Maximizing the ROI in Supply Chain Planning

Insights from Quantitative Studies

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Supply Chain Insights™

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Research

We are dedicated to bringing the best research to the supply chain leader. We do this through a series of quantitative and qualitative research projects, and validate the findings through interviews with supply chain leaders. Here we share what we think are the best findings from a number of recent studies on supply chain planning. The overview of these new studies is outlined in the Appendix of this report.

Disclosure

Your trust is important to us. As such, we are open and transparent about our financial relationships and our research process. This is independent research.

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Research Methodology and Overview

This report shares insights from two recent quantitative studies on supply chain planning. The first focused on the current state of supply chain planning, and the second was on supply chain network design. Respondents for these two studies were gathered through posting on social media (Twitter and Linkedin), help from a number of supply chain technology vendors (reposting on blogs and in newsletters by E2open, LLamasoft, Logility, Kinaxis, and Steelwedge), collaboration with SupplyChainBrain, direct sends to the Supply Chain Insights database, and references in the Supply Chain Shaman blog. It is our goal to gather information about another hundred supply chain planning instances. To this end, we have left the supply chain planning study open to gather additional respondents.

In this report we combine insights from these two studies, along with research from other Supply Chain Insights research studies on the state of planning, to give the reader an overview of the maturity of the Supply Chain Planning (SCP) market. Details on the demographics of these two studies are shared in the Appendix of this report. The overview of the two studies is outlined in Figures 1 and 2.

Figure 1. Overview of the Supply Chain Planning Study: Is Faster Better? What Drives the Best ROI?

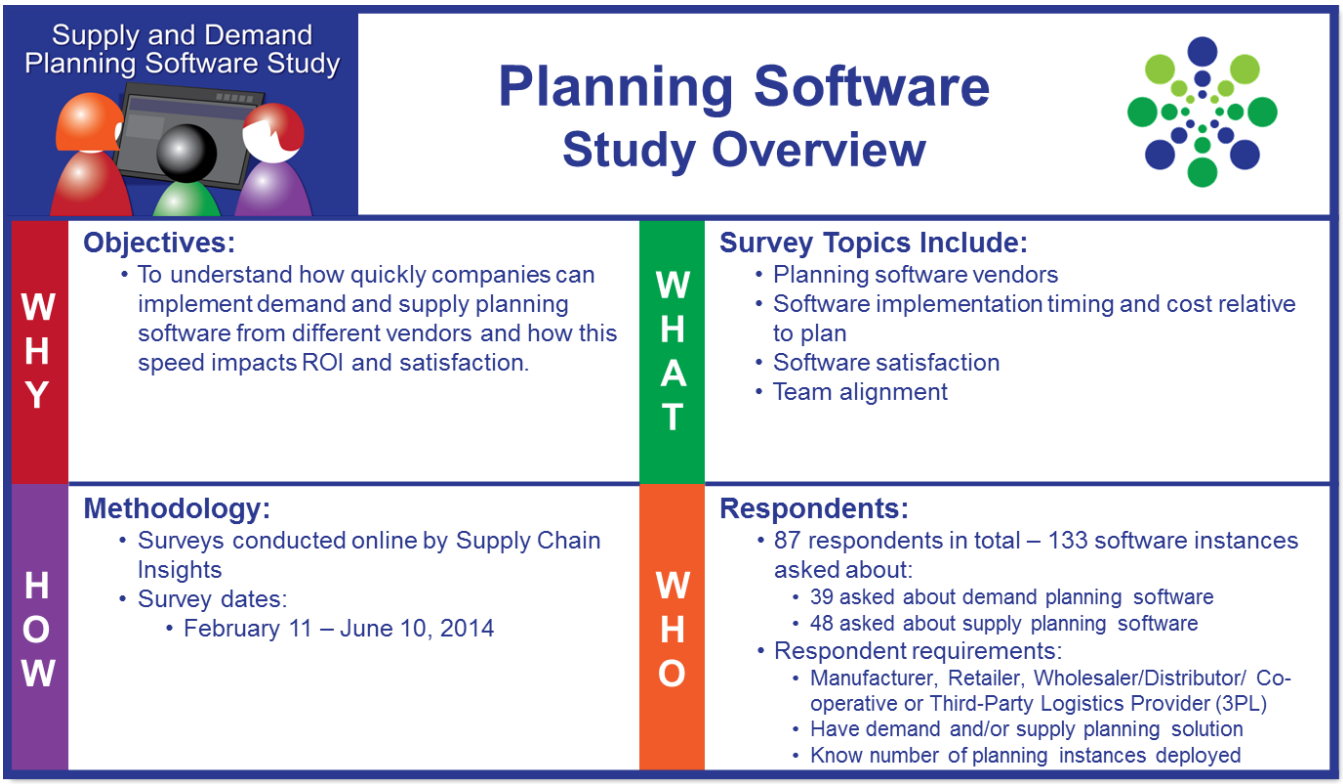
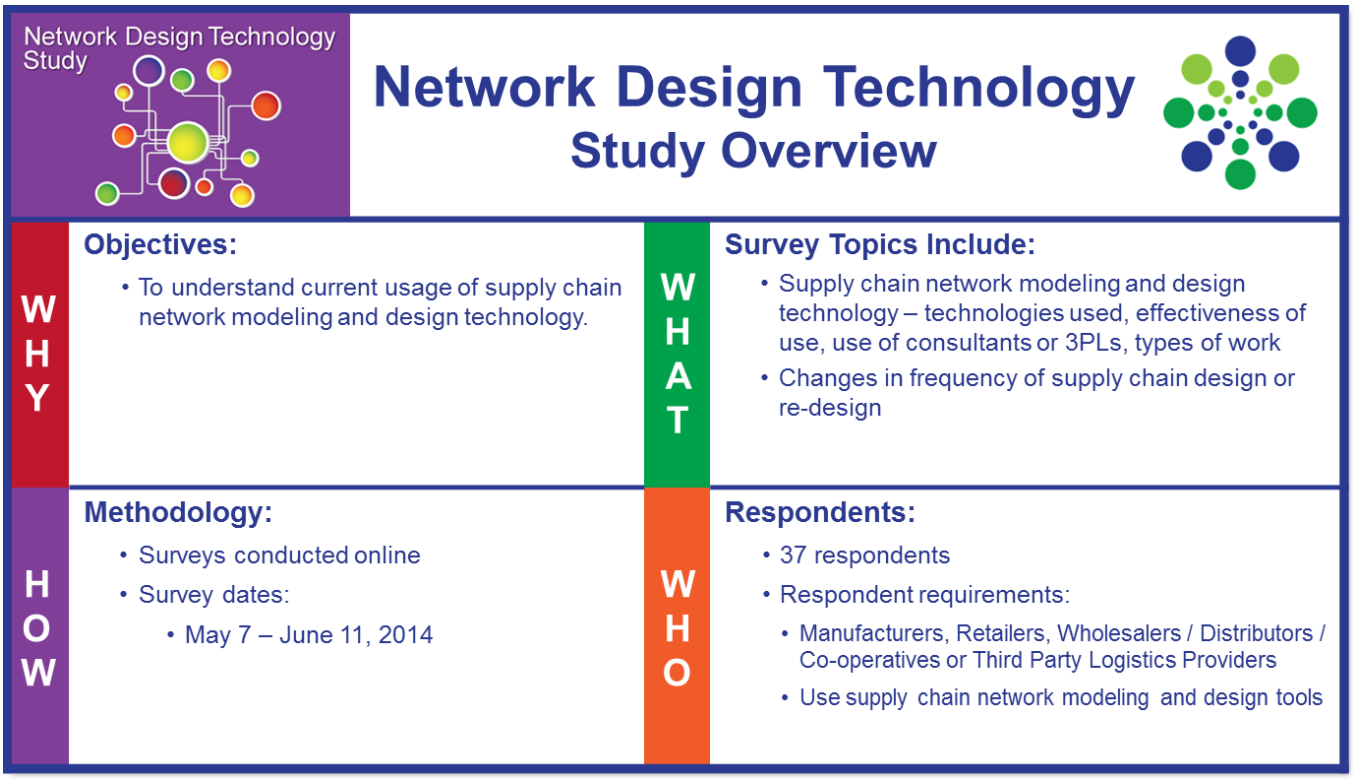


Figure 2. Overview of the Supply Chain Network Design Technology Study



Executive Summary

The evolution of Supply Chain Planning (SCP) is now in its third decade. Over the past 30 years, many technology vendors have come and gone; but supply chain planning, as organizations grow more complex, is now more critical to drive corporate performance.

The need is greater, but the barriers for adoption remain. There are three barriers that are consistent through the evolution of the technologies.

1. **Acceptance of Optimization.** For many organizations the use of optimization, and the deployment of “black boxes” to guide decision making, is uncomfortable. Companies are slow to trust advanced optimization and the output from planning systems.
2. **Reward Systems.** Organizations reward the urgent, not the important. Planners need time to plan. The use of the technologies drives the greatest value when companies build effective planning organizations. Creating an effective environment to maximize SCP investments is dependent on leadership.
3. **Use of Excel.** The greatest obstacle for the use of SCP is the Excel spreadsheet. What many leaders do not recognize now, but they will over time, are the limitations of the Excel spreadsheet to model the complex supply chain environment that exists today. Since planning teams are now groups, not individuals, the required collaboration and sharing of plans in larger organizations is not possible using an Excel spreadsheet.

When the organization is in place, the change management issues are tackled, the right leadership support is present, and technologies are deployed correctly, the Return on Investment (ROI) of SCP is an impressive 7-12 months. As seen in this study, a greater ROI is possible when companies deploy industry-specific Best-of-Breed solutions (as opposed to extended solutions from Enterprise Resource Planning (ERP) providers like SAP and Oracle). In addition, the use of newer forms of network design technologies, to enable the modeling of velocity and variability within end-to-end networks, offers even greater ROI opportunities.

In this study, we share insights on these findings to help you and your organization drive a faster and more impactful ROI for your business.

Improving Supply Chain Decisions

Supply chains are complex systems with complex processes with increasing complexity. Through our research, we have found that many of the relationships between corporate performance metrics and supply chain processes are nonlinear. This complexity drives the need for supply chain planning.

As companies became more global, the need for a technology to help guide supply chain planning grew in importance. It matters. Improving supply chain performance has a strong correlation to market capitalization and balance sheet performance. The trade-offs between growth, asset strategies, margin, cash-to-cash cycles, and rising complexity cannot be adequately managed in a spreadsheet.

