

A woman in a hard hat and work clothes, overlaid on a background of stacked shipping containers. The woman is a stylized illustration with long, wavy hair, wearing a white hard hat and a white collared shirt with dark suspenders. She is smiling slightly. The background shows a large yard filled with stacks of shipping containers in various colors (red, blue, orange) under a cloudy sky. A large, stylized blue checkmark is overlaid on the scene, framing the woman and the text.

SAP Innovation Day for Supply Chain

Draw Your Future

SAP

Supply Chain Planning

Be the Master of your Future

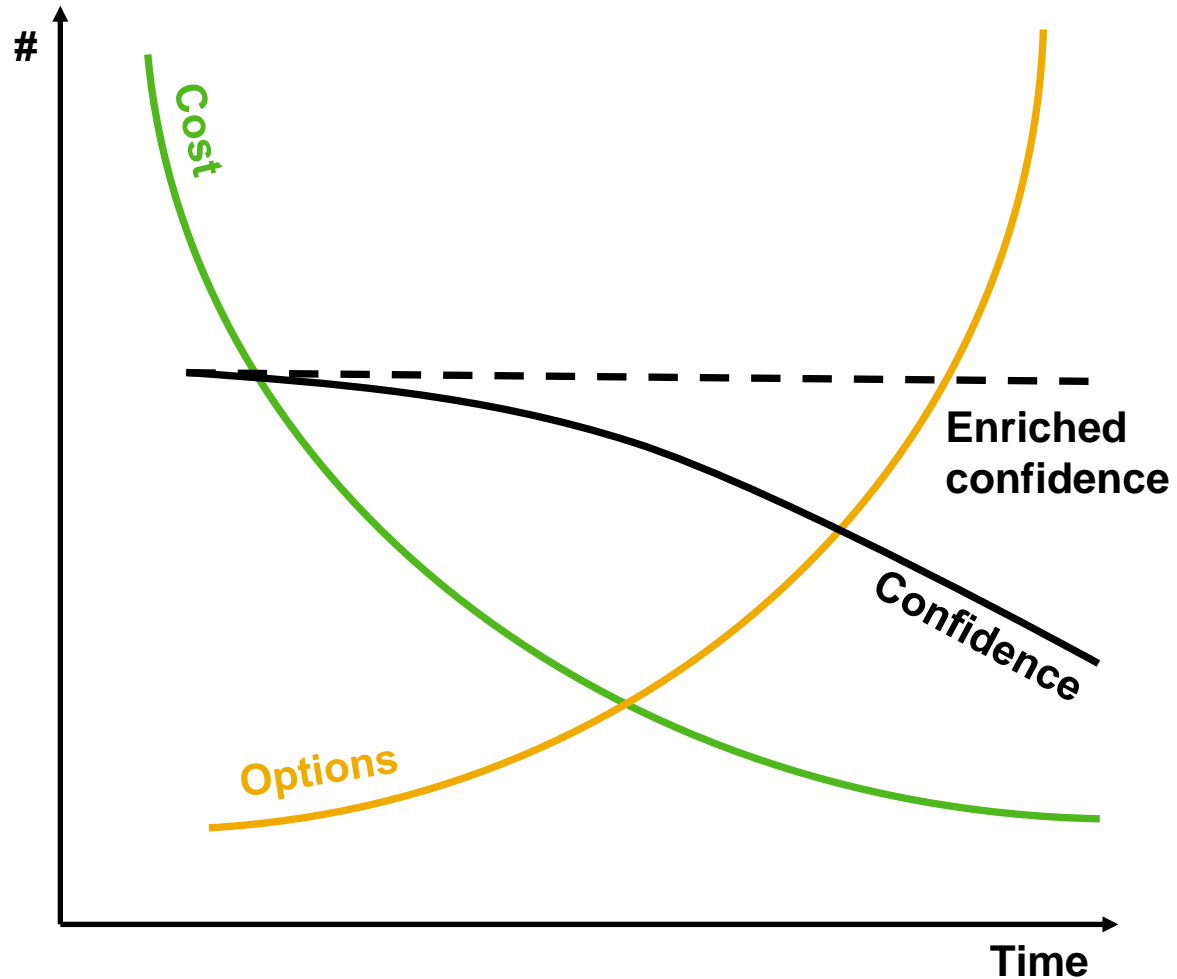
Claus Jensen



“Good fortune is what happens when opportunity meets with planning”

