

**A Digital Transformation Guide for  
Supply Chain  
Disruptions**



# SUPPLY CHAIN DISRUPTIONS HAPPEN!



and ERP and Spreadsheets are  
the answer!

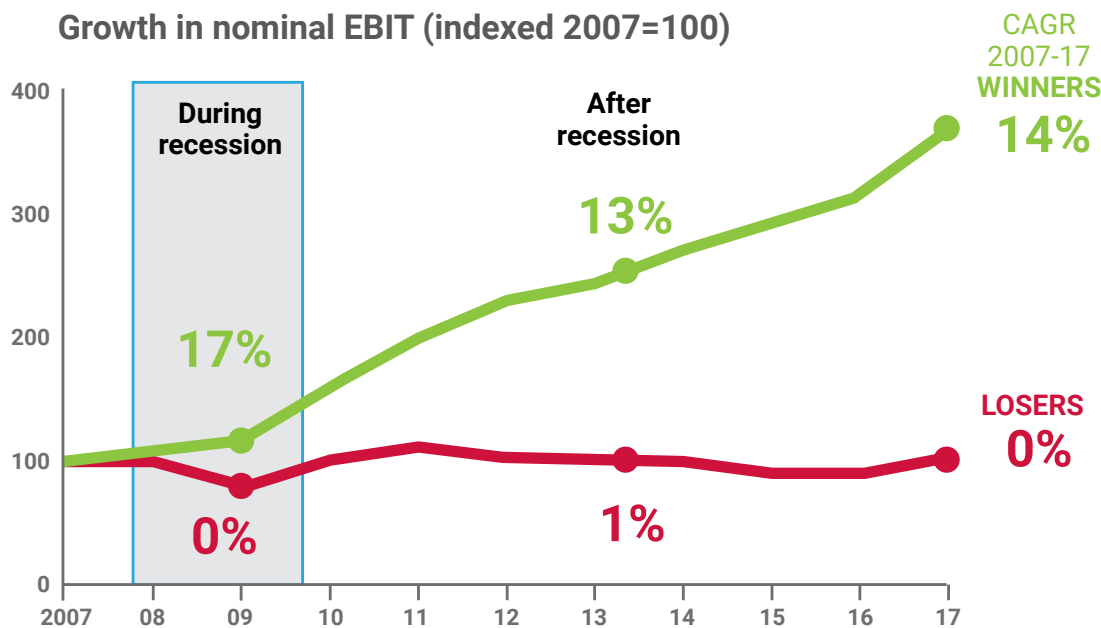
**NOT**

Use these eight tips to review your supply chain planning strategies to bounce back faster and prepare for the future.

## Tip 1

# Adopt Advanced Supply Chain Capabilities Now

- **Plan** for the unexpected, be flexible and be ready to adjust quickly.
- **Strengthen** decision-making capabilities to function within high-pressure environments.
- **Digitally transform** now. Supply chain visibility, combined with advanced analytics, is key to quickly sensing and optimally responding to supply chain disruptions.



**Planning now is key to future success.**

Well-prepared companies emerged as winners during and after past recessions.

## Tip 2

# Strengthen Supply Chain Data Management Abilities

Supply chain operations thrive on digital data, but data dimension is often overlooked and underfunded. According to a recent study\*, **more than 40% of supply chain leaders** report that their data is difficult to analyze because it is split between multiple reporting systems, is incomplete, or is simply bad data.

To develop insights and make timely decisions, supply chain data on customers, products, locations, lanes, vendors, suppliers, and orders needs to be clean, consistent, comprehensive and current. The supply chain team needs to own its development and sustainability.

\* Source: Racontuer, A Day in Data, 2019

### DEMYSTIFYING DATA UNITS

From the more familiar 'bit' or 'megabyte', larger units of measurement are more frequently being used to explain the masses of data

Unit	Value	Size
<b>b</b> bit	0 or 1	1/8 of a byte
<b>B</b> byte	8 bits	1 byte
<b>KB</b> kilobyte	1,000 bytes	1,000 bytes
<b>MB</b> megabyte	1,000 <sup>2</sup> bytes	1,000,000 bytes
<b>GB</b> gigabyte	1,000 <sup>3</sup> bytes	1,000,000,000 bytes
<b>TB</b> terabyte	1,000 <sup>4</sup> bytes	1,000,000,000,000 bytes
<b>PB</b> petabyte	1,000 <sup>5</sup> bytes	1,000,000,000,000,000 bytes
<b>EB</b> exabyte	1,000 <sup>6</sup> bytes	1,000,000,000,000,000,000 bytes
<b>ZB</b> zettabyte	1,000 <sup>7</sup> bytes	1,000,000,000,000,000,000,000 bytes
<b>YB</b> yottabyte	1,000 <sup>8</sup> bytes	1,000,000,000,000,000,000,000,000 bytes

\*A lowercase "b" is used as an abbreviation for bits, while an uppercase "B" represents bytes.