The processes and physical characteristics of supply chains are more complicated today than two decades ago when the supply chain planning technology market was defined. In our research survey on supply chain planning, we find:

- **Complex IT Architectures.** The average company does not have one supply chain planning system. Instead, the organization has three instances of demand planning and/or three instances of tactical supply planning. The range varies widely. Slightly less than half of companies surveyed ran one instance of demand and supply planning, but over 15% of respondents had more than five instances of demand and/or supply.
- **The ERP Environments Are Complex.** In prior studies with a similar respondent base, we find that companies also have an average of 6.5 ERP instances.[i] It is seldom that one ERP instance is connected to a singular planning instance.
- **Demand Is Easier Than Supply.** In the planning software study, all companies were required to use some form of supply chain planning software to qualify. Demand planning software is slightly more common than tactical supply planning.
- **Supply Planning Is more Industry-Specific and Difficult to Implement.** As a result, and not surprisingly, in the study, companies are also more satisfied with demand planning than supply. In 82% of demand planning instances, respondents surveyed were satisfied while satisfaction with supply planning was only 59%. In parallel, demand planning instances were more likely to be implemented on-time and in-budget; whereas, only 42% of the supply instances were implemented on-time based on the project plan and 55% were over budget. Satisfaction was not impacted by company size, but was strongly determined by the type of software selected and the choices made in implementation.
- **Planning Teams Are Now Organizations.** The supply chain planning technologies are no longer run in the back room by one or two planners. Organizations in large corporations are also now

complex. In the study, the average company greater than $5 billion averaged 110 demand or supply chain planners, while companies less than $5 billion had an average of 19 planners. This increases the need for a human resources function to support the supply chain organization. The rising demand for planners continues to be an issue. In our studies on supply chain talent, we are seeing the recruiting for supply chain positions to take an average of five months to fill.[ii] Training and recruiting talent for demand and supply planning continues to be a challenge.

- **Rising Supply Chain Complexity.** The supply chain is now a network of interconnected nodes. It is not a simple linear chain. The average company in our supply chain planning software study had 52,000 stock-keeping units, 58 distribution centers, and 46 production facilities. It is far from being a simple set of interactions; the complexity of flows between manufacturing and distribution locations is increasing.

History of Supply Chain Planning

Supply Chain Planning (SCP) software is designed to improve supply chain decisions. The technologies are now in their third decade of evolution. We term it the "third act." In the first act, or introduction, of the software category in the early 1990s, the market was composed of Best-of-Breed providers. In the first act, the market was overhyped. It was a Wild, Wild West environment. Due to the large salaries of technology sales personnel, it attracted many money-hungry entrepreneurs. The stories of bad behavior are legend.

In the first act, the software largely under-delivered against inflated expectations. I2 Technologies, Manugistics, and Numetrix battled each other and lost sight of driving value for the customer. However, for many supply chain leaders—including Cisco Systems, Dell Computer, Intel, and Procter & Gamble—this first evolution of supply chain planning gave them a competitive advantage.

In the period of 2002-2012, the second definition of the supply chain planning market occurred. We term this the "second act." In this period, the market was dominated by Enterprise Resource Planning (ERP) providers that offered bolt-on SCP solutions. This wave of software was dominated by Infor, Oracle, and SAP. In this process, over 25 Best-of-Breed technology providers were acquired and consolidated into larger offerings. These names are now history, but included companies like CAPS Logistics, Demantra, i2 Technologies, E3, Fyger, Logictools, Manugistics, Mercia, Numterix, Optiant, Red Prairie, Red Pepper, Servigistics, Smartops, Supply Chain Solutions, Think Systems, and Zelus. The result? Market confusion, application churn, and a loss of market momentum.

The promise of the bolt-on supply chain planning systems to Enterprise Resource Planning (ERP) was faster time to value. The providers claimed that a tightly integrated solution would drive higher

satisfaction and ROI. This tightly integrated approach was heavily endorsed by supply chain consultants and supported their go-to-market model.

In this period, there was much contention between the two approaches. Companies would ask, “Does a tightly integrated supply chain planning solution drive greater value?” There were many opinions, but little real data. Gartner Group, and the major consulting organizations, advocated the tightly integrated ERP solution. As a result, hundreds of Best-of-Breed supply chain planning implementations were ditched in favor of the new approach of tightly integrated supply chain planning systems to an ERP platform. The cost was not insignificant. The average cost for supply chain planning solution replacement was $2.5 million.

> *“The replacement of my old Manugistics system of supply chain planning with SAP APO was the worst mistake of my career, but the acquisition of Manugistics by JDA gave me no good option…”*
>
> *Vice President of Supply Chain, Food and Beverage Company*

This decade is history. We can now evaluate the impact of the approaches. In the next section, we share research insights on the bolt-on and tightly-coupled supply chain planning solution to an ERP platform versus the standalone Best-of-Breed approach. In the analysis, it is clear that the Best-of-Breed solution is faster to implement and has a higher ROI. The magnitude of the differences is greater for supply than demand. Supply planning is just harder.

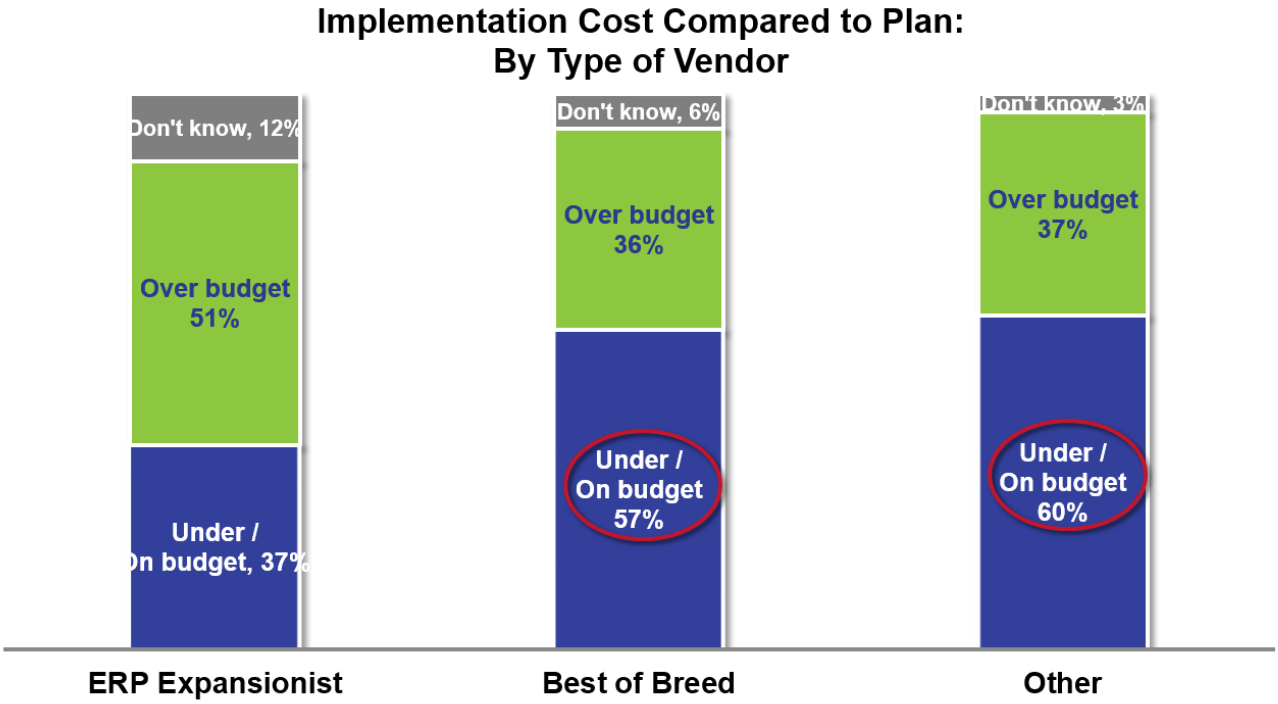
It is our hope that we can use the lessons learned from the two iterations of the supply chain planning market as the next wave evolves. It is clear that the companies that stay focused on driving client value, and evolving their solutions based on technology, do well. Whereas, companies that get caught up in market hype and fueling overstated implementation expectations fail. The specialization of the technologies, the industry-specificity of the solutions, and the advancements in optimization and learning-engines favors the deployment of Best-of-Breed solutions.

A Closer Look at Supply Chain Planning Implementations

In the planning software study, we analyze the technologies in three groups: Best-of-Breed solutions (vendors like JDA and Logility), the deployment of ERP suites with bolt-on planning from providers like Oracle and SAP, and customized solutions. As shown in Figures 3 through 5, Best-of-Breed solutions are quicker to implement with fewer issues on budget overruns. As a result, the ROI for standalone Best-of-Breed solutions is higher.

Let's take a closer look at the details. In Figure 3, we can see that the tightly integrated solution to ERP is much more likely to be over-budget. This is due to the lack of industry-specific functionality in most of the extended ERP packages, and the inclusion of these solutions into major ERP upgrade projects that are fraught with complications and overruns.

Figure 3. Implementation Cost for the Three Types of Solutions

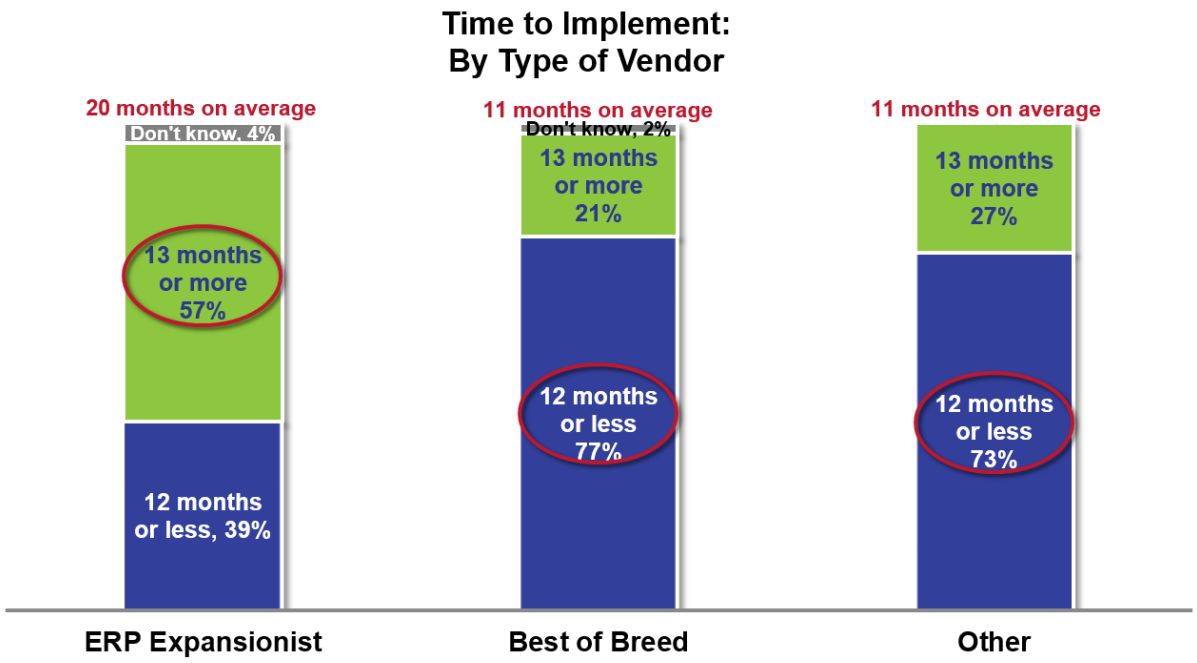


Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances – ERP Expansionist (SAP, Oracle) (n=49 instances), Best of Breed (Logility, JDA) (n=47 instances), Other (n=30 instances)
Q11/19. Was the implementation of this [demand][supply] planning instance under, on or over budget? Your best estimate is fine.
OHigher than other group at 90% or higher level of confidence

As can be seen in Figure 4 of the survey, the time to implement an extended ERP platform including supply chain planning is significantly longer. This is usually due to the complexity of the configuration and the necessary work on customization.