Thomas Edison

Beat the Risk Mitigation and Opportunity Capturing challenge



Making the right decision is challenged by a number of facts:

1. The earlier an event can be identified, the more options are available
2. The earlier a decision is made, the lower the cost will be
3. The longer into the future, the lower the confidence to make a decision



Integrated Business Planning provides an approach to enrich the confidence level, enabling timely and informed decision making

Supply chain disruptions increase in frequency and impact



More than **6 out of 10 global organizations** expect that **geopolitical instability** may have a detrimental impact on their supply chains in the next 3 years.



Almost **half of global organizations** consider **cyber security** as an important operational challenge for their supply chains through the next 3 years.



71% of global companies highlight **raw material costs** as their number one supply chain threat for 2023.



67% of organizations consider meeting customer expectations for speed of delivery as a critical force impacting the **structure and flow of their supply chains** over the next 12-18 months.



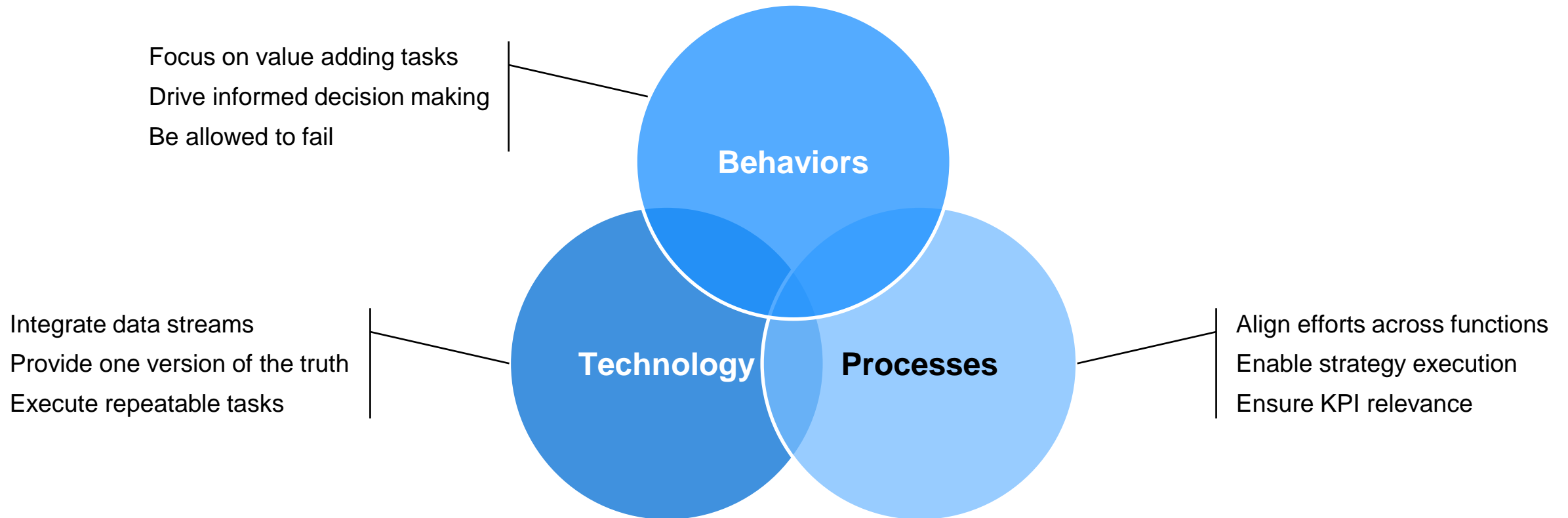
6 in 10 plan to **invest in digital technology to bolster their supply chain** processes, data synthesis and analysis capabilities.