# 463 EB

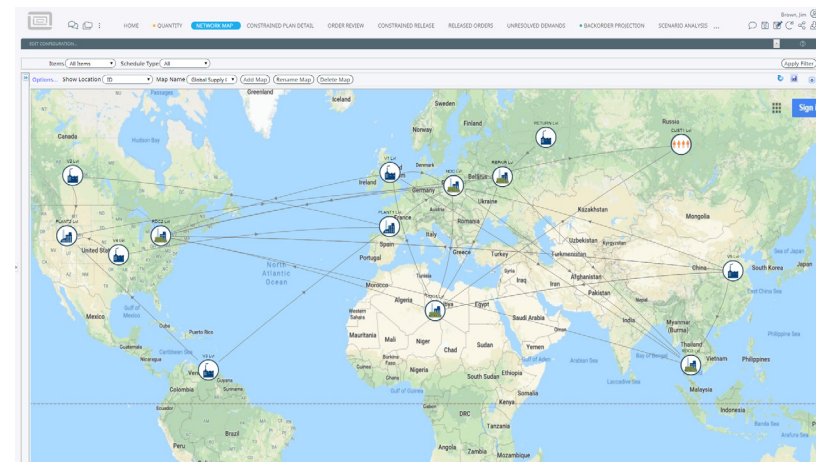
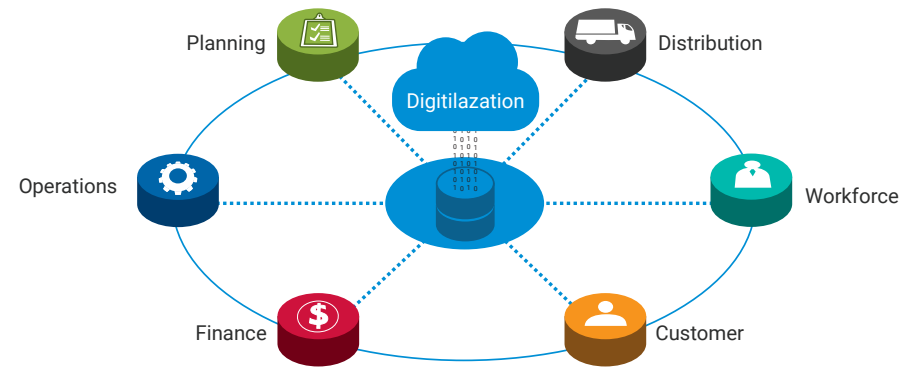
of data will be created every day by 2025

## Tip 3

# Digitize Supply Chain for Visibility and Decision Making

The supply chain is no longer linear but a multi-dimensional matrix. Supply chain information travels between points in the matrix as needed to get the right products to the right place at the right time. Visibility to near real-time, end-to-end supply chain data is necessary to make optimal decisions quickly. Digitization of supply chain data is essential to achieving the required data visibility.

Fortunately, digital data can be used to graphically represent your supply chain both numerically and graphically. Use a supply chain digital twin, built from granular supply chain data that is updated in near real time, to create plans, analyze tradeoffs, conduct 'what-if' scenarios and make informed decisions quickly.