As a result, the average ROI for a Best-of-Breed approach is seven months, while the average ROI time for an extended ERP solution is 13 months. Also note that those using the extended supply chain planning approach are somewhat more likely to have no ROI associated with an implementation as compared to the other vendor types.

Figure 4. Time to Implement



Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
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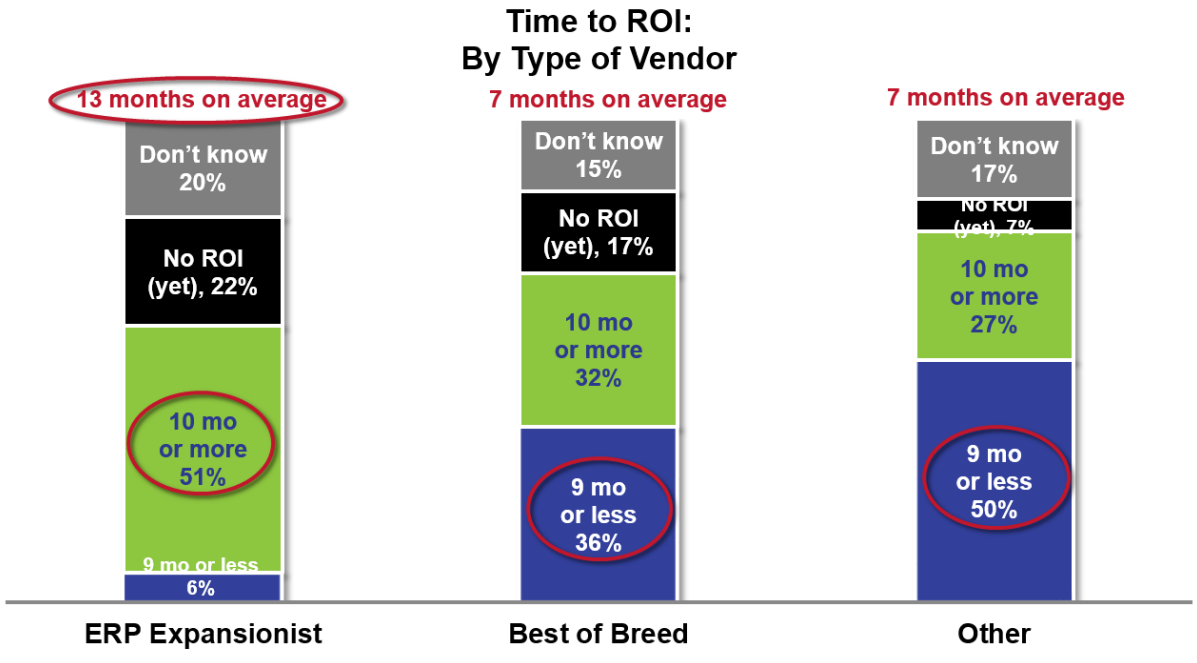
Q9/17. How long did it take your company to implement this [demand][supply] planning instance? Your best estimate is fine.
Higher than other group at 90% or higher level of confidence

Figure 5. ROI of Different Alternatives



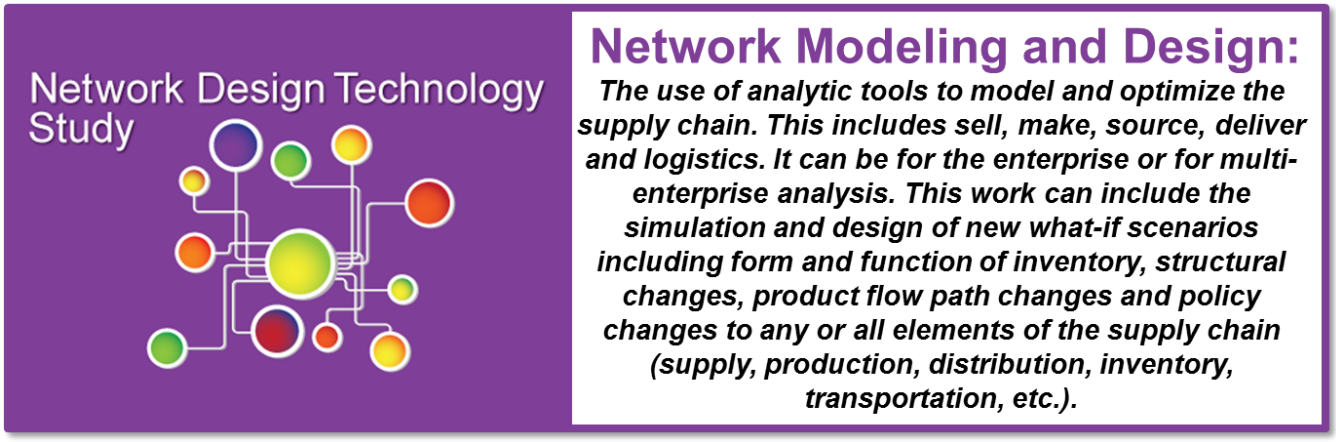
Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances – ERP Expansionist (SAP, Oracle) (n=49 instances), Best of Breed (Logility, JDA) (n=47 instances), Other (n=30 instances)
Q12/20. How soon did your company get a return on your investment (ROI) for this [demand][supply] planning instance? Your best estimate is fine.
Higher than other group at 90% or higher level of confidence

Network Design

The evolution of network design technologies to optimize source, make and deliver together in concurrent optimization evolved in parallel with demand and supply planning. The technology providers have been smaller and more focused with less drama. However, in the work that we are doing on the Supply Chain Index, we can see that companies that are focused on driving excellence through network design are rising on the Index, driving supply chain improvement faster than their peers. Is this a coincidence? We think not.

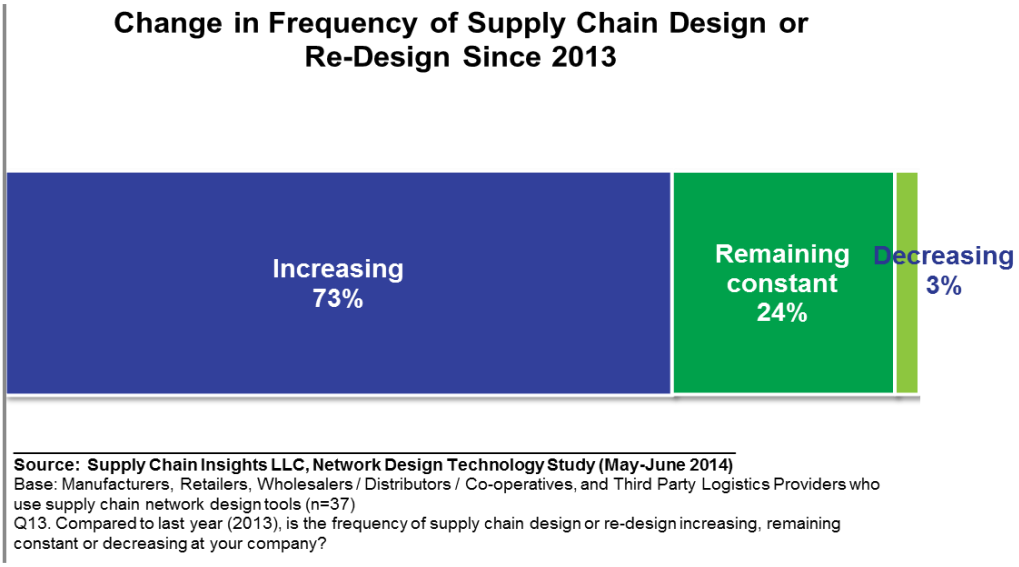
Overwhelmingly, in our network design technology study, manufacturing companies are bullish on the use of network design technologies. The complexities of a supply chain cannot be optimized in an Excel spreadsheet.

They are just too complex.



As a result, as seen in Figure 6, companies are increasing the frequency of network design and including it into Sales and Operations Planning (S&OP), sourcing strategies and supplier development work, and also doing joint work with customers in the design of the channel and product flows. It is no longer one or two people. In qualitative interviews with companies greater than $5 billion, we see teams of 10-50 people actively working on the design of the supply chain. It is no longer just the design of the physical supply chain; instead, it is about network flows, decoupling points, cash flows, and form/function of inventory. Qualitative interviews suggest that proper deployment of supply chain network planning models yields a ROI in less than three months.

Figure 6. Change in Frequency of Network Design



Source: Supply Chain Insights LLC, Network Design Technology Study (May-June 2014)
Base: Manufacturers, Retailers, Wholesalers / Distributors / Co-operatives, and Third Party Logistics Providers who use supply chain network design tools (n=37)
Q13. Compared to last year (2013), is the frequency of supply chain design or re-design increasing, remaining constant or decreasing at your company?

The deployment of network design planning is a first step to building an end-to-end vision and driving organizational alignment; but, as can be seen in the two quotes from our study, this requires both the understanding and support by the leadership team.

"We have been deploying network modeling and design technologies for over fifteen years. We have a centralized team that services our company globally."

Quote from a Company that Rates Themselves as Extremely Effective in the Use of Network Design Technologies

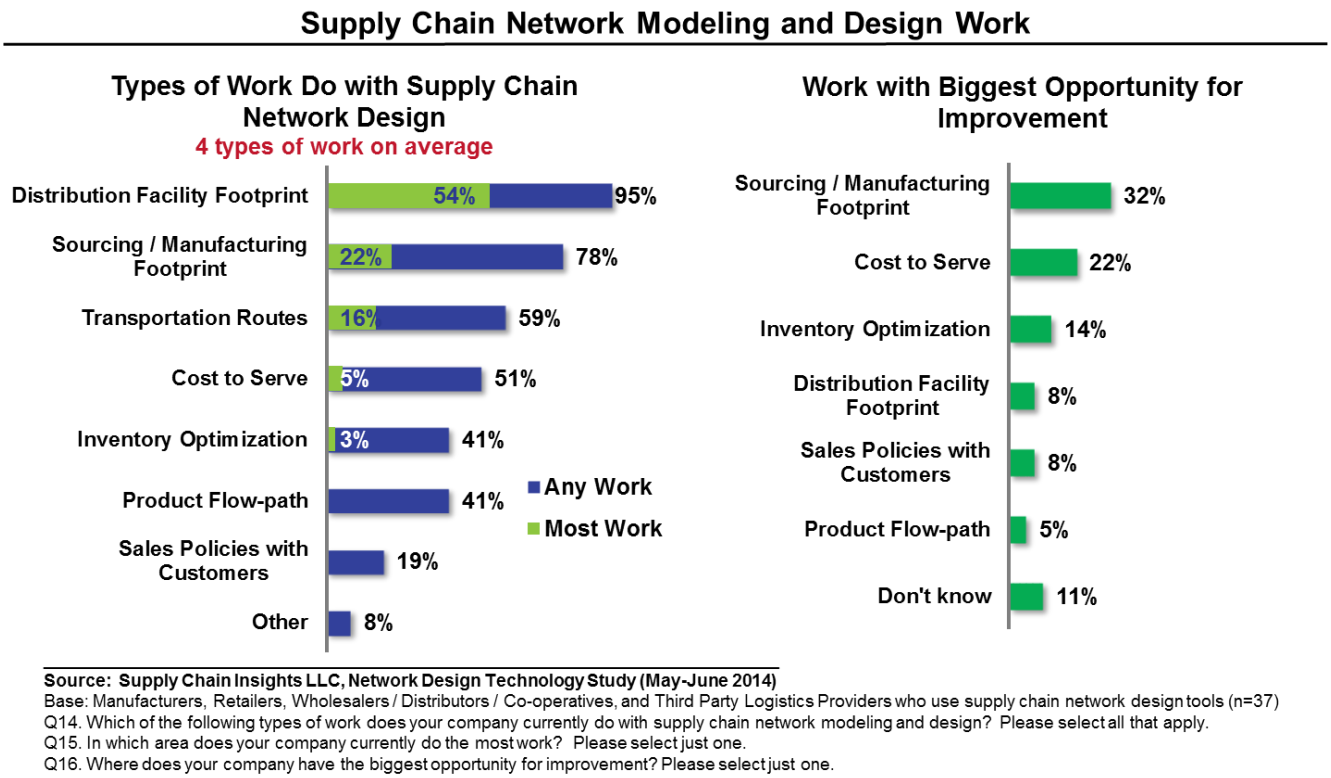
"This could be a long story. In short, we have a centralized team and have started on a 'grass-roots deployment.' Over the last three years, we have worked hard to change our company's way of thinking from silo-based perspectives to a more holistic approach that includes us and our customers. …our company is disconnected."

