

Objectives

Solution

Benefits

Quick Facts

SAP Solution Brief

SAP Integrated Business Planning for Supply Chain

Synchronize Supply Chain Planning for Sustainable Business Growth

THE BEST RUN



Power More Productive, Responsive, and Strategic Planning

Leading organizations embrace an agile and synchronized planning approach to respond to persistent disruptions and improve their ability to predict business conditions accurately in today's environment. By digitalizing processes and fostering customer centricity, visibility, and business innovation, you can **make supply chains more productive, responsive, and resilient.**

Power More Productive, Responsive, and Strategic Planning

Resiliency dictates that mid- and long-term planning must consider multiple supply chain scenarios. Your organization must be better prepared to respond faster when circumstances change in the short term. And your business must be able to simulate or plan for multiple scenarios with respect to market conditions, product adoption, and supply availability. These plans should include probabilities related to impacts, risks, and opportunities. All this will help you steer the business better, reduce the

number of surprises, and make informed and profitable decisions. With software for synchronized planning, SAP supports the closed-loop process of anticipating, planning, and executing across supply chain stages and time horizons. By removing the traditional boundaries of today's supply chain planning processes that are performed in silos, the software helps improve demand, delivery, inventory, supply, manufacturing, transportation, procurement, and asset operations.

Coordinate and Integrate Enterprise Planning

The SAP® Integrated Business Planning for Supply Chain solution enables continuous collaborative enterprise planning. Analyze new market expectations and fulfill future demand based on real-time information from your extended value chain. Connect and automate processes, enable touchless planning, and foster a self-regulating, adaptive approach to planning. Offer individualized customer experiences. Communicate within and beyond the enterprise through social collaboration functionality. Evaluate and refine plans on the fly.

Powered by SAP HANA®, SAP Integrated Business Planning for Supply Chain offers comprehensive supply chain planning capabilities. Manage and execute a sales and operations planning process leveraging advanced demand and supply planning capabilities. Optimize working capital investment in inventory to support targeted customer-service levels. Transform supply chain management with support for demand-driven material requirements planning. The cloud-based solution is flexible and scalable. You can deploy functionality modularly to suit your needs.



Communicate within and beyond the enterprise through social collaboration functionality. Evaluate and **refine plans on the fly**.

Coordinate and Integrate Enterprise Planning

Unify Sales and Operations Planning

Enable a Full Range of Demand and Forecast Management

Optimize Response and Supply Planning

Drive Demand-Driven Replenishment

Support Inventory Planning and Multistage Optimization

Gain More Transparency with an Intelligent Control Tower

Unify Sales and Operations Planning

The SAP Integrated Business Planning application for sales and operations supports sales and operations planning methodologies across functions within the enterprise. It helps drive a business plan that is operationally feasible, financially viable, and aligned with the enterprise's goals and objectives. You can balance inventory, service levels, and profitability in a collaborative, cross-functional business process. The solution

lets you model various business alternatives, create and optimize business plans, and combine input from multiple constituencies. You can consider budget and technical implications at each step along the way and get management buy-in and approvals. You can also revise plans as business conditions change, increase planning speed and agility, enable profitable decisions, and drive achievement of financial targets.



Drive a business plan that is operationally feasible, financially viable, and **aligned with the enterprise's goals and objectives.**

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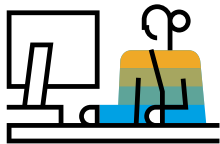
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Enable a Full Range of Demand and Forecast Management

Machine learning–based forecasting is the foundation of the demand management software from SAP. This type of forecasting provides demand transparency across the planning spectrum, from short-term and midterm to longer-term, more strategic forecasting. The software allows you to develop accurate forecasts with advanced algorithms. Demand-sensing and advanced

short-term forecasting algorithms allow you to react quickly to immediate changes. The solution lets you incorporate business intelligence, enables planning segmentation, and fosters collaboration among groups, from marketing to sales and supply chain. As a result, you can look and plan ahead while reacting with speed and agility to changes as they happen.



React quickly to immediate changes with demand-sensing and advanced short-term forecasting algorithms.

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Optimize Response and Supply Planning

Meet customer demands and improve resource efficiency with response and supply planning functionality. Create plans based on prioritized demands, allocations, and optimized supply chain constraints. Benefit from tactical, rough-cut supply planning and operational supply planning. Perform what-if analysis of actual or hypothetical changes to demand and supply to plan scenarios. Quickly match supply and demand to respond to demand changes and reconfirm sales orders. Take advantage of pegging and gating-factor analysis to determine root causes of unmet demands.

Sophisticated algorithms help satisfy demand requirements, providing a material- and capacity-constrained plan. Or use unconstrained demand propagation and heuristics to identify bottlenecks quickly. Turn constraints on and off through switches. Perform rules-driven, constrained optimization to factor in production capacity and costs, including storage, procurement, and transportation. Generate and share allocations in the available-to-promise process. Create deployment plans that account for modeled supply chain constraints.

