

## SUPPLY CHAIN TRENDS AND ISSUES

**B**etter integration of planning and execution will become one of the dominant themes of the next decade in supply chain, building off the progress made in the 2000s in getting better alignment through the Sales and Operations Planning (S&OP) process.

In 2009, SCDigest covered extensively the breakthrough report on Next Generation Supply Chain Management: ***The Integrated Supply Chain Planning and Execution***, from Chief Supply Chain Officer (CSCO) Insights. Based in part on survey results from over 400 supply chain managers and executives, the report found a tremendous interest by companies in better integration of supply chain planning and execution. (To download the full report, go here: [Integrated SCM Planning and Execution](#).)

While the vast majority of respondents do not believe their supply chain planning and execution processes are well integrated today, improving that condition is a high priority for most companies.

For example, it is interesting to look at a comparison between where companies say they are today, and where they hope to be in the next 2-3 years.

As shown in the chart on page 2, taken from the report, while just 10% of companies said they currently had a strong/high level of integration between planning and execution, an astounding 92% say they need to be at that level in 2-3 years.

### Strategies for Integrating Supply Chain Planning and Execution

#### Improved Technology Integration and Supply Chain Visibility Top the List

#### SCDigest Editorial Staff

Only 6% said they needed to be at a modest level of integration, and just 2% indicated a low level of planning-execution integration would suffice.

One respondent summed it up this way: "You have hit on a very good topic here. Better integration of planning/execution will be the next big trend."

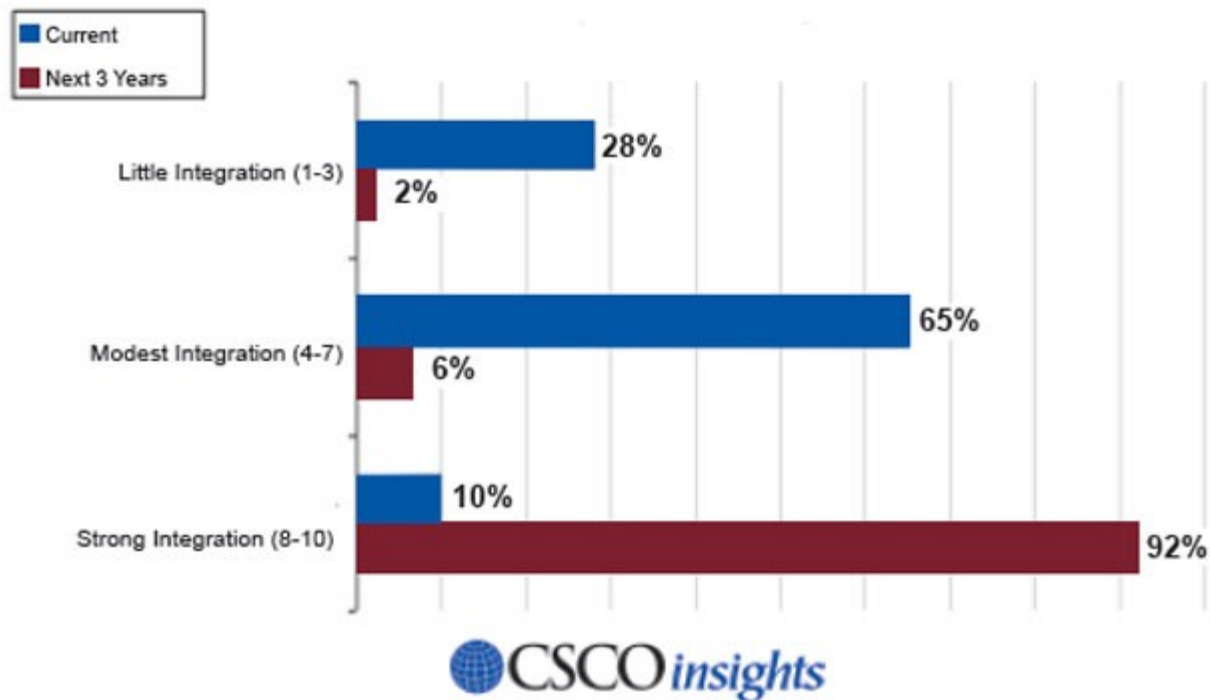
With the near complete agreement that their companies do not have high levels of planning and integration, and that there are substantial benefits – and even competitive necessity – to increase that level of integration,

CSCO Insights wanted to understand what strategies respondents believed were key to getting there.