Quote from a Company that Rates Themselves as Not Effective with Network Design

Network design tools have been deployed the most frequently to evaluate physical flows like distribution facility footprint; but increasingly, the products are being used to analyze logical flows in cost-to-serve, go-to-market strategies and flow-path analysis. The largest area for improvement, as

shown in Figure 7, is the work on the sourcing and manufacturing footprint, and the alignment of flows in the extended supplier network. They are frequently deployed in Supply Chain Centers of Excellence. As companies deploy network design technologies, and refine both the physical and logical flows of the supply chain, the definition of a clear statement of supply chain excellence grows in importance.

Figure 7. The Current Focus of Network Design Work



Source: Supply Chain Insights LLC, Network Design Technology Study (May-June 2014)
Base: Manufacturers, Retailers, Wholesalers / Distributors / Co-operatives, and Third Party Logistics Providers who use supply chain network design tools (n=37)
Q14. Which of the following types of work does your company currently do with supply chain network modeling and design? Please select all that apply.
Q15. In which area does your company currently do the most work? Please select just one.
Q16. Where does your company have the biggest opportunity for improvement? Please select just one.

What Steps Should Be Taken to Improve the ROI?

For all of the supply chain planning technologies, there are some clear steps to maximize the Return on Investment:

- **Get Clear. Orchestrate a Plan.** For companies greater than $5 billion in revenues, use the ERP vendor as a system of record and use industry-specific solutions to drive differentiation. Get clear on the systems of record, systems of differentiation, and the supporting systems for planning reference data.
- **Partner to Drive Differentiation.** Augment the functionality and partner with new vendors who are offering innovative solutions; but when you do, focus on being easy to do business with. The onerous payment terms and procurement dances are draining for small vendors offering new forms of innovation.

- **Create Value.** Don't force the emerging technology solutions to form artificial partnerships with larger technology providers. One thing that remains clear in the history of the space is that 99% of the technology provider partnerships do not add value for the clients. The larger vendors like Oracle, SAP and Teradata are difficult for smaller technology vendors to work with, and typically increase the purchase price of the deal without improving value.
- **Use Best-of-Breed Deployment Resources.** In the deployment of smaller and differentiated supply chain planning solutions, use the Best-of-Breed technology company's resources to implement. While the larger consulting firms offer great resources to power the program management and change management requirements, they lack the levels of understanding of system configuration. Planning systems implemented by the technology provider, as opposed to the consultants or done in-house, were faster to implement and had higher levels of satisfaction.
- **Take Your Time.** Focus on defining the data model and the right settings on the optimizers. Spending time in the conference room pilot will improve time to value. Don't rush the process.
- **Don't Automate Your Existing Processes. Use This as a Time to Redefine What Can Be.** In our experience with clients, companies that focus on the improvement of processes do better than those that automate existing processes. The reason why is simple. Current processes can be greatly improved through the use of supply chain planning. In the implementation of the technologies, you have the opportunity to improve the potential of the supply chain in new ways by rethinking the problem and using new technologies to improve the answer.
- **Focus on Analytics and the Use of Data.** The greatest issues with deployment are with analytics. Based on prior studies, only 31% of companies are satisfied with *"What-if*" capabilities and most companies can get data into their planning systems, but not out of the systems to share with others. Make the design of "what-if" analysis and analytics a priority.

Barriers for the Technology Providers

Over the course of the next decade, new technology platforms will emerge. We are poised for the third act of new forms of analytics, optimization, and learning engines to coalesce into new solutions for supply chain planning. Early adopters will strike fast-mover advantages through the use of new and differentiated solutions.

New technologies are opening up new opportunities to drive new capabilities, and early adopters are looking for new solutions; yet, it is difficult for the supply chain planning vendor. Why?

Table 2. Attainable Market Size

Industry Analysis					
Industry	**NAICS Code**	**Number of Companies (>$5 billion)**	**Number of Companies ($1-5 billion)**	**Number of Planning Instances**	**Supply Chain Maturity**
Apparel	31522% & 44812% where % is any number from 0-9	6	21	3	Medium
Automotive	336112	39	29	177	Low-Medium
Automotive Suppliers	336312 & 336412	24	67	363	Low-Medium
Chemical	325188 & 325998	7	24	93	Medium-High
Consumer Electronics	33431% where % is any number from 0-9	12	14	78	High
Consumer Packaged Goods	3256% where % is any number from 0-9	14	19	99	Medium
Contract Manufacturing	33441% where % is any number from 0-2, 4-9	11	105	78	Medium-High
Food & Beverage	3112% where % is any number from 0-9, 311320, 311821, 312111, 311520, 311941	32	Unavailable	234	Medium
Hospital	62211	6	10	1	Low
Medical Device	339112	6	10	48	Low
Pharmaceutical	325412	24	66	270	Low-Medium
Mass Retail	452% where % is any number from 0-9	33	52	3	Medium
Semiconductors	334413	13	51	192	High

Source: Supply Chain Insights LLC

Smaller Market. Mergers and Acquisitions. The attainable market is small, and growing smaller, for the technology provider. It is smaller now than a decade ago. Manufacturers tend to be conservative and cheap. In addition, they do not partner well with technology partners. The relationships become quickly adversarial.

With the number of mergers and acquisitions by manufacturers, the number of companies that software companies can sell to is smaller. As shown in table 2, when the number of manufacturers globally is multiplied by 3 (to account for the number of average deployed supply chain planning instances), there are approximately 1600 deployed instances in the world.

Companies with revenues of $1 billion to $5 billion are the most likely to buy. Smaller mid-market companies with revenues less than $1 billion are less likely to have the appetite and understanding to deploy supply chain planning. The needs are less.

The biggest competitor for the existing technology market is “do nothing.” The deals are competitive, and the market is saturated. The biggest market opportunities lie in the industries, like consumer electronics and consumer packaged goods, where satisfaction with current applications is low and the supply chain maturity is high.

Tightening of Budgets. The functionality is very industry-specific, and line-of-business buyer’s budgets are being squeezed. Manufacturers, by definition, have been cheap. They are less likely to buy technology than a company of similar size in the financial or insurance industry. As a result, the majority of the most advanced work in planning is happening in non-manufacturing industries.

In addition, the Information Technology (IT) budgets are saddled with forced upgrades of legacy applications and onerous maintenance fees. Manufacturers struggle to find resources to do co-development of new applications.

Maintenance: A Boon for the Vendor, but an Opportunity Cost? When planning software is sold, the buyer is offered the option to buy a maintenance service. These maintenance contracts are 18-22% of license revenue. This becomes an annuity stream for the technology provider and provides some stickiness for the relationship. However, a significant amount of time for today’s supply chain planning vendors is tied up with maintenance upgrades, not the evolution of the next generation of software.

Recommendations

Here are some recommendations for line-of-business leaders in manufacturing companies to navigate this changing landscape:

Define and Stick to a Strategy. Clearly identify the risk profile of the company. As an early adopter, partner with new technology partners and engage in co-development activities. As a late follower, understand the patterns of the early adopters and when success is clear, move quickly. If you are a mainstream adopter, wait until the patterns are clear.

Sidestep the Hype. This market will have lots of ups and downs. Sidestep the hype and stay focused on value. Use the lessons of the last three decades to guide the future.

Invest in a Center of Excellence and Fund Innovation. To navigate the evolution of new technologies, fund a Supply Chain Center of Excellence, and charter the team to investigate and trial

new solutions. To make it easier for the team to work, provide the team with innovation funding. Don't handicap the team by having to have a fixed ROI. Newer forms of technology will require the investment in co-development.

IT Standardization Has New Boundaries. With the slow development of new technologies by the ERP expansionists consider relaxing the IT standardization restrictions.

Champion the Building of a Supply Chain Organization and Charter an End-to-End Leader. To ensure that you can maximize the value of supply chain planning, champion the design of a supply chain planning organization with a clear career path, and a leader to lead the effort for end-to-end planning. One of the barriers to maximizing the value of supply chain planning technologies is the turnover of supply chain planners. In many organizations, the morale of employees in these positions is low. The employees feel beat-up by constantly defending the demand and supply plans. As a leader, embrace demand error and champion the use of planning technologies. Allow planners time to plan.

Drive ROI. Lean forward and implement the technologies. The ROI is compelling. As you do, create the organizational and process understanding to maximize the success based on the insights from this report.

Here are some recommendations for technology providers in the SCP market to navigate this ever-changing market landscape:

Clearly Define Your Solution. Today, all technology vendor messages sound the same. The confusion around what technology vendors actually do is a barrier to adoption. Time after time, manufacturing companies call me and say, "I have been in a sales cycle with technology vendor XYZ for nine months, and I am still not sure what they do and how they are different than vendor PDQ." Help buyers choose you by making your solution clearer and more differentiated.

Move to Software as a Service and Consider Business Process Outsourcing Options. Due to the complexity of operations and the IT landscape, Software as a Service (SAAS) and Business Process Outsourcing (BPO) are more attractive today to the line-of-business leader today than five years ago. Varying the deployment also enables more stickiness in the relationship for the solution provider, and greater flexibility for the buyer.

Serve the Market. Building supply chain planning software is heady -stuff, and people do not survive in the market without drive, intelligence and passion. However, when you engage with line-of-business leaders, leave the arrogance and the professionally produced seventy-slide PowerPoint decks, laden with three- and four-letter acronyms, at home. Come prepared to listen, serve and talk the language of business. The supply chain buyer is a no-nonsense sell—avoid cutesy slogans and slang—and build a serious relationship about how you can drive unique value.

