



Diving Deeper – The insider’s view on reshaping the future of supply chain planning and analytics

We recently posed five questions to IDC Research Director, Global Supply Chain Planning, Eric Thompson. (Read the full IDC Analyst Connection, Sponsored by The Logic Factory, on our website, www.thelogicfactory.com, under: Resources - IDC Analyst Q&A).

Building upon that momentum, we wanted to dive deeper into the insights shared by IDC. We also elaborate on why Eric’s findings are essential to every supply chain, how they can drive improvements, navigate disruption, and improve margin over the coming years.

Question 1

The breaking down of silos, and do you believe supply chains really value end-to-end integration?

Question 2

What are some key trends with regard to the future of planning – where are we going?

Question 3

Collaboration and integration reenvisioned: How do you see companies focusing on transformation?

Question 4

What progress is being made in integrating sustainability goals into operational reality?

Question 5

So, what are the pieces that tie all of this together?



Who is IDC?

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. For additional information on IDC, please visit <https://www.idc.com>.

Q1. How are companies breaking down silos, and do supply chains value end-to-end integration?

IDC's survey of nearly 2,000 supply chain professionals revealed that the top five functional priorities are: supply chain planning, better integration of planning and execution, sustainable operations, end-to-end track and trace, and end-to-end orchestration.

As in our physical operations, planning silos did their job, they provided buffers to disruption and allowed us to decouple operations and simplify planning tasks into smaller more localized scopes. However, in planning and management, they now prevent collaboration, reduce supply chain resilience, and often increase costs. The five functional priorities that IDC identify all play to the critical need to break down silos.

But what does this mean and how do you make it happen?

Visibility is a key factor. A lack of standardized data, often in the form of localized spreadsheets, is an indication of siloed thinking and management. Visibility needs to work in all directions. As management, you want KPIs and performance metrics to monitor how the operation is running. Planning and execution teams need clearly defined goals and targets and want to know about potential disruptions as early as possible so they have the best chance of mitigating the impact.

Achieving end-to-end orchestration requires a common language and value system. Silos are not just present horizontally across the supply chain (between functions), but vertically as well. Vertical silos between the planning levels often result in misunderstandings and a lack of shared knowledge and direction, which can lead to distrust. This 'distrust' often results in each planning level feeling that they need to rework plans, which is not only time consuming, but also costly.

Simple steps to break down silos

1

Make KPIs visible to everyone involved. When all stakeholders see the same goals, you create transparency that helps build a more efficient and resilient supply chain.

2

Encourage all planning levels to support one another. When teams collaborate, they can overcome challenges more easily.

3

Ensure that everyone understands their clear goals and sees how their decisions impact the entire supply chain. This shared understanding helps create a supportive and unified team.

Q2. What are some of the key trends with regard to the future of planning: Where are we going?

It's no surprise that AI is at the top of the list. Interestingly, however, IDC also identified supply chain orchestration, Decision Intelligence, and post-decision automation.

While many tout AI as the answer, we need to ask: to what question? And surely there is more to the answer than just AI alone? That's why IDC's findings are so valuable – they outline the capabilities we should expect from “AI.”

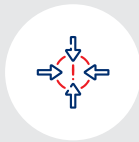
Planning is complex, and each type of planning challenge requires specific knowledge, skills, and expertise to solve it. Take an everyday planning puzzle like loading the dishwasher or packing suitcases for a holiday. People have different ways of achieving the same goal. Now imagine you need to add two more dishes to the already seemingly stacked dishwasher, or a few extra items to your suitcase. The probability is that you start by making small changes and then, after a few minutes, you've unpacked half of the items! You might get everything back in, but it's a different way of approaching loading/packing. This happens all the time between vertical silos within a company, resulting in the “I might as well have done that from the start” mentality.

The same can apply to an AI-produced plan. AI got it all to fit and now something has changed. That one change results in a cascade of other changes. That automatically-produced plan needs to be logical to the planners, the user interface needs to support them in making changes, and it must provide clear indications of the impacts of any manual changes.

What to look for from AI and optimization



Supports the planner in identifying opportunities for improvement.



Instantly shows the impact of any changes.



Works with your planners, not against them.



Automates post-decision tasks, freeing up the planner to focus on adding value (supported by the AI or planning tool).

Whether you're looking for an AI or a planning tool, making sure it includes Decision Intelligence means you are empowering your planner and putting them in control.

Q3. A different take on collaboration and integration: How are companies focusing on transformation?

“IDC believes that less than a quarter of supply chains have reached advanced stages of their resiliency maturity journey. If digital transformations implement old processes in new tools, they don’t necessarily realize the intended value.”

