HCLTech | Supercharging Progress™

A new era of supply chain management

Introduction

In a time when supply chain disruptions have had drastic effects across industries on a global scale, we should note that such disruptions are hardly new. In the 21st century, from the tsunami that hit southeast Asian shores in 2004 to the COVID-19 pandemic, disruptions have always caused economic and financial ramifications that were felt through global supply chains, from raw materials to finished products.



During such disruptions, companies can be in a varying state of preparedness. No matter how prepared they are, they always look to mitigate the adverse impact. Recently, some companies multi-source key commodities and look to reduce their reliance on any one supplier. On the other hand, many other companies are overly reliant on a single geography and supplier. They do not have extended visibility, do not have systems to estimate inventory and cannot project stock-outs of direct materials and finished products to optimize production and customer allocation. Often, they also cannot avail flexible logistical networks to ensure profitability.

In today's paradigm of supply chain management (SCM), there is an unparalleled benefit to not only mitigate supply chain concerns with speed, but also, by extension, to respond quickly to any issues. This can include many things, from establishing key relationships with multiple suppliers and implementing robust monitoring systems to developing agility within enterprise production and distribution networks to reconfigure and maintain supply in line with global demand.

The role of supply chain planning

The key to robust SCM involves enterprise investment into supply chain planning (SCP). To bring out the best of modern SaaS solutions, monitoring specific KPIs can go a long way to improving the supply chain health of an organization:



However, there are many planning enablers that optimize these KPIs greatly, which are visible when working with the three specific categories of SCP.

The supply chain planning triumvirate

SCP is key to bypassing concerns in the event of any disruption and responding quickly to enable stable, thriving supply chains. To achieve holistic SCM, however, companies need to invest in SCP across three distinct categories:



Integrated business planning

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Demand planning

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Supply planning

Let us take a deep dive into each of these to find why adopting them is difficult for enterprises and why they are vital to a strong and effective SCP function.

1. Integrated business planning

Integrated business planning (IBP) is the strategic process which balances demand and supply. The essence of IBP lies in integrating various functions to solve one common goal, i.e., meeting demand, while aligning with strategic objectives such as recognizing additional profit opportunities.

Under age-old methods of doing business and existing technology design, it is tough for businesses to adopt IBP. The many business units (BUs) within an organization often have conflicting goals and barriers due to rapidly evolving processes and technologies, which does not help in the adoption of IBP either. A complex skill set and the use of inflexible tools like spreadsheets as primary planning tools also present themselves as barriers to IBP.

With IBP, enterprises can enhance effectiveness of their sales and operation planning (S&OP) by moving to a digital collaborative platform with the latest plans and analytics. They can move from static status and gap reporting to an insight-laden S&OP process. Through IBP, enterprises have real-time visibility on plans, gaps, forecasts, performance and more, in-line collaboration to improve culture of execution, granular market insights with key trends, AI-powered options and growth drivers to deliver the desired business outcomes.



2. Demand planning



Demand planning (DP) involves forecasting, lifecycle planning, promotion planning and consensus demand planning.

Enterprises conduct DP in one of two ways. The first way is the "old" way which relies more on human intuition rather than data collection and what-if analyses. Here, demand planners spend almost 50% of their time in "demand processing", which includes MAPE reporting, consensus meeting preparations, compiling/adjusting consensus output and manual assumption management. Significant time also goes to "stat forecasting", which includes choosing the correct models, cleansing the outliers and adding casual factors and overrides based on market intelligence. Most of the time spent under this method goes to backwards-looking data maintenance and non-value-added work with long forecasting cycles and a lack of planner engagement. Very little time goes into the actual demand planning process.

Under the "new" way, demand planners work with the latest SaaS solutions to significantly reduce time and effort under both "demand processing" (via an interactive dashboard with real-time adjustment to demand analytics) and "stat forecasting" (via machine learning-based, touchless forecasting). The majority of the time goes into the actual demand planning process, where planners collaborate with the field, review assumptions, shape demand, assess risk and expand data scope. In this method, enterprises can react to new inputs in real time with what-if simulations, very short forecasting cycles and a more engaged workforce.

3. Supply planning

Supply planning (SP) refers to the process of matching production capacity with sales demand. It is indispensable in any endeavor that faces constraints in meeting demand. Conventional approaches to planning capacity are no longer enough in the face of market volatility, increased competition and rapidly changing customer preferences. Most organizations face a hard time minimizing the discrepancies between their capacity and their customers' demands, which leads to either resource underutilization or failure to meet consumer demand.



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In the age of digital, SP needs to incorporate multiple elements for sustained success:



4. Benefits of end-to-end planning

Incorporating all three categories of SCP, an end-to-end planning platform creates seamless operations across the board room, the data center and the factory floor:

For executives- Recognizing opportunities with better visibility, reducing wastage of time and effort and increasing revenues with accurate, cross -network data for better forecasts and agile operations **For planners**- Focusing on driving value with human intervention only in advanced business outcomes, with automated troubleshooting via synchronized data and SaaS solutions

For IT- Connecting teams on a single, integrated platform that is scalable, secure and updated, meeting all user needs simultaneously

Why HCLTech?

At HCLTech, our expertise in supply chain planning has been honed over several decades and across many high-level engagements in various industries, which include retail, manufacturing, consumer goods, hi-tech and life sciences. Our service offerings comprise of:

Transformation roadmap definition
Package evaluation
Business process re-engineering
Business requirements gathering and analysis
Continuous business process improvement
Process optimization and automation
User stories and use case definition
Implementation and support services



HCLTech IP for supply chain planning

At HCLTech, our expertise in supply chain planning has been honed over several decades and across many high-level engagements in various industries, which include retail, manufacturing, consumer goods, hi-tech and life sciences. Our service offerings comprise of:

Test Factory In a Box (TFIB)

Predefined test cases and automated scripts for planning domain applications.

HCLTech IP and reusable assets

1,500+ test cases, covering inbound, outbound, inventory management, and business process scenarios Reusable code framework for rapid development and maintenance of test automation suites

Benefits

Major reduction of lead-times for testing or rollout	Improved quality of test results	Quicker defect resolutions
Ability to test	Cost savings for projects	
more scenarios	or recurrent upgrades	

Test Factory In a Box (TFIB)

The HCLTech Integrator application is developed for planning solutions with some enhancements. This directly connects to SaaS applications through an API ingestion gateway.

The way this works is that data is shared on JSON at any decided frequency. Then, it is provided to the SaaS application's API ingestion gateway.

The conversion to/from the SaaS application is done by the Integrator app itself. It also has the ability to provide integration from on-premises to cloud or cloud to cloud, depending on the requirements.

Analyst recognitions



Positioned as a "Leader" in the IDC MarketScape for Worldwide Manufacturing Supply Chain Planning Business Process Outsourcing and IT Integration 2020 Vendor Assessment

Placed as a "Leader" in the IDC MarketScape for Application Modernization Services Using IoT, Digital Platforms and Blockchain in Logistics, after 64 Vendor Assessments



Recognized as a "Leader" in Zinnov Zones for Supply Chain Management IT Transformations

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HCLTech is a global technology company, home to 219,000+ people across 54 countries, delivering industry-leading capabilities centered around digital, engineering and cloud, powered by a broad portfolio of technology services and products. We work with clients across all major verticals, providing industry solutions for Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Telecom and Media, Retail and CPG, and Public Services. Consolidated revenues as of 12 months ending September 2022 totaled \$12.1 billion. To learn how we can supercharge progress for you, visit hcltech.com. hcltech.com

