ASK THE EXPERT

Preparing for the Unknown: Technology that Effectively Manages Supply Chain Risk and Uncertainty

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Organizations are being hit from all sides with new disruptions, volatility and uncertainty, but consumers are still asking for more. From pandemic-driven product shortages to persistent labor constraints to global events like the Russia-Ukraine conflict, organizations across most industries are operating in unknown territory right now.

Companies that had robust supply chain management platforms in place pre-pandemic were better positioned to tackle the related uncertainty, while those that relied on legacy systems, spreadsheets and manual processes quickly found themselves—and their customers—treading in uncharted waters.

As they work to solve for the "now" and also plan for the future, companies are increasingly turning to technology for help sorting out their current challenges and predicting what's next. With more than 15 years of experience in the supply chain management solution space, Koushik Balasubramanian, vice president of global solutions at Blue Yonder, shares his insights about the current state of the supply chain, the challenges companies are dealing with, and how technology is helping organizations effectively manage supply chain risk and uncertainty.

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Q: What current supply chain trends are keeping companies up at night right now?

A: Companies are worried about and being impacted by world events like the Russia-Ukraine conflict, which has the potential to touch supply chains around the globe. Customer expectations are changing, and they all want real-time visibility into their order statuses. They also expect fast and reliable service, and for companies to have figured out how to handle, manage and respond to the pandemic-related disruptions. This applies in both the B2C and B2B space, where customers expect suppliers to have figured out how to handle the current supply chain challenges.

Those challenges include a wide range of disruptions—from port congestion to limited container capacity to the semiconductor shortage, to name just a handful. These issues are all impacting a firm's ability to meet its top-level key performance indicators (KPIs). As a result, customer service levels decrease right along with revenue targets.

There's no end in sight to these challenges. In fact, disruptions will likely become more frequent in the future. Increasingly global and complex, supply chains are going to have to withstand more shocks and disruptions, both of which may be more frequent and potentially more severe.

Q: Are companies prepared to address and avoid these risks?

A: For best results, companies have to be able to mitigate these problems as early as possible. This requires clear visibility into what the problem is and when it's going to emerge. Only then can they get out ahead of the problem—and their competitors—and solve it. The problem is that even for companies that have invested solidly in different aspects of their supply chains (e.g., demand sensing, forecasting, etc.), a lot of these disruptions are still beyond their control. Even if they have a solid plan in place, they're still going to get hit.

The company that has full visibility into what's happening will be best positioned to identify the problem quickly, figure out the impact and severity of that problem, and solve it quickly.

Q: How is Blue Yonder helping companies address challenges and prepare for the unknown with the Luminate Control Tower?

A: A native SaaS solution, Luminate Control Tower (LCT) provides end-to-end supply chain visibility/orchestration and combines it with artificial intelligence (AI) and machine learning (ML) to provide prescriptive resolutions to supply chain disruptions. By aggregating data across the supply chain's multiple nodes and creating a digital twin (i.e., a virtual model that accurately reflects a physical object or process), LCT creates a real-time digital representation of the supply chain that gives users a holistic view of the end-to-end network.

LCT also helps companies:

- **Give users a single pane of glass to work from.** By providing a single pane of glass view across different processes and personas, LCT breaks down the silos and gives everyone the same data from which to work, from the planner to the customer service executive who is on the call with the end customer.

- **Prioritize issues and address them accordingly.** The past two years have taught everyone that disruptions can occur at any time, and that some are more significant than others. LCT senses any disruption in the entire chain and allows the users to identify severity and time to impact. This helps business users prioritize and mitigate the effects of these disruptions.

- **Predict future outcomes and plan ahead.** The platform leverages AI-powered technology to not only generate insights but also help predict future outcomes and suggest appropriate plans of action. For example, it helps users decide if they can address the customer request from an alternate location, provide another item or, at the least, let the customer know about the delay as soon as possible. This translates into higher service levels and improved customer satisfaction at a lower cost.

Q: Why is Blue Yonder uniquely positioned to help companies manage supply chain risk and uncertainty?

A: We provide end-to-end visibility from planning to execution, powered by a digital twin. We're currently making over 2.5 billion AI/ML predictions daily across our portfolio, and we help stakeholders—from both internal and external functions—launch digital "situation rooms" that they can use to collaborate and access supply chain issues, evaluate impacts and decide on next steps.

At Blue Yonder, we're also aligning the impact of supply chain actions to strategic business goals like revenue growth, cost-to-serve, cash-to-serve and sustainability metrics. Finally, we take an end-to-end view of the control tower, knowing that the combination of good planning and execution helps shape the most resilient, risk-averse supply chains.

Q: What advice would you give supply chain leaders right now?

A: Companies need to evaluate their technology stack and infrastructure to see how well those systems help them recognize and anticipate potential disruptions, understand the impact of those disruptions and what changes have to happen to drive exceptions, act on them, and continuously learn from the data and external signals. Only then can supply chains be predictive and able to autonomously identify optimization opportunities.

For more information on how Blue Yonder can help companies manage supply chain risk and uncertainty, **visit us on the web**.

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