This is a powerful warning to us all, but does it mean that all transformation projects will be too complex or fail to deliver results? The simple answer is no, because when armed with this knowledge, we can achieve results, but it will most likely require careful planning, the correct team, and unified goals.

Many transformation projects start from “we will implement solution X in area Y.” What’s missing here is a vision, a vision that outlines the potential future gains, how the new capabilities will improve operations and how the value of the project will be measured. Without this, it is easy to see how transformation projects go off track and simply become a digitization of legacy processes and fail to deliver value.

From our experience, the most successful projects are those that have both a clear vision, and a visionary who can cut through legacy processes and engage with the relevant stakeholders. A visionary who acknowledges that all supply chain colleagues are stakeholders who also need to feel engaged, understood, and benefit from the transformation.

Projects are a team effort, so any implementation partner must share that vision. Whichever solution you choose should deliver the capabilities identified by the clear, common goals, empower all stakeholders, and be able to adjust as the vision matures and lessons are learned.

Key points for your vision

1

Future-focused:

Outlines a clear picture of the desired future state.

2

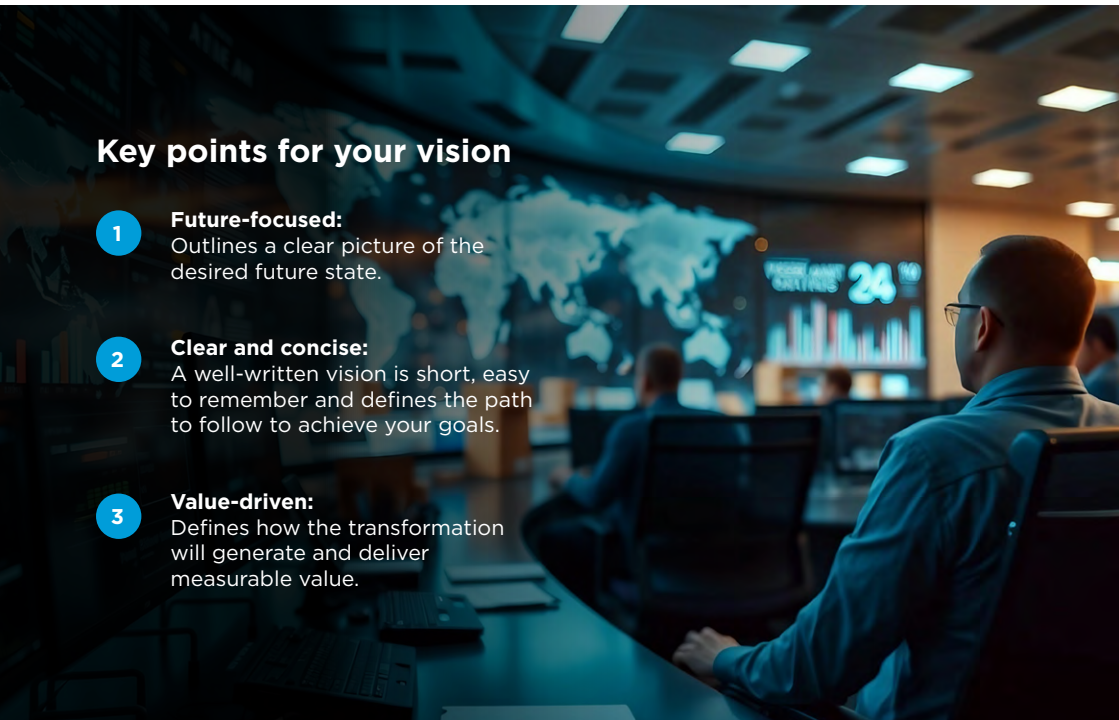
Clear and concise:

A well-written vision is short, easy to remember and defines the path to follow to achieve your goals.

3

Value-driven:

Defines how the transformation will generate and deliver measurable value.



Q4. What progress is being made in integrating sustainability goals into operational reality?

Fewer than 25% of companies told IDC that they are prepared for scope 1, 2, and 3 requirements. Eric Thompson shared “and we suspect some that say they are ready may be a bit optimistic. There doesn’t seem to be consistency in the drivers of operationalizing sustainability either. Some see cost-efficiency gains, some are concerned about regulations, and some are “doing it for the right reasons.”

Without a vision for sustainability, companies are more likely to try and retrofit sustainability goals into legacy processes. More often than not, this results in siloed thinking, missed opportunities and increased costs.

Sustainable optimization cannot be an add-on to your existing processes. For the greatest chance of success, sustainability must be considered in the first planning decisions. Our vision for sustainability is that ESG (Environmental, Social, and Governance) needs to be at the heart of your planning and aligned across your operations. For many companies, planning starts with demand planning and S&OP, but they often fail to consider sustainability and ESG goals. When ESG is omitted from these fundamental decisions that relate to scope 1, 2 and 3 requirements, changes will not be optimal, meaning you have already fallen into the trap of building on top of legacy processes.

