

How to Improve Future Visibility Into Your Supply Chain With AI—and Be Better Prepared for Future Disruption

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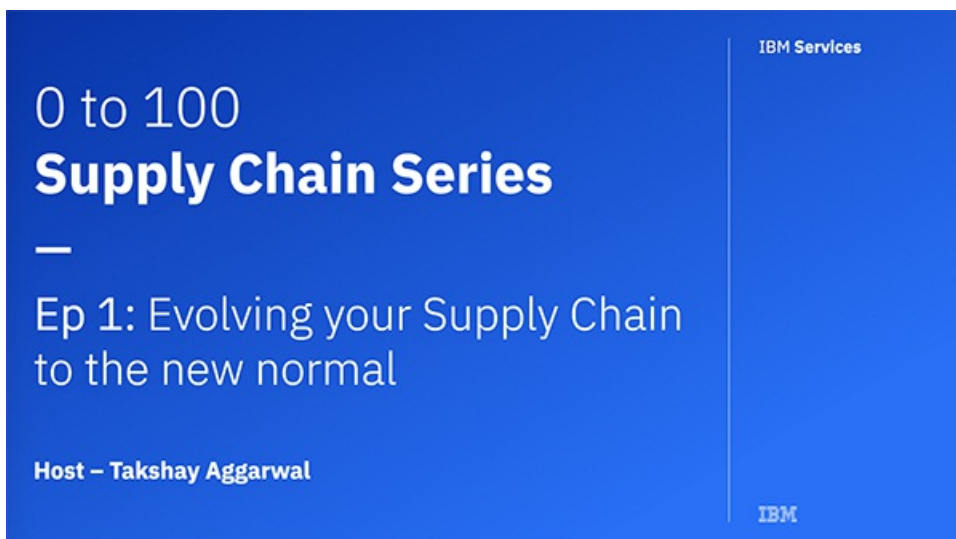
Much of modern life appears so seamlessly efficient that it can be easy to forget that it rests on a complex foundation. But when disaster strikes, we come to recognize how fragile that foundation is.

This reality hit home hard during the beginning of the COVID-19 pandemic, when people accustomed to full and immediate supplies of everyday goods—meat, toilet tissue, medicine and personal protective equipment—were shocked to face empty store shelves and long waits.

Companies realized their supply chains—many of which are staggeringly complex, involving hundreds of suppliers, providers, and distribution centers across the globe—were much more fragile than they realized. Many COOs, alert to the possibility of further disruptions in the future, have been using this time since to better understand and find ways to improve their processes.

The upcoming 2020 IBM Institute for Business Value Smarter Supply Chain survey reveals that many supply chain executives were caught unprepared by COVID-19 and were forced to scramble to meet demand in response to the confusion and disruption caused by the pandemic.

But those same executives also saw the pandemic as a wake-up call, and are now thinking prospectively about building resilient systems to better prepare for future unforeseen disruptions.



[Watch the webinar with Jonathan Wright, Evolving Your Supply Chain to the New Normal—Here's How](#)

Why supply chains become fragile

The issues COOs face in delivering goods and services to customers without disruption are remarkably common

across industries, and predate the COVID-19 pandemic: How do you keep sufficient inventory of high-demand products? How do you get the right inventory supply demand in the right location? How do you detect when there's a sudden change—either in demand or supply, in production or in transportation—and quickly change your plans?

It's an expensive problem. A 2018 study estimates retailers lose close to \$1 trillion by being unable to keep in-demand products in stock. Technology has a major role to play in addressing these challenges, and yet the most common analytical tool used by supply chain planners is still a spreadsheet program.

The first step toward overcoming this challenge is by enhancing traditional sales and operations planning with continuous collaborative planning. This advanced approach is available now with IBM's Continuous Intelligent Planning (CIP) solution. This is a consult-to-operate approach that utilizes AI-augmented capabilities to enable enterprises to sense and respond to change, maintain continuity during disruptions, foster constant collaboration between disparate teams and external partners and shift from demand response to predictive demand creation. This Intelligent Workflow drives differentiation and support a shift to multi hybrid cloud architecture.

Here are some challenges CIP can help address:

- *Limited supply chain visibility.* Incomplete across multiple parties or non-existent data means a company has a limited view of what materials are available or where they are. It makes it difficult if not impossible to assure fulfilment, forecast demand, or assess potential risks.
- *Uncertain forecasts due to minimal data.* Forecasting demand using historic data and often incomplete data sets often means either surpluses of unwanted inventory, or a dearth of needed materials in high-demand times. There is a need to sense demand in real time based on what is happening today.
- *Insufficient, outdated workflows.* Slow, largely manual processes make it harder to collect relevant data and react to it in real time, leading to higher operating costs, unnecessary risk and lower profits.
- *Sluggish organizational response.* Complex processes and siloed departments with different objectives can reduce incentives for internal departments to respond to changes in the supply chain or demand.

Continuous Intelligent Planning will not only help you stabilize your current network and make it more resilient to external shocks, it will also enable you to **turn your attention forward**, so you can anticipate demand and meet it, rather than scramble to supply demand behind the curve.

It harnesses and integrates data like weather and hyper-local events, and internal shipments to create a total picture of the supply and demand ecosystem.

So, what can a CIP process do for your enterprise?

Look forward and see across the entire supply chain and better forecast demand

By inputting data from all sources, you can see where their products are—in real time and in full view—across the world. AI helps predict potential disruptions allowing you to prepare for them. Replacing spreadsheets—

often assembled by hand—with dynamic real-time data makes demand forecasting much more accurate, allowing you to better stock inventory.

Automating workflows, which lets employees focus on higher-value work

Surprisingly, many organizations still use inefficient and resource-intensive planning processes. Using automation saves time, and frees employees to more interesting work and drives both cost and operational improvements.

Constant collaboration with ecosystem partners

Siloed departments both inside and outside a company can lead to data hoarding and make timely decisions difficult, if not impossible. CIP allows supply chain leaders to rapidly join forces with ecosystem partners to understand impacts across their joint supply chains in real or near-real time. Together, they can determine how to rapidly respond to and resolve issues—sometimes before they occur.

By taking much of the guesswork out of current ecosystem realities and demand forecasts, CIP can become a bedrock component of your company, enabling you to drive efficiencies, build resiliency, and ensure that your company is prepared to handle future external shocks.



<https://newsroom.ibm.com/CIP-supply-chain>