Conclusion

Supply Chain Planning is now in its third act. For companies that have used the solutions, there is a clear ROI of 7-12 months. Today, when many projects fail to have a clear ROI, this is significant. Adopting supply chain planning is more important than ever, and new, emerging technologies offer greater opportunity. Adopt these new solutions based on your risk factors and business needs; but to maximize the effectiveness through the transition, companies can learn from the lessons of the last two decades on how to maximize the ROI.

Appendix

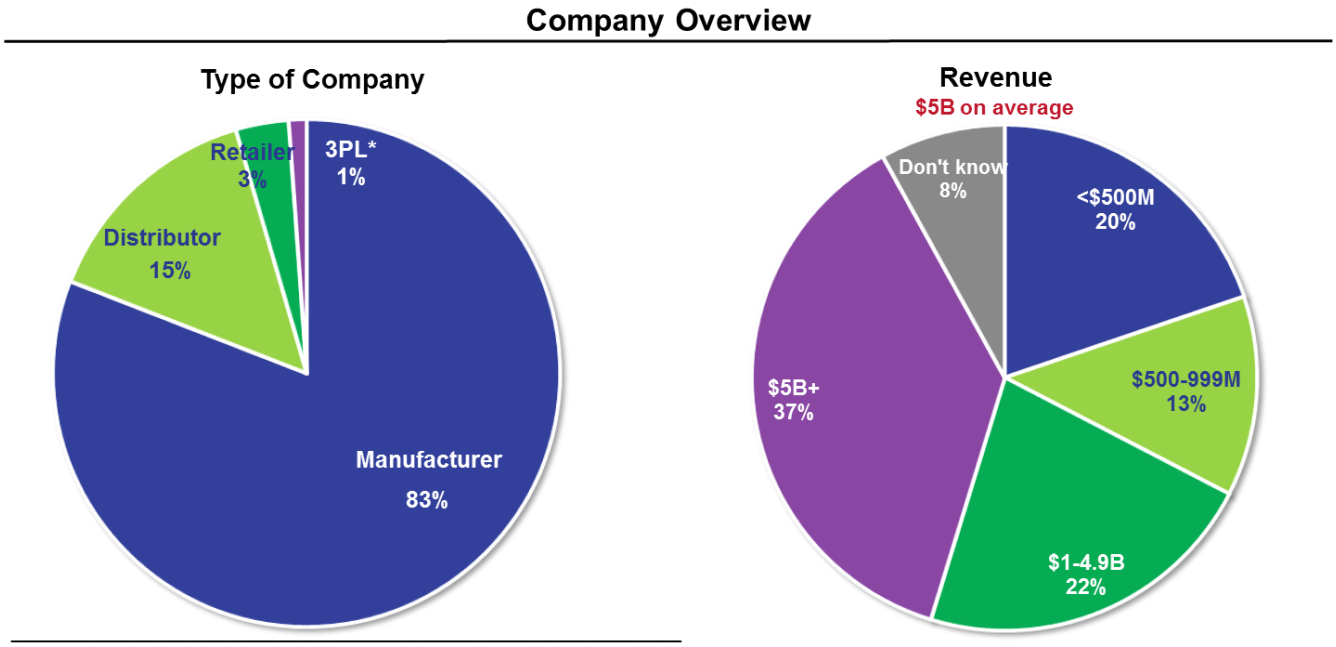
In this section, we share the demographic information of survey respondents in the two studies, along with additional charts referenced in the report to substantiate the findings.

The participants in this research answered the surveys of their own free will. There was no exchange of currency to drive an improved response rate. The primary incentive made to stimulate the response was an offer to share and discuss the survey results in the form of Open Content research at the end of the study.

The names, both of individual respondents and companies participating, are held in confidence. The demographics are shared to help the readers of this report gain a better perspective on the results.

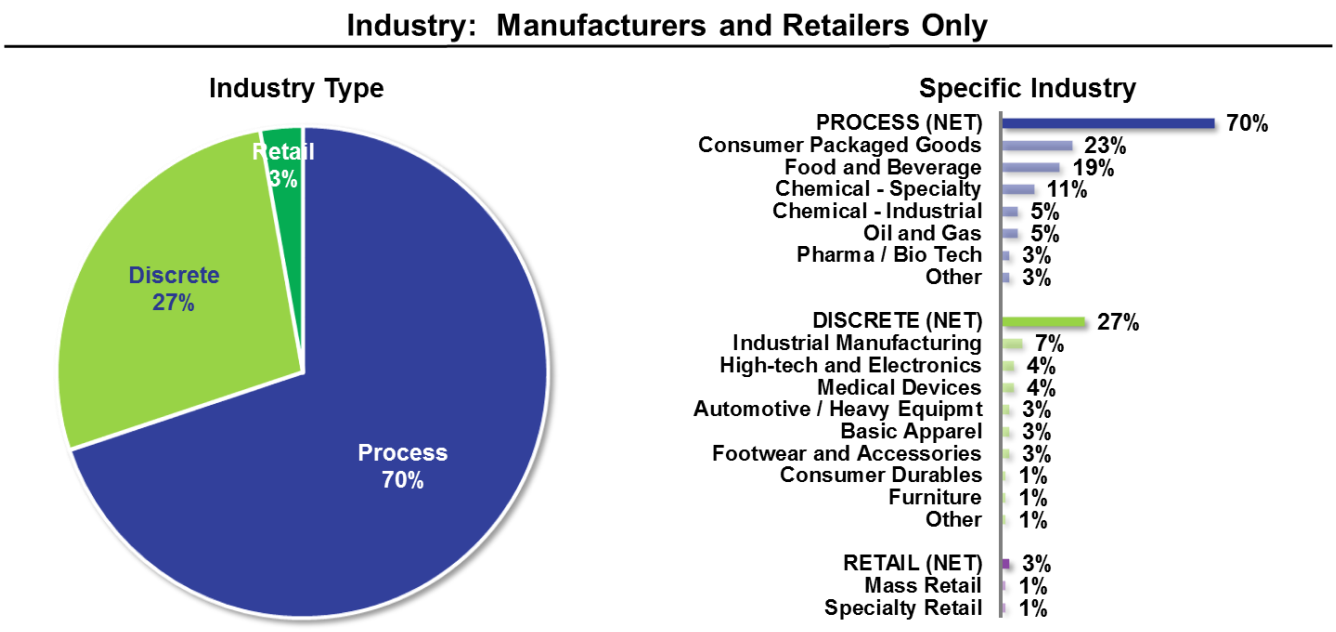
Demographics: Supply Chain Planning Study

Figure A. Companies Overview of Respondents in the Supply Chain Planning Study



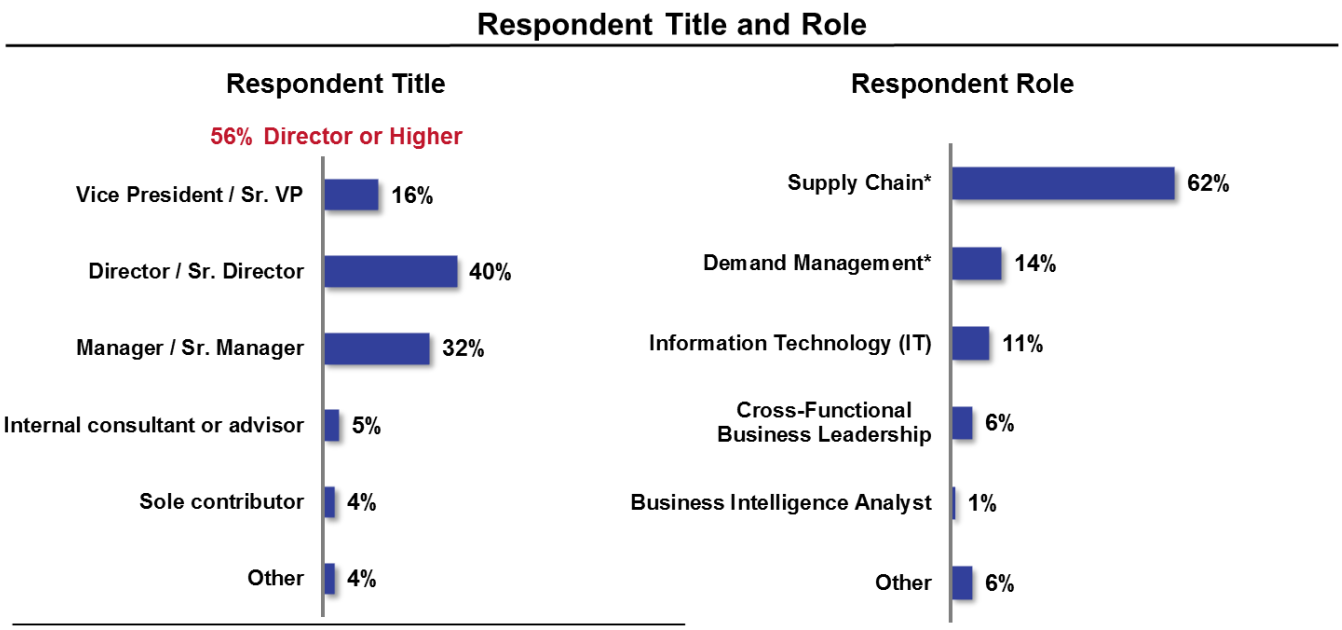
Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances (n=87 respondents); *Distributor (Wholesaler / Distributor / Co-operative); 3PL (Third-Party Logistics Provider)
Q1A. Which of the following best describes where you work? Please select the one that fits best, even if the terminology isn't quite right.
Q1B. Please pick the one that defines how your company operates the most. This is important for classification purposes.
Q31. Approximately, what was your company's last fiscal year revenue? Your best estimate is fine.

Figure B. Industry of the Respondents from the Supply Chain Planning Study



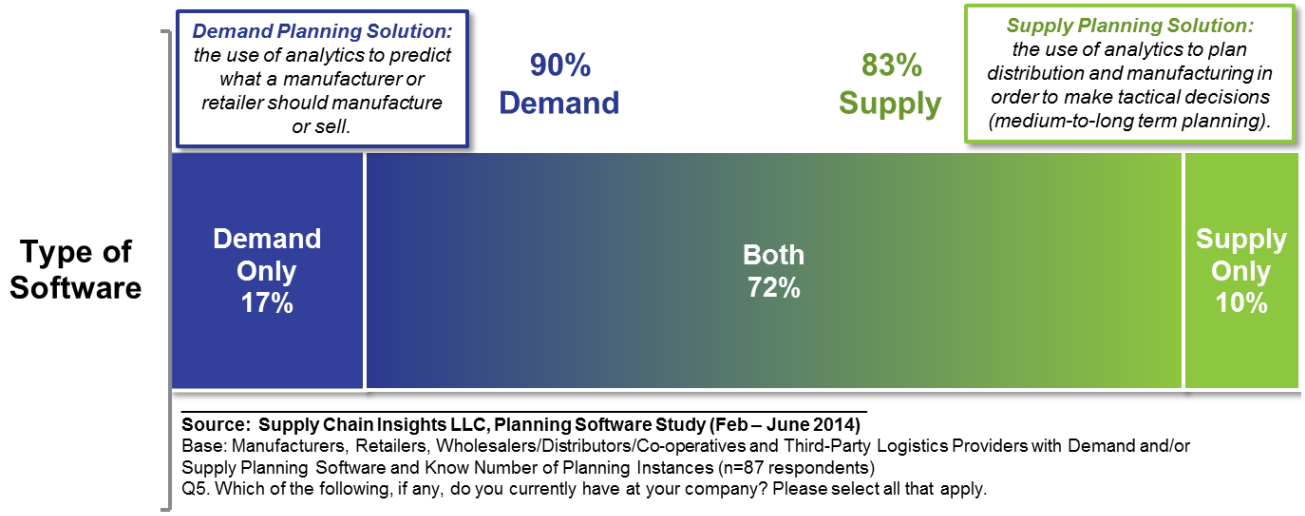
Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances – Manufacturers and Retailers (n=73 respondents)
Q2. Which industry grouping best defines your company? Please select the one that fits best, even if the terminology isn't quite right.
Q3. Which of the following best describes your company's industry? Please select the one that fits best, even if the terminology isn't quite right.
Q4. Which industry grouping best defines your company? Please select the one that fits best, even if the terminology isn't quite right.