3 pillars for successful business evolution and innovation



“The **definition of insanity** is doing the same thing over and over again and expecting a different result”

Hence we need to balance the three pillars that drive success:



Talent gap drives attention towards AI/ML as a resolution



The talent gap is limiting organizations ability to transform for agility and resilience

52% of respondents rank 'Talent Shortage' as a top 5 supply chain challenge

64% of supply chain professionals reported a talent shortage in their organizations

50% of respondents report talent shortage as a key challenge over the next 12 months

Sources: [MHI](#), [CSCMP](#) & [Alcott](#)

Supply chain centric organizations investigate and implement innovate technology to stay competitive

63% see **breakthrough technology** having a positive impact in the short term (2 years). – **81%** see this impact in the mid term (2-5 years)

85% of respondents predict **adoption of AI and IoT** within 5 years.

74% are **increasing** their investments in **technology** – **58%** cite **AI as their current leading area of investment**

Sources: [McKinsey](#), [Alcott](#) & [HBR](#)

Sense, predict and act – Synchronized Planning



Value



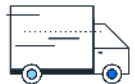
More resilient plans



Increased visibility across the supply chain



Aligned Financial and Supply Chain Plans



Seamless alignment of your supply chain



More accurate plans and increased planner productivity

Use Cases



Outside-in and Risk Aware Planning



Network aware planning for supplier collaboration and mitigating disruptions



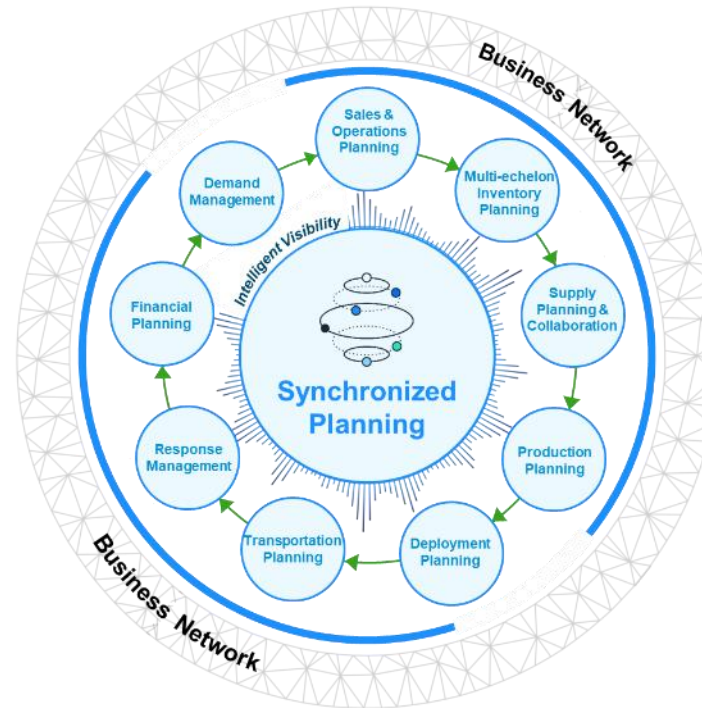
Connected supply chain and Financial Planning via Extended Planning and Analysis (xP&A)



Synchronized production, logistics operations, and deployment



Automation with artificial intelligence and machine learning





Autonomous supply chains require built-in Intelligence, Data Driven and Resilient Planning

Planning **Automation** based on embedded AI and Optimization



Data as strategic asset for planning and decision making



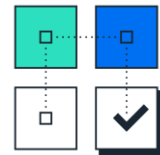
Enable companies to **anticipate and respond** quickly to risks and opportunities



Built-in intelligence and advanced decision support targeting an end-state of near-autonomy

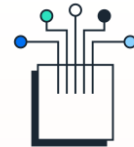


Planning **Automation** based on embedded AI and Optimization



Decision Intelligence

Embedded AI proposes and guides planning decisions towards increased autonomy and touchless planning



Autonomous Agents

Leverage Large Language Models to sense on their environment and act by creating, prioritizing, and executing tasks



High Performance Algorithms

Create optimal supply chain plans and inventory proposals that support your company objectives



Planner Centricity

Intelligent Planning UIs guide the planners from exceptions over insights to resolutions, and automate repetitive tasks

High-Performing Algorithms drive user-guided and autonomous planning



- **Market leading algorithms** quickly create and adapt best-feasible supply chain plans
- Planner-defined objectives and priorities define the strategies for autonomous and user-guided **generation of executable plans**