ESG should no longer be reporting on what happened months ago, but enable you to forecast against your goals as part of your daily and weekly planning cycles. This vision puts ESG at the center of your operations and means you can balance all KPIs, and proactively drive improvement.



Understanding the effects of sustainable optimization

- Calculating CO2 equivalents after you've planned is reporting - true sustainable optimization means embedding ESG considerations from the start.
- By comparing scenarios with and without ESG impact, you can measure and understand what you are actually achieving.
- Incorporating ESG metrics alongside traditional factors such as costs, capacities, and inventory levels, ensures sustainability is an integral part of every planning decision.

Q5. What pieces tie all this together?

“

Thompson concluded, “As with anything worth doing, it’s not a simple wave of the wand to achieve a fully integrated, deeply collaborative, highly intelligent, highly resilient, and optimized supply chain.” Also, “I see companies that are building the muscles of process mapping, analytics, and decision-making to supercharge the realization of benefits from advanced software. These companies are making progress in resiliency as well.” Whether through internal alignment or partnering with experts, the most productive digital transformations are not just about implementing new tools but bringing together functions and decision-makers in new ways.”

”

Virtual Twin

Virtual Twins give you a view into not just what is happening but also what could happen.

Governance

Dashboards and KPIs streamline management reporting and provide visibility across your supply chain.

Collaboration

Share your vision, seek advice from others, or conduct meetings using collaboration tools.

Virtual commissioning

Don't wait for go-live to understand the impacts of change. Resolve issues in a virtual world.

MES/MOM

Drive maximum value from your execution data by using it to plan and forecast.



A vision on how to tie it all together

At TLF we partner with our customers to craft and deliver their visions, a vision that starts where you need to, delivers value rapidly where it's needed most, and grows with you. A vision that has your corporate goals at the heart, creates a collaborative supply chain that empowers team members to achieve common goals.

Many solutions are limited to ERP, IBP, or planning and scheduling, limiting their ability to drive real business value. We bring your vision to life, delivering operational improvements, financial gains as well as improved visibility and governance. Our approach fosters collaboration across your organization and makes sure all of your corporate goals are part of critical decision making.

The result?

Greater efficiency, operational excellence, and measurable business value.



S&OP

Get the most from your S&OP process, and include all relevant factors, including ESG, in your decision-making.

Data science

Drive insights from your data, and support every decision with the correct data.

Advanced planning

Extend your data insights and support planning with AI and optimization tools.

Decision Intelligence

Data and your virtual twin to empower planners to make better decisions in less time.

Sustainable optimization

Align all your planning disciplines with the same KPIs and ESG goals for a balanced approach to profitability and sustainability.



Reshaping your supply chain

The first step is often the hardest, which is accepting that there are changes to be made. Choose your visionary and have them create an image for the future. Test that vision and get support from all relevant stakeholders. Even with a clear vision, it may be hard to identify the right starting point. Keep it simple - identify an area to be improved that will provide a foundation for you to build from.

A logical starting point could be governance. By aligning goals and KPIs across your teams and the entire supply chain, you establish a framework to measure the impact of future initiatives are improving your operations. Governance links in with communication, it also keeps all stakeholders informed and engaged (a critical part of any transformation project).

Whether they are internal or external stakeholders, make sure they've all bought into and contribute to the vision and are invested in delivering success. Keep your vision updated and make sure that it sets the path to follow for success.

As IDC have identified, there are significant challenges, but the results of transforming to a more resilient, sustainable, and agile supply chain are key differentiators of the modern supply chain.

ABOUT THE LOGIC FACTORY

The Logic Factory (TLF) is a global supply chain planning and optimization consultancy dedicated to delivering impact and driving sustainable growth. Our mission is simple: empower companies to achieve lasting performance improvements and unlock tangible value. With customer value at the heart of every engagement, we identify what makes your business unique and craft a vision for greater efficiency. Specializing in data science, advanced planning, scheduling, and optimization, our team applies deep industry expertise to help meet operational and sustainability goals. Our focus on delivering business-driven results elevates supply chains to new levels of excellence by streamlining operations, reducing costs, and driving growth.

We are with you every step of the way, from consultancy and project implementation to post-go-live support and services to ensure successful business (not just technical) implementation. From single sites to Fortune 500 leaders and world-recognized brands, at TLF, we build long-term partnerships founded on trust, collaboration, and shared success. Together, we turn complexity into clarity, adding decision intelligence for exceptional supply chain performance today and into the future.

Interested in learning more?

Contact Jason Gardiner at jason.gardiner@thelogicfactory.com



[thelogicfactory.com](https://www.thelogicfactory.com)