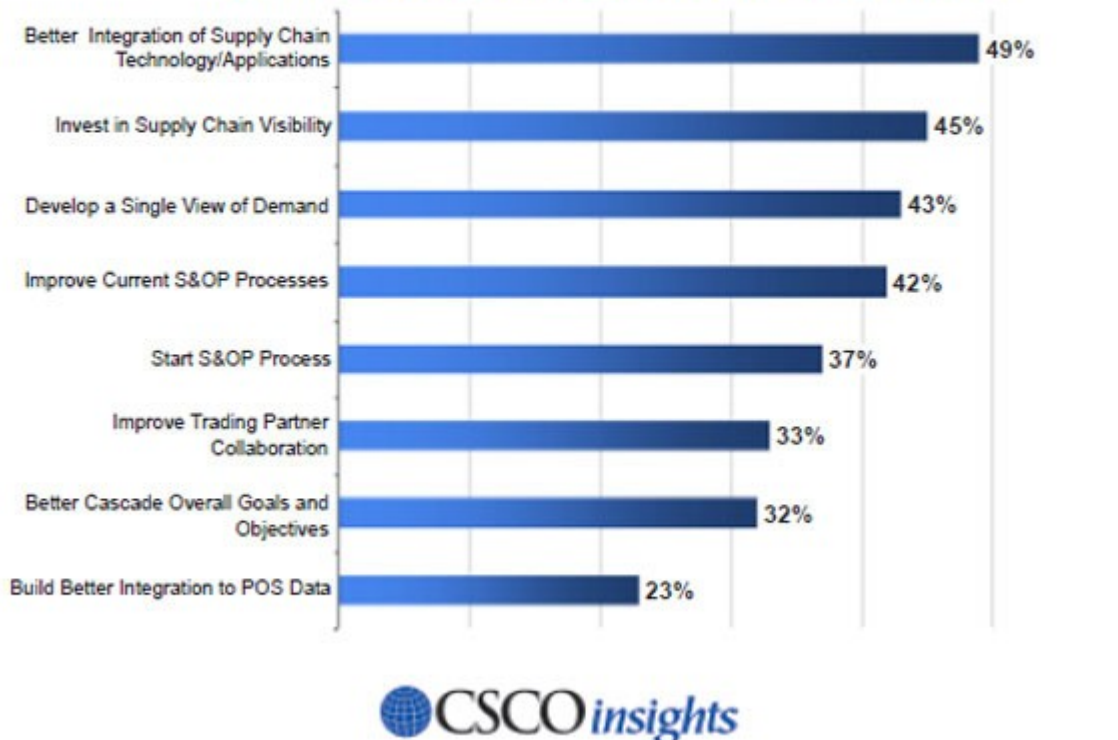
CSCO Insights offered respondents a series of choices, and asked them to rate how important each one was likely to be to better integrate planning and execution.

Perhaps not surprisingly, the top strategy (49% of respondents) for better integrating planning and execution is simply to better integrate supporting planning and execution technologies. That was followed by improving sup-

## Current State Versus Need Next 2-3 Years for Better Supply Chain Planning/Execution Integration



## Strategies for Improving Integration of Supply Chain Planning and Execution: Areas that are of "High Priority"



ply chain visibility (45%) and developing a more integrated view of demand (43%). (See chart on page 2 - percent indicates number of respondents who selected that strategy as a high priority.)

These results re-enforce the position that technology generally and enhanced information flow specifically is a prerequisite for improved planning and execution. While improved visibility and technology integration alone will not be sufficient for reaching new levels of integrated planning and execution, the survey consensus and our own position is that it is fundamentally a necessary component.

**The key takeaway:** Few companies seem to believe they have reached the level of maturity and excellence they need for better planning and execution in any area. Interestingly, however, technology related areas in general scored somewhat higher than process-related areas in terms of priority.

This could be viewed as indicating the desire and foundation is there from a people and process perspective, but the technology tools are not yet in place.