Touchless Forecasting



Fully automated forecast model selection, parametrization and adaptation based on target demand metrics scaled to volume with massive parallelization



Optimization and Heuristics



Objective-driven and goal oriented inventory, supply and production optimization, combining heuristics and machine learning capabilities with proven numeric solvers



Continuous Plan Repair

Respond to plan changes and local execution updates by contextual corrections of the plan



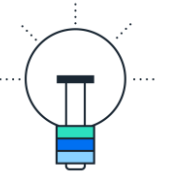
Increase Productivity with a Planner-Centricity approach



Deliver **one seamless and tailored experience** to the *Planner*



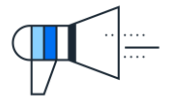
A personalized **Planning UI** is the One-stop-shop for the Planner



Let the system do the heavy lifting, so the *Planner* can focus on **exceptions**



Self-solving Alerts notify users, calculate business impact, and simulate potential solutions



Let's speak the *Planner's (natural) language*



Let's talk to **Joule**



Facilitate **Collaboration** between *Planners* for whenever help is needed



Collaborative Tasks, Workflows, and **Collaboration Tool Integration**

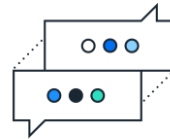
Increase autonomous planning with a data-driven approach

Leverage and share data from a variety of internal and external sources



Data Driven

Data as strategic asset for planning and decision making



Real-time

Always on with real-time operational integration with SAP ERP systems



Augment Data

Out-of-the-box and extensible connectivity to non-SAP data (e.g. external risks) via SAP Datasphere and SAP Integration Suite



Data Products

Consume and share relevant enterprise and planning data as harmonized data products



Reliable Master Data

Enrich and govern your data with intelligence (e.g. AI-based cleansing)

Autonomous response to risks and opportunities maintains the resilience in your supply chain



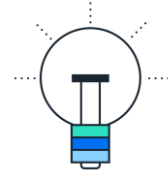
Resilient

Enable companies to **anticipate and respond** quickly to risks and opportunities