Figure C. Role of the Respondents from the Supply Chain Planning Study



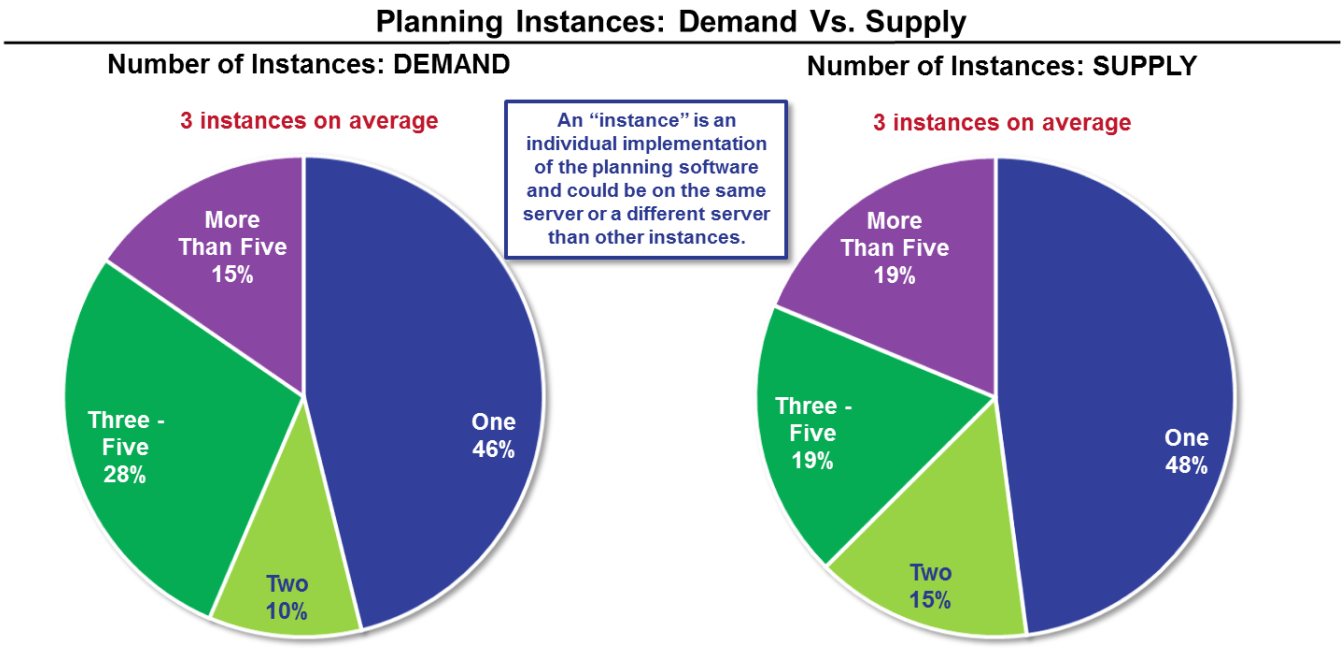
Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances (n=85 respondents)
*Supply Chain (may include Distribution, Logistics, Manufacturing, Operations, Planning, Procurement, Sourcing, etc.), Demand Management (may include Forecasting, Pricing, Promotion, etc.)
Q32. Which of the following best describes your current role, even if the terminology isn't exactly right?
Q33. Lastly, which of the following best describes your current level or title, even if the terminology isn't exactly right?

Figure D. Deployment of Instances in the Supply Chain Planning Study



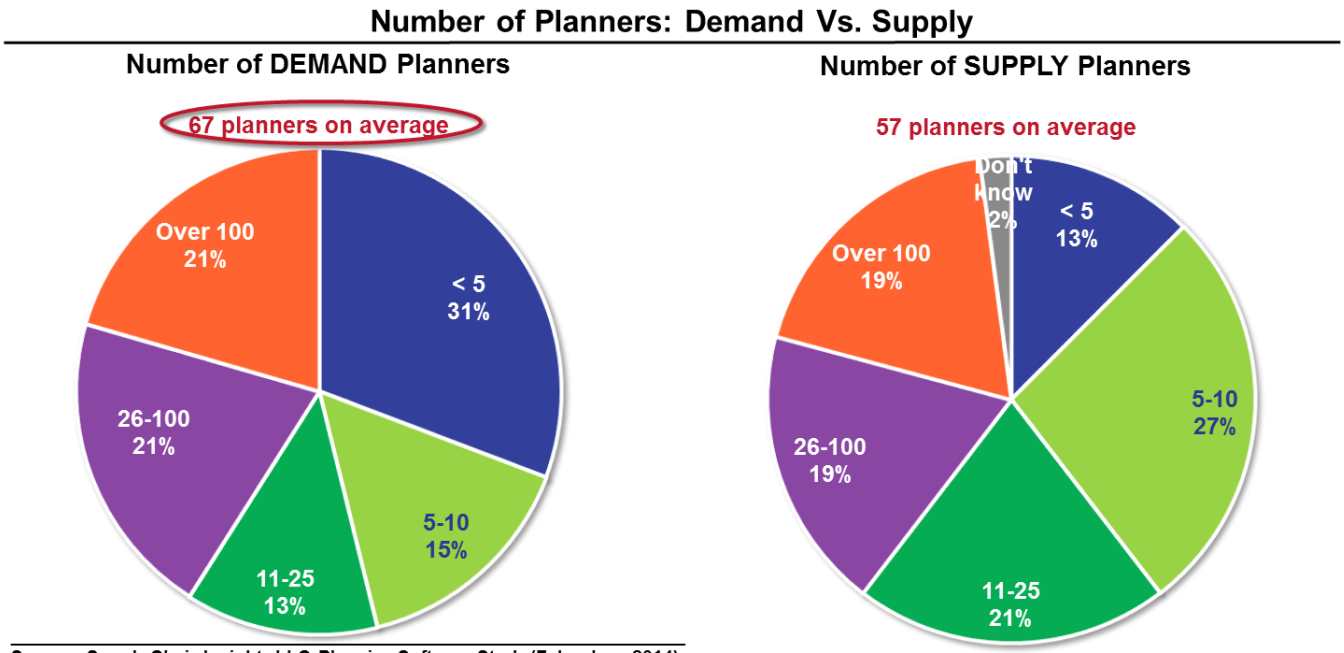
Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances (n=87 respondents)
Q5. Which of the following, if any, do you currently have at your company? Please select all that apply.

Figure E. Number of Instances of the Respondents in the Supply Chain Planning Study



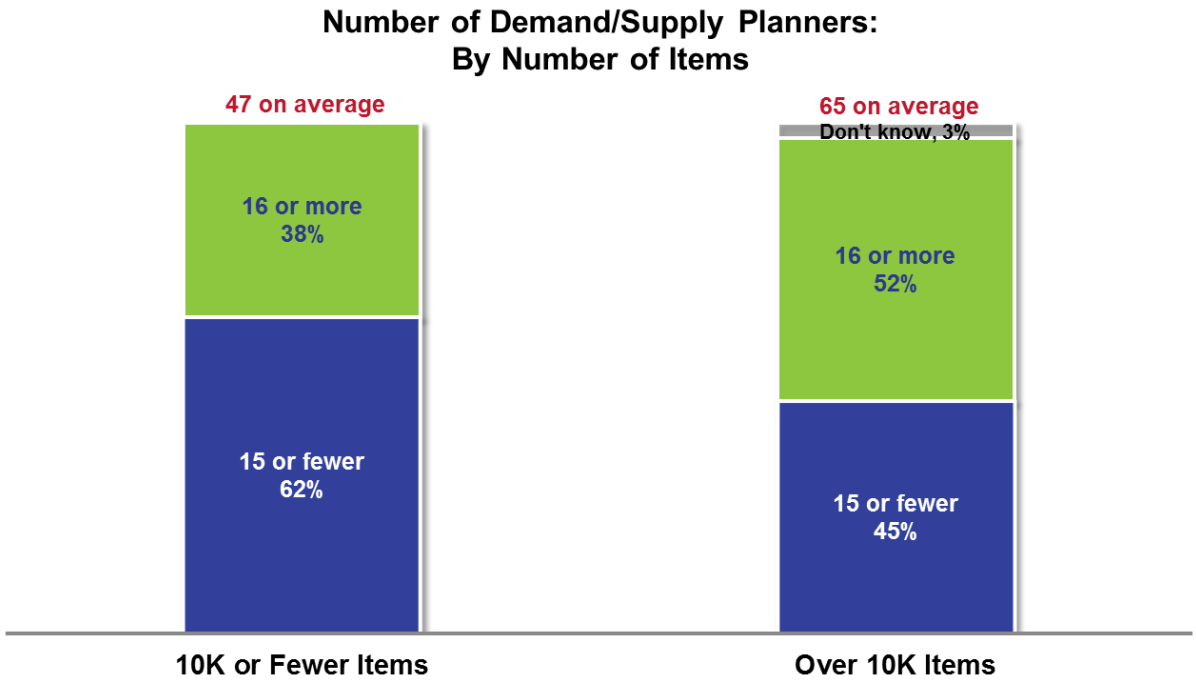
Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances – Demand (n=39 respondents), Supply (n=48 respondents)
Q6. How many [demand][supply] planning instances does your company currently have that are fully implemented? An "instance" is an individual implementation of the planning software and could be on the same server or a different server than other instances. Your best estimate is fine.
NOTE: Only asked about demand or supply, depending on which section assigned to

Figure F. Number of Planners of the Respondents in the Supply Chain Planning Study