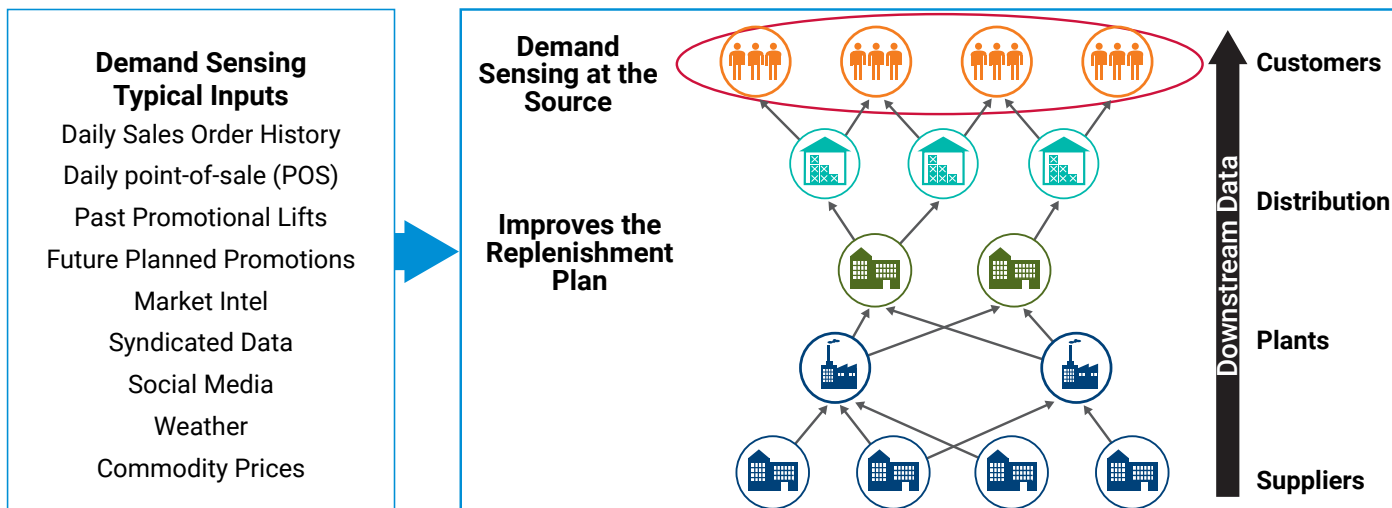
Supply Chain Digital Twin

Tip 4

# Accurately Predict Demand

With a disruption like a recession or a pandemic, consumers drastically change their purchase behaviors—requiring major changes to purchasing, manufacturing, distribution and transportation operations.

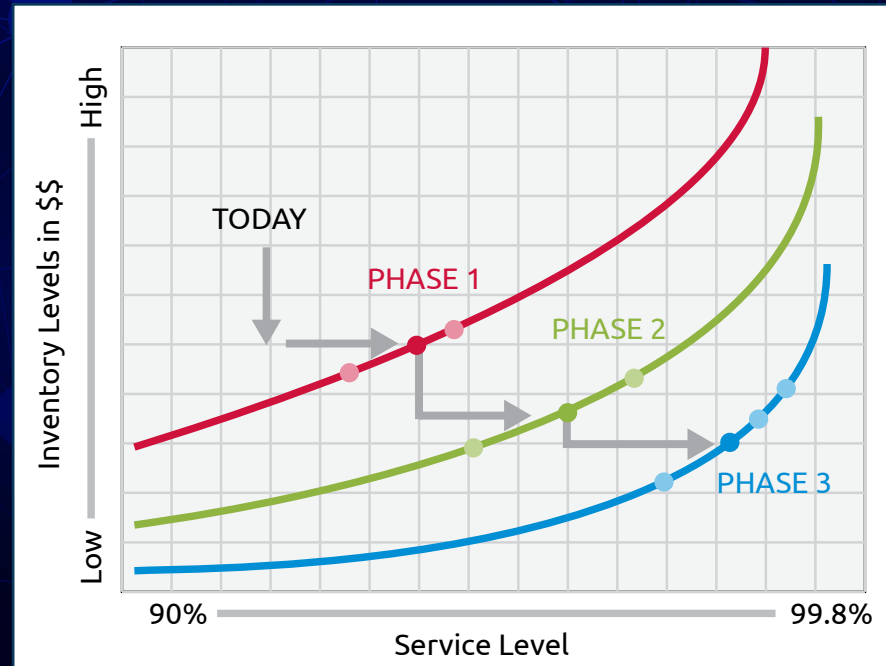
Demand sensing can enhance your company’s ability to respond to a disruption by gaining near-real time visibility to consumer demand. It gives you the ability to optimize replenishment and provides a means to improve both short and long-term demand forecasting. Even a one percent improvement in demand forecast accuracy can lead to a significant improvement in fill-rates and a tangible reduction in inventory, purchasing and manufacturing costs.