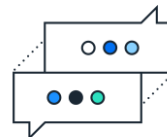
Network Planning

Collaborate with your ecosystem creating digital connections with all partners



Risk Management

Prepare for the unknown by incorporating internal and external risks in planning



Probabilistic Planning

Plan with the unknown and embrace the uncertainty and range of available options



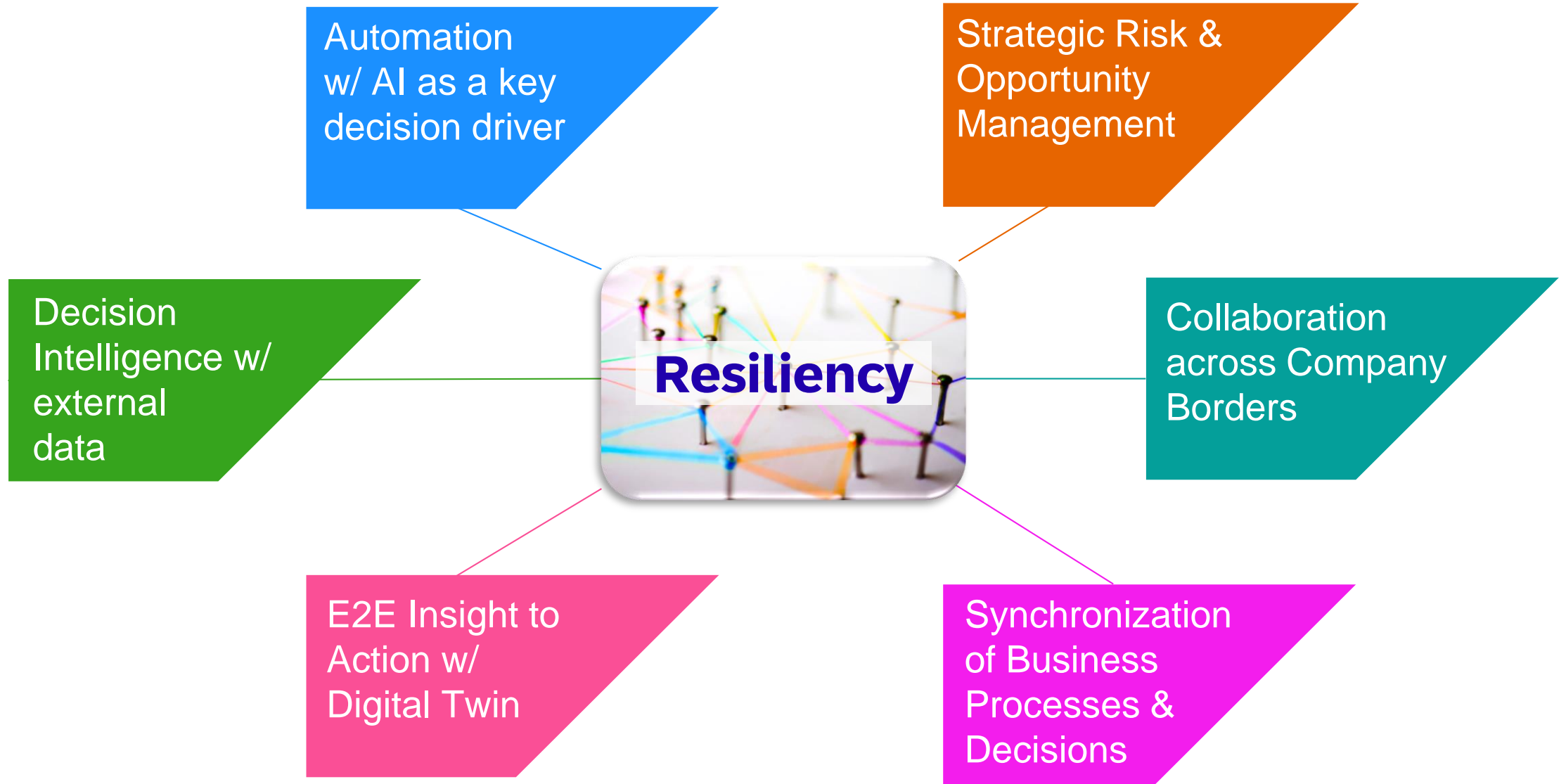
Intelligent Impact Analysis & Response

Sense, orchestrate and respond intelligently to short-term disruption events

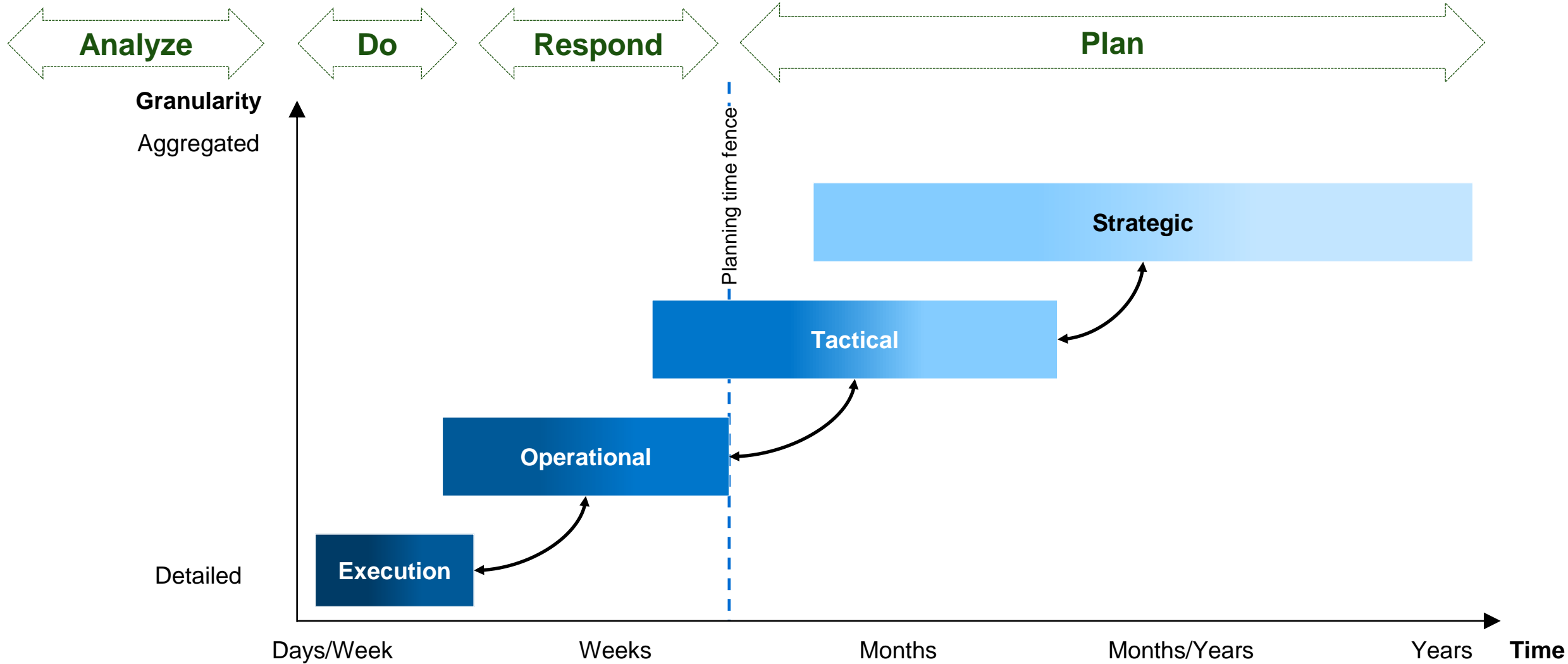
“Never let a good crisis go to waste”

