

 Luminate Planning

# Network Design

Accelerate supply chain agility and reduce risk with better network design

## Business context

As e-commerce and omni-channel approaches have become an essential part of industry leader's business models, supply chain network design has become even more critical, urgent, and complex. Companies need the ability to more frequently design and optimize their network strategies to reduce costs, mitigate risks, and increase service levels with agility. Industry leaders must discover better, more innovative ways of reducing operational costs and working capital investments while also driving continuously improved customer service, revenue and growth. Achieving true optimization requires more than today's status-quo disconnect between network design and planning and execution; it requires more frequent next-level integrated network design and optimization.

## The Blue Yonder solution

Blue Yonder's network design capability provides strategic, end-to-end functionality to evaluate, design, optimize and ultimately transform your supply chain network— whether you are looking to expand, mitigate disruption, or simply optimize your current network resources.

Blue Yonder's network design provides a modeling and optimization environment capable of representing the appropriate breadth and depth of the supply chain required to answer the strategic questions at hand. This may mean modeling the entire supply chain from raw materials to finished products. Or, the model may be limited to a particularly troublesome portion of the supply chain or one that has been significantly affected by a recent disruption, merger or acquisition.

With today's fast-changing markets and competitive scenarios, supply chain network optimization is no longer an annual event but instead a monthly or even weekly process. Leading companies are finding value by building these skills in-house. Network design creates a major advantage for its users by making the strategic planning process repeatable and standardized.

## Real results

Reduce network costs  
by up to

# 15%

Increase gross profit  
from operations up to

# 3%

## Key features

- **KPI reporting**  
Employing reusable reports of key performance indicators (KPIs), the relative value of different scenarios can be compared from either a cost or profit perspective.
- **“What if” analysis**  
Quickly consider alternative scenarios and easily return to an earlier scenario. Selected flows, cycles and capacities can be locked to baseline or previously optimized values.
- **Comprehensive analysis**  
Blue Yonder's network design supports all relevant supply chain costs and constraints

Planners become competent users of a powerful modeling and analysis tool, and the company builds a core competency in strategic planning. You will increase planning productivity and significantly decrease manual analysis while also benefiting from a low-risk implementation.

## Key capabilities

### Create optimized decisions

Next-level integrated network design dynamically aligns your planning and execution systems to the optimized decision, enabling your business to quickly realize financial and service improvements while mitigating risk and business disruption.

### Continuous and Discrete Analysis

Blue Yonder's network design makes both continuous decisions (e.g., "How much of a specific product should be made in Chicago?") and discrete decisions (e.g., "Should we choose Philadelphia or Newark for a new distribution center location?") in the same optimization.

### Application flexibility

Network design can be deployed across various industry sectors – from high-tech, food, beverage, consumer durables and apparel to life sciences, aerospace, automotive and OEMs, and more.

### Scenarios

With a powerful, flexible modeling paradigm, strategic planners can investigate a wide range of what-if scenarios to provide optimization, prioritize critical customer situations and reduce risk.

including processing and product handling costs, transportation costs, inventory costs, and fixed costs for operating, opening and/or closing model entities, by time period.

- **Currency considerations**

Costs and prices can vary across time periods to represent seasonal variations or market dynamics. Multiple currencies with varying currency conversion factors between time periods enable sensitivity analysis with respect to exchange rates.

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### Key benefits

- **Flexibility**– the same flexible application creates multi-year strategic plans or weekly plans. Portions of the network can be temporarily excluded from consideration without deleting the corresponding model structure.
- **Improve sustainability**, reduce carbon footprints and lower transportation costs through optimized supply chain networks.
- **Optimize decisions** by quickly evaluating maximum production cycles and product handling, process and transportation lead times, and safety-stock inventory ranges.
- **Competitiveness**– globalization, digital disruption and consumer centricity now make frequent network design optimization a true competitive weapon.

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## Digital transformation is at your fingertips

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