## Tip 5

# Optimize Inventory Type, Levels and Placement

Multi-Echelon Inventory Optimization (MEIO) packs a financial punch by freeing up working capital while boosting service. MEIO determines where and how much and what type of inventory to hold at each inventory stocking location to meet desired service levels while complying with specific inventory policies. The Efficient Inventory Frontier curve shows that, for any status quo, it will always cost more to achieve higher service levels. But phased MEIO initiatives can change the status quo, creating a series of new curves that deliver any desired service level at less cost than the former state allowed. MEIO provides a knowledge platform for better decision-making and enables organizations to use inventory as a lever for responding to supply chain disruptions.



## Tip 6

# Organize for Agility

Smart companies know how to maximize agility by appropriately leveraging both human and technology capabilities. By allowing technology to do what it does best—rapid identification of disruptions and opportunities, fast generalization of the best alternatives and quick response to maximize company benefits—you can move away from managing and manipulating data and focus on driving more business value.

### Humans Excel at:

- Common Sense
- Generalization
- Creativity
- Dilemmas
- Subjective Action
- Abstraction



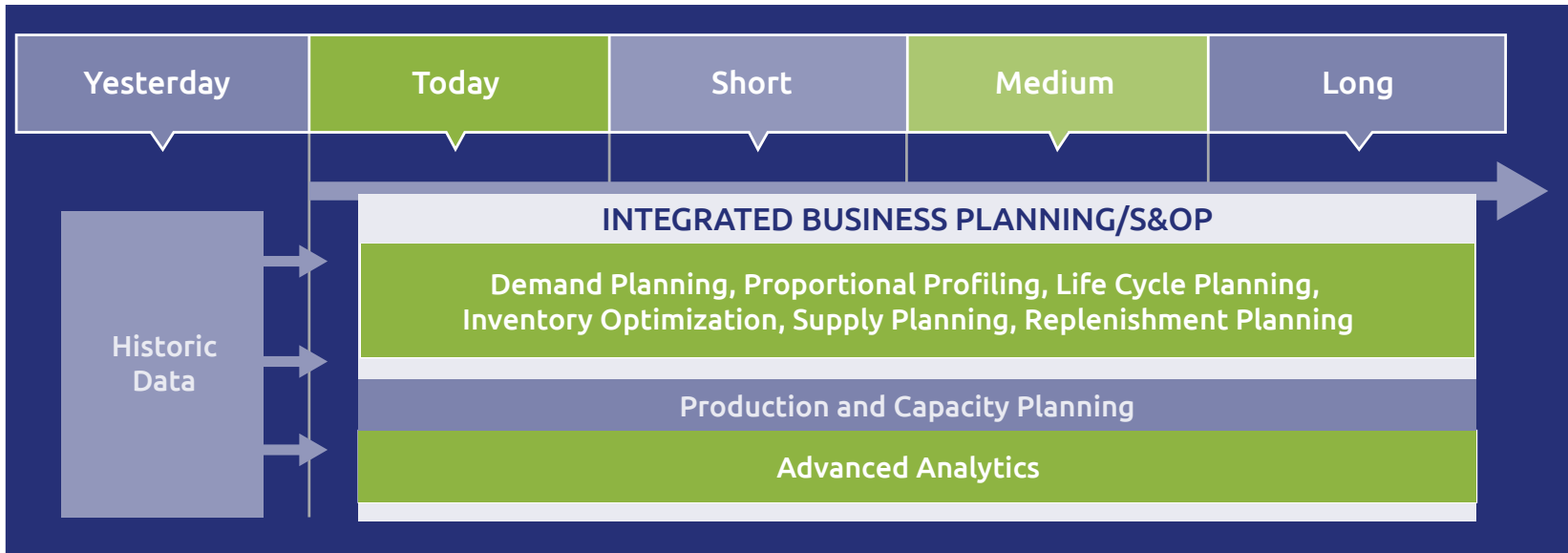
### Cognitive Systems Excel at:

- Locating Knowledge
- Machine Learning
- Algorithmic Planning
- Eliminating Bias
- Time Compression

Tip 7

# Move to Multi-Horizon Integrated Business Planning

Integrated Business Planning (IBP) promotes one integrated multi-horizon planning process that fosters closer teamwork and builds trust across the organization enabling more accurate and reliable decision making faster. Aberdeen found that companies that run an IBP process are 28% more likely to respond to unplanned events in a timely manner than companies that don't run an IBP process.