Winston Churchill

Key Trends in Supply Chain Planning



Planning requires integration across horizons



What could this look like?



Business Role

Executive

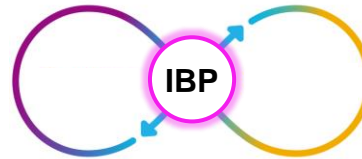


Analytics

Executive visibility and KPIs
Financial and value-based assessments

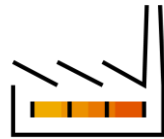
Data Scientists

Value Stream Planner



Synchronized planning
Simulations & planning analysis
Recommendations & triggers
Planning-relevant data

Domain Expert



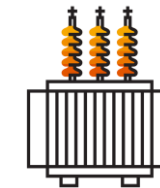
Manufacturing



Logistics & Supply



Sales Execution



Asset Management

Real time insights
Domain-specific visibility and alerting
Real-time data

Major companies focus on change and agility

Learnings from various industries



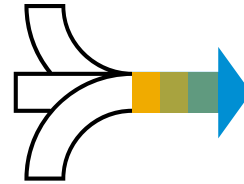
Involve the broader ecosystem:

- Bring in the external network and make it an integral part of the enterprise planning
- Data visibility across borders
- Build relationships – get x-tiers on the journey



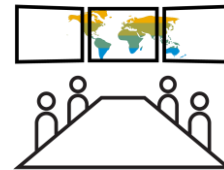
Invest in organizational change:

- High focus on standards, harmonization, and skillset
- Adoption to make right decisions on all levels
- Connected planning processes on local & global scale



Synchronize internal silos:

- Include feedback loops within the organization (e.g., from execution to planning)
- Embed digital collaboration in planning processes



Build transparent plans:

- Reduce planning cycle using automation (workflow, AI, ML, etc)
- Value based decisions, using range of outcomes
- Risk Scores: e.g. Confidence intervals for deliveries/ shipments, multi sourcing
- Simplify BOM by harmonization of ingredients and optimize portfolio

The potential benefits are significant



Tangible Benefits*	% impact
Revenue	
■ Top line revenue growth	1-2%
■ In-stock % improvement	20-30%
■ Service level increase	5-10%
Operating cost	
■ Improved planner productivity	20-30%
■ Order fulfillment lead time reduction	10-20%
■ Inventory carrying cost reduction	5-10%
Asset Utilization/Working capital	
■ Reduction in inventory levels	5-15%
■ Inventory turns increase	5-10%
■ Cash-to-Cash cycle time reduction	5-10%

* IBM, Aberdeen & Gartner Case Studies & Benchmarks from SAP Value Engineering

Join IBP Communities

Extend the Experience, engage with your Peers



- **VNSG SCM Focus Group**



- **LinkedIn: SAP IBP Benelux Customer Group (Customer Only)**



Thank you.

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