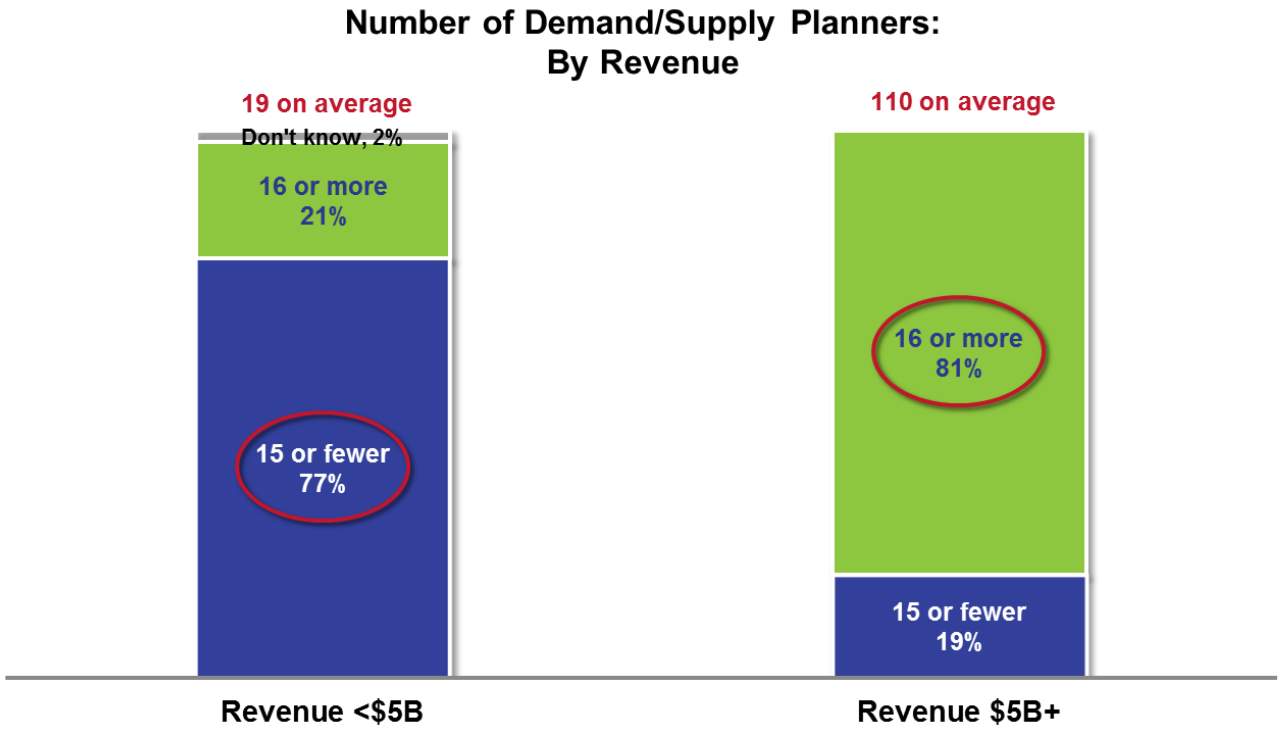
Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances (n=87 respondents)
Q27. How many [demand][supply] planners does your company currently employ?
NOTE: Only asked about demand or supply, depending on which section assigned to
Higher than other group at 90% or higher level of confidence

Figure G. Number Planners by Number of Items in the Supply Chain Planning Study



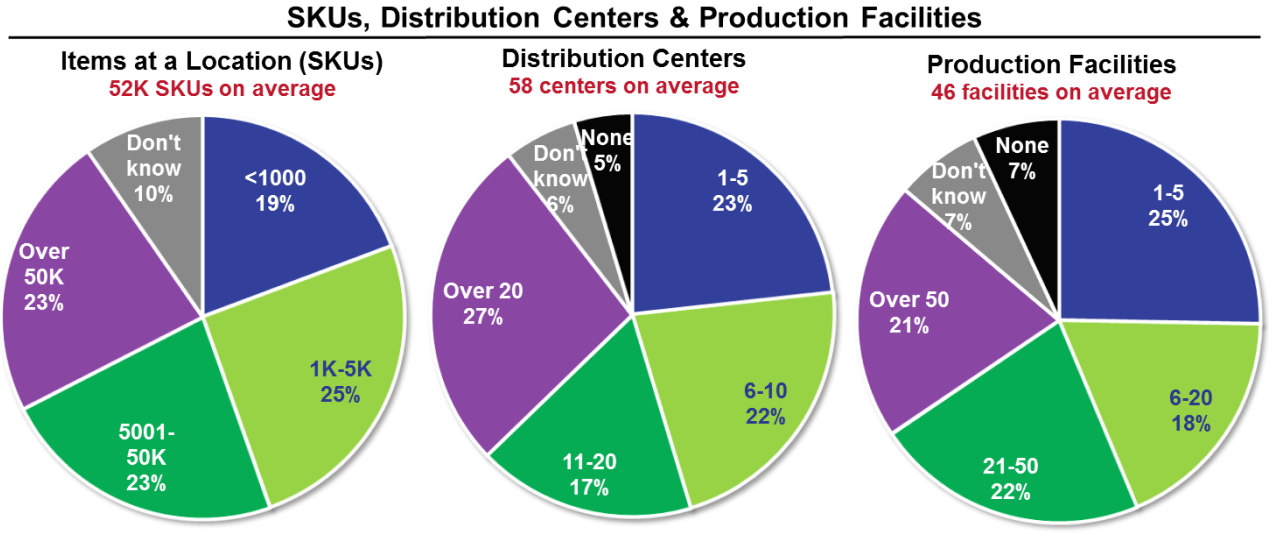
Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances – 10K or Fewer Items (n=42 respondents), Over 10K Items (n=33 respondents)
Q27. How many [demand][supply] planners does your company currently employ?
Higher than other group at 90% or higher level of confidence

Figure H. Number of Planners by Revenue in the Supply Chain Planning Study



Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances -- Revenue <$5B (n=47 respondents), Revenue $5B+ (n=32 respondents)
Q27. How many [demand][supply] planners does your company currently employ?
OHigher than other group at 90% or higher level of confidence

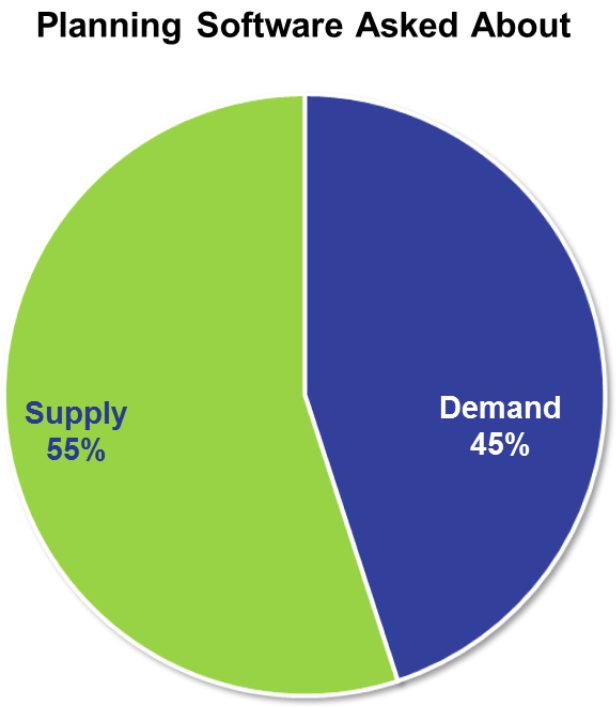
Figure I. Definition of the Supply Chain of Respondents from the Supply Chain Planning Study



Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances (n=86 respondents)
Q28. How many items at a location (SKUs) does your company currently have? Your best estimate is fine. NUMERIC RESPONSE
Q29. How many distribution centers does your company currently have? Your best estimate is fine. NUMERIC RESPONSE
Q30. How many production facilities does your company currently have? Your best estimate is fine. NUMERIC RESPONSE

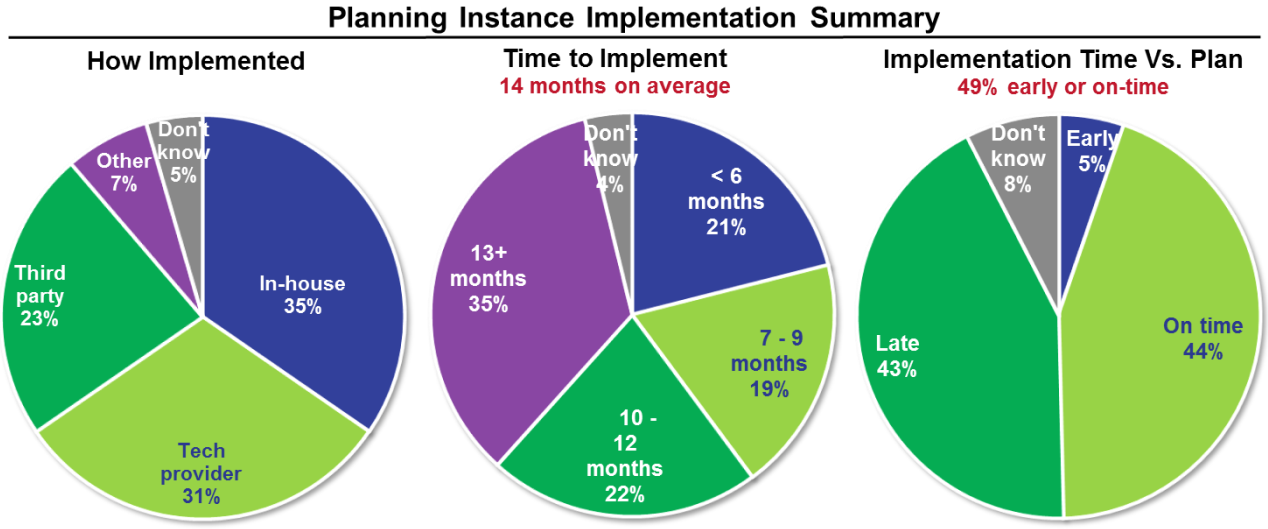
Figure J. Planning Software Asked About in the Study of Supply Chain Planning

Respondents were asked to answer the following questions about only demand or supply planning software and, specifically, the 1-2 instances used for products with the highest (and second highest) impact on revenue. Responses are looked at among total instances asked about.



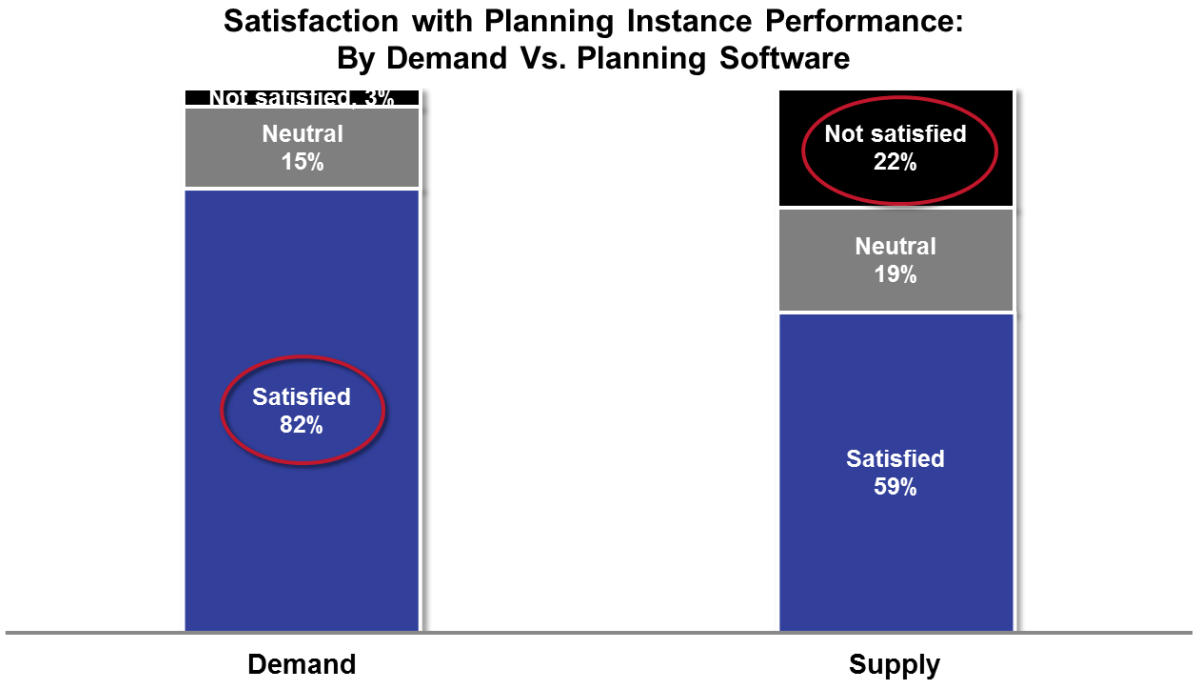
Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances (n=133 instances)
Q5. Which of the following, if any, do you currently have at your company? Please select all that apply.