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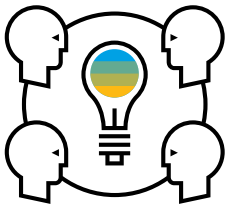
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Use unconstrained **demand propagation and heuristics** to identify bottlenecks quickly.

Drive Demand-Driven Replenishment

True innovation requires changes to the way things are done. The SAP Integrated Business Planning application for demand-driven replenishment advances innovation by supporting demand-driven material requirements planning (DDMRP). It uses actual demand instead of error-prone forecasts to drive replenishment through a decoupled supply chain. DDMRP dampens the impact of demand and supply variation and its subsequent whiplash effect in supply chains by calculating inventory buffers and assigning and managing those buffers at strategic decoupling points. This increases visibility and enables demand-driven prioritization of supply based on actual buffer status and the risk the buffer status represents.

You can change your supply chain management strategy by identifying decoupling points and calculating inventory buffer quantities based on variability and demand velocity. Create replenishment order recommendations to preserve the flow of material through the supply chain. Monitor and adjust priorities, inventory projections, and buffer and signal integrity status. Simulate the effects of decoupling decisions on decoupled lead times, inventory, and average inventory cost. Simplify supply chain management with a truly innovative methodology supported by automated technology, and watch dramatic improvements in on-time delivery in full at lower cost.

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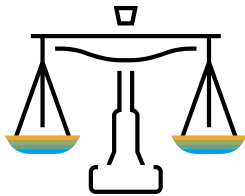
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Support Inventory Planning and Multistage Optimization

Connect, integrate, and coordinate inventory planning throughout your organization, and address uncertainty across the extended supply chain. The solution optimizes your network, recommending ideal target stock levels for distribution and production nodes in the network. This includes levels of the bill of materials, such as raw materials, components, and semifinished and completed products. You can establish optimal inventory targets, which enable you to maximize profits, setting buffers to cover for supply shortages and unexpected demand. Multistage

optimization enables coordinated planning across the organization and the supply chain, eliminating overbuffering, helping to ensure you meet service objectives while optimizing inventory investment levels. With the solution, you can factor in various planning parameters, from internal service-level requirements, production and transportation lead times, and biased demand to forecast errors, outlier sales, and seasonality. The embedded analytics allows you to visualize your supply chain network and quickly gain insights into inventory drivers.



Set buffers to cover for supply shortages and unexpected demand.

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SAP Integrated Business Planning for Supply Chain, together with the SAP Supply Chain Control Tower solution, enables you to detect, analyze, and act quickly on supply chain disruptions to achieve a more resilient supply chain. SAP Supply Chain Control Tower provides intelligent visibility across the supply chain and supports exceptions-based planning by using machine learning for outlier detection. It enables supply chain analysts to view

and monitor the supply chain as a network as well as see the exceptions that impact performance. You can improve supply chain performance by monitoring the supply chain and performing root-cause analysis. You can respond to supply chain events with configurable alerts for faster decision-making and corrective actions to improve your supply chain KPIs.



View and **monitor the supply chain as a network**, and see the exceptions that impact performance.

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Empower Planners to Do More in Less Time

SAP Integrated Business Planning for Supply Chain supports holistic, synchronized planning in a continuous fashion that enables you to adapt plans quickly to true demand and supply and improve decision-making. With the solution, you can unify and transform planning, moving from sequential manual activities to streamlined, automated, integrated processes. In-memory computing power, machine learning, and real-time data help you anticipate and optimize planning decisions based on changing conditions, customer demand, and customer behavior.

Planners can move from intervening in individual exceptions to managing overall flow, aligning goals with strategy, and improving performance.

You can react faster to disruptions to drive higher revenues and service levels with lower costs and working capital. You can take advantage of new business opportunities without lengthy analysis. The solution speeds sales and operations planning and helps optimize product profitability and product mix. By managing inventory levels and finding new opportunities for cost savings, you can minimize costs.

The cloud-based solution helps you benefit from technology innovations while limiting IT costs. You can deploy the modular business functionality to suit your priorities and budget requirements, now and in the future.

Empower Planners to Do More in Less Time

Summary

Take advantage of powerful supply chain analytics, what-if simulations, and alerts to meet future demand profitably with the SAP® Integrated Business Planning for Supply Chain solution. Powered by SAP HANA®, the cloud-based solution combines sales and operations, forecasting and demand, response and supply, demand-driven replenishment, and inventory planning. And you can enable intelligent visibility with the SAP Supply Chain Control Tower solution.

Objectives

- Help eliminate disconnected, manual activities
- Streamline and automate planning processes
- Synchronize with multiple parts of the business to respond instantly to changing demand

Solution

- Integrated sales and operations, forecasting and demand, response and supply, and inventory planning
- Connection with SAP Supply Chain Control Tower for intelligent visibility across the supply chain
- Supply chain analytics, what-if simulations, alerts, and statistical modeling
- Advanced algorithms and machine learning

Benefits

- Anticipate and mitigate disruption
- Unify and automate processes for coordinated planning
- Make decisions and seize opportunities faster
- Increase revenues, reduce inventory costs, and maintain customer service

Learn more

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