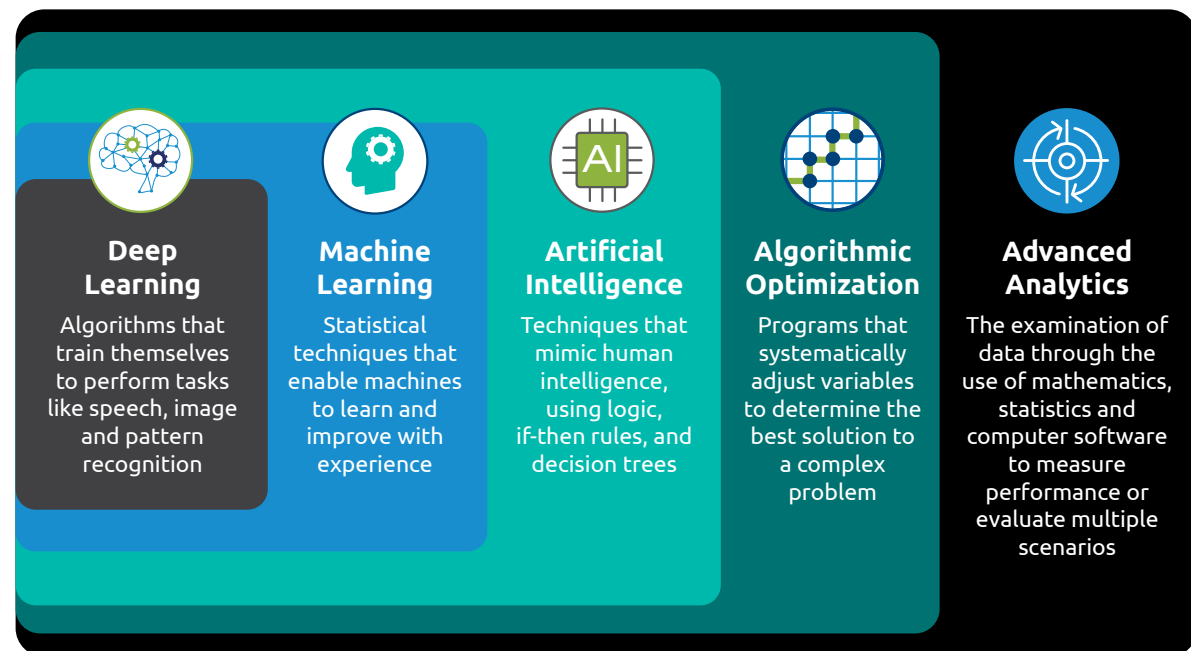


## Tip 8

# Automate for Speed and Efficiency

Use artificial intelligence and machine learning in supply chain planning to propel your business forward. Harnessing automation, evaluate multiple scenario outcomes and speed up your ability to make good decisions, take advantage of purpose-built cognitive and more. Artificial intelligence and machine learning capabilities add value in a number of ways.

- **Automate** manual data efforts and processes
- **Make better** business decisions
- **Detect** problems earlier and proactively respond to potential disruptions
- **Improve** forecast accuracy



The Next Disruption is **Coming.**

# Is Your Supply Chain **READY?**

Supply chain disruptions, like the one caused by the COVID-19 Pandemic, will continue to take place in today's complex, global supply chains. Will you be ready?

- Do you have access to comprehensive, clean, consistent, current and convenient supply chain data from your supplier's supply to your customer's consumer?
- Do you have a plan for adopting advanced analytics, artificial intelligence and machine learning in your supply chain operations?
- Do you have the ability to run multiple 'what-if' scenarios to analyze how your supply chain will be affected by different types of disruptions and to develop mitigation plans for those that are more likely to occur?
- Can you quickly sense a disruption in your extended supply chain, analyze options to mitigate the disruption and execute the best response?

# ABOUT LOGILITY

Accelerating the digital supply chain from product concept to customer availability, Logility helps companies seize new opportunities, sense and respond to changing market dynamics and more profitably manage their complex global businesses. The Logility digital supply chain platform leverages an innovative blend of artificial intelligence (AI) and advanced analytics to automate planning, accelerate cycle times, increase precision, improve operating performance, break down business silos and deliver greater visibility.

To learn how Logility can help you make smarter decisions faster, visit [www.logility.com](http://www.logility.com).

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