Cross Functional Planning in a Connected World

BlueYonder
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With 24/7 online news and social media, the world is always digitally connected; Is your Supply Chain?

Whether you're planning a moon shot, a new product launch, or a wedding, "the devil is in the details." What happens if those responsible for these details aren't talking to each other? You'd expect chaos, or at least major foul-ups and disconnects, wouldn't you?

Let's take that moon shot...what if those who design the launch vehicle weren't communicating with the flight planners who know how far the spaceship has to travel and at what speed? What if those responsible for decisions on how much food, water and fuel should be stored on the spaceship weren't communicating with the flight planners on how long the trip will be?

It sounds ridiculous, doesn't it? But isn't this, in fact, how your supply chain plans are created? Are those responsible for the design of your launch vehicle, that is, network design and factory planning, communicating directly with the flight planners in transportation planning on projected transportation

time and cost impacts of various network layout and materials sourcing options? Are those responsible for decisions on how much cargo to carry next week, next month, next year, such as inventory planning and distribution planning, communicating directly with network designers and factory planners to understand where the inventory is coming from and what the constraints are?

Mastering Cross Functional Planning, Visibility, and Execution

Let's face it, in most companies, visibility is more of an aspiration than a reality. Sure, you might have some software called "Master Planning," but does it seamlessly consider all of the factors hinted at in our moonshot example? May it be that network design, factory planning, inventory optimization and transportation modeling are operating in functional silos?

Procurement

- From where should raw materials, components, and sub-assemblies be sourced?

- How much should I source from each supplier/vendor given buying commitments and/or forward buy incentives?

Distribution

- What types of logistic facilities are required?

- Where should current and new facilities be located? How large should they be? When should they open or close? How much space?

- Which customers and products should be served from each facility?

Manufacturing

- What investments should be made when manufacturing capacity is exceeded?

- Which products in each plant and/or production line? When should they be made?

- What are the cost trade-offs of outsourcing or foreign manufacturing strategies?

Transportation

- What transport modes and lanes should be used to move products through-out the network?

- What's the impact of in/decreasing transportation service levels to my customers?

Supply Chain Srategist is a strategic modelling tool that allows us to optimize a supply chain while considering all necessary trade-offs between costs, constraints, service levels and business objectives
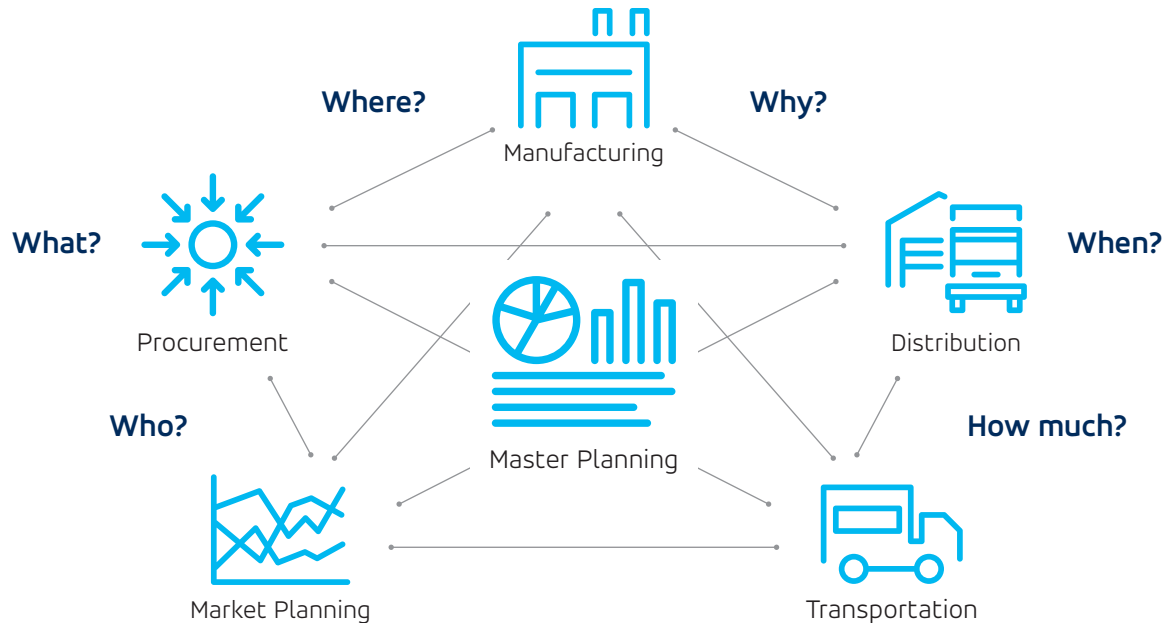
It's not just about the communication of requirements, e.g. "I need X-amount of inventory at these locations by this date." The key to cross-functional planning, visibility and execution, called master orchestration, is to know all of the constraints. How much of each product each factory or partner can produce in a given timeframe; how long will it take to ship products from various production facilities to each destination; what are the travel times and cost tradeoffs of each producer; what contracted buying commitments and forward-buying incentives must be factored in; what are the impacts on budgeted costs and customer service levels; what are the tradeoffs and constraints in each option; etc.

The only way to achieve effective plan orchestration is to integrate the technology that supports the main planning functions. As shown in the graphic, master

planning sits at the intersection of market planning, procurement, manufacturing planning, distribution and transportation. Supply Chain Strategist is the modeling tool that connects all these functions to create a digital twin of your supply chain and apply optimization algorithms that evaluate the tradeoffs between costs, constraints, customer service levels and business objectives.

Blue Yonder has gone a step further, however, by also integrating network design and optimization capabilities, inventory optimization planning, and transportation modeling with Supply Chain Strategist. This first-of-its-kind integration creates a truly integrated, cross-functional orchestration plan that optimizes all aspects of the entire supply chain, not just siloed functions. In other words, all those who plan the supply chain details talk to each other.

Supply Chain in the Connected World

The connection of all supply chain planning functions into a comprehensive orchestration plan enables companies to intelligently optimize their complex supply networks. The proof is in the results, like footprints on the lunar surface in our moonshot example. The proof of Blue Yonder's orchestrated supply chain planning is in customers' results.

Of course, we all know supply chain requirements are always changing. Customer demands change. New products are introduced while older ones are retired. New markets and new partners are added. Geopolitical factors arise and disruptions occur. That's why the value of an integrated orchestration plan continues to bear fruit. Blue Yonder's integrated planning regime will reoptimize your supply network as situations, requirements and strategies change, continuously driving value and benefits long term. That may not put footprints on the lunar surface, but it does produce real-world results for your business.

Analysis shows that the integrated solution enables customers to:

Reduce supply network costs

5-10%

Reduce network inventory

15-40%

Reduce transportation expenses

15-40%

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