Figure K. Planning Instance Implementations of the Respondents from the Supply Chain Planning Study



Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances (n=133 instances)
Q8/16. Still thinking about the same [demand][supply] planning instance, how did your company implement it? Please select all that apply.
Q9/17. How long did it take your company to implement this [demand][supply] planning instance? Your best estimate is fine.
Q10/18. Was the final implementation completed early, on time or late, compared to the schedule? Your best estimate is fine.

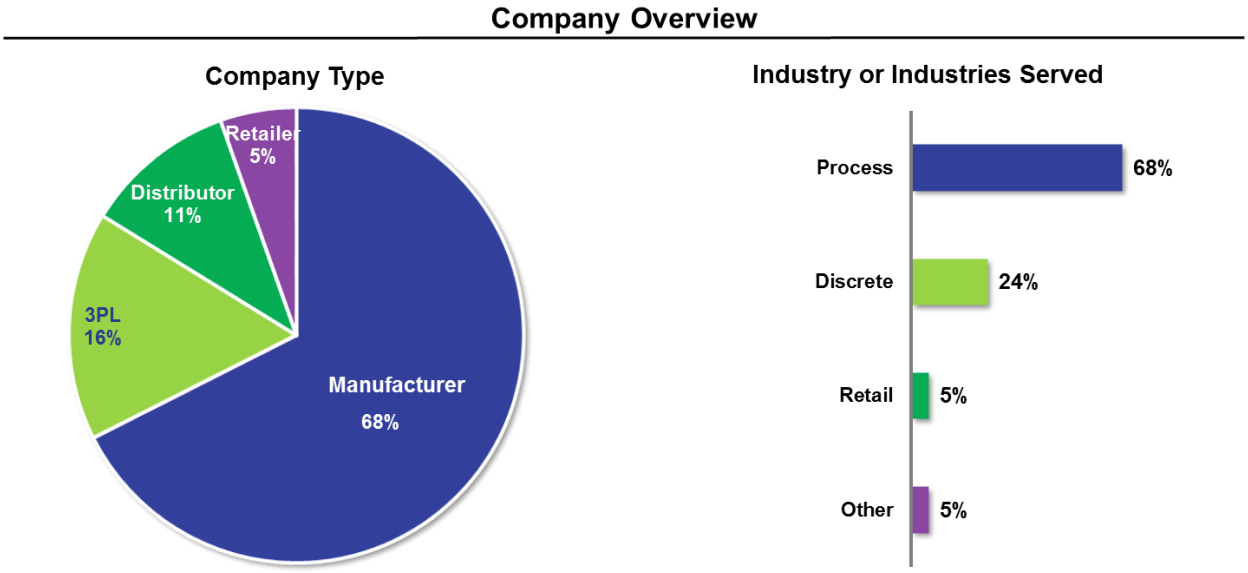
Figure L. Satisfaction with Planning Instances by Type of Software



Source: Supply Chain Insights LLC, Planning Software Study (Feb – June 2014)
Base: Manufacturers, Retailers, Wholesalers/Distributors/Co-operatives and Third-Party Logistics Providers with Demand and/or Supply Planning Software and Know Number of Planning Instances -- Demand (n=60 instances), Supply (n=73 instances)
Q13/Q21. Overall, how satisfied is your company with the performance of this [demand][supply] planning instance? SCALE: 1=Not at all satisfied, 7=Extremely satisfied
Higher than other group at 90% or higher level of confidence

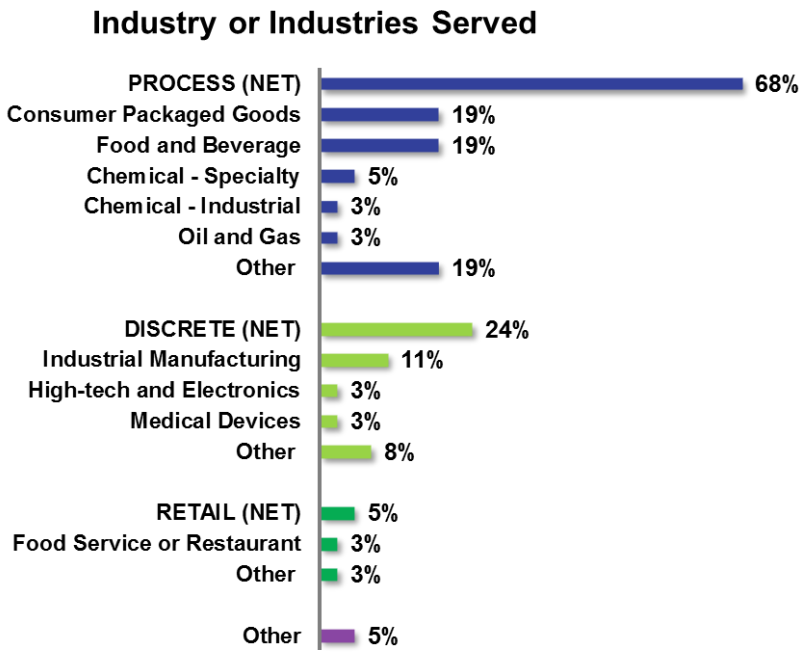
Demographics: Supply Chain Network Design Study

Figure A. Overview of Respondents in the Network Design Study



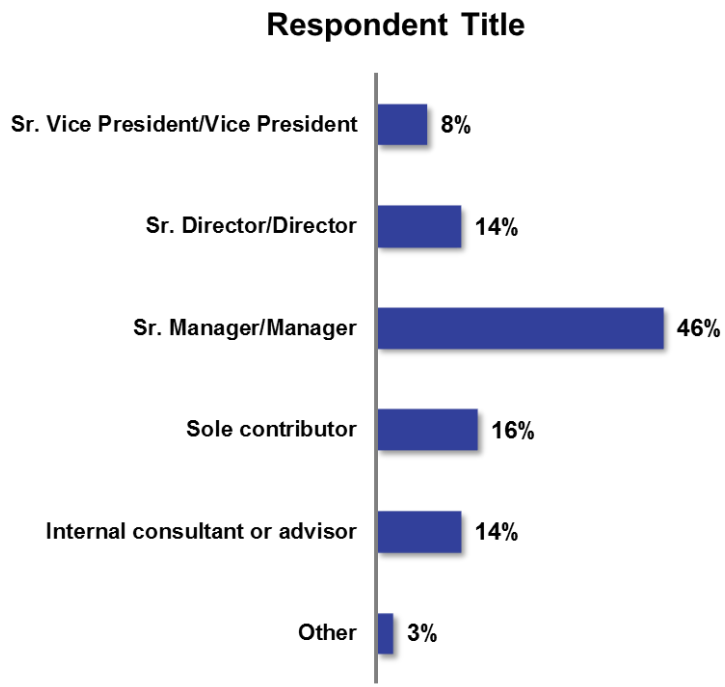
Source: Supply Chain Insights LLC, Network Design Technology Study (May-June 2014)
Base: Manufacturers, Retailers, Wholesalers / Distributors / Co-operatives, and Third Party Logistics Providers who use supply chain network design tools (n=37)
Q1. Which of the following best describes where you work? Please select what fits best, even if the terminology isn't quite right.
Q2. Please pick the one that best defines how your company operates. This is important for classification purposes.
Q18/19. Which industry grouping best defines your company? Please select the one that fits best, even if the terminology isn't quite right.
Q20. Which industry grouping best defines your company? Please select the one that fits best, even if the terminology isn't quite right.
Q21. Which type of industries does your company support? Please select the one that fits best, even if the terminology isn't quite right.

Figure B. Industry Overview of Respondents in the Network Design Study



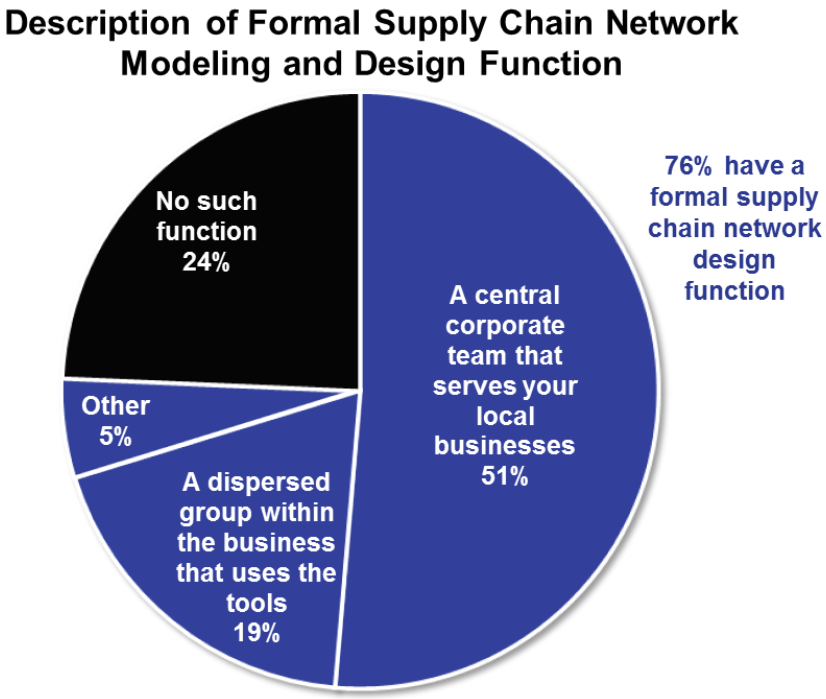
Source: Supply Chain Insights LLC, Network Design Technology Study (May-June 2014)
Base: Manufacturers, Retailers, Wholesalers / Distributors / Co-operatives, and Third Party Logistics Providers who use supply chain network design tools (n=37)
Q18/19. Which industry grouping best defines your company? Please select the one that fits best, even if the terminology isn't quite right. Q20. Which industry grouping best defines your company? Please select the one that fits best, even if the terminology isn't quite right. Q21. Which type of industries does your company support? Please select the one that fits best, even if the terminology isn't quite right.

Figure C. Overview of Respondents by Role in the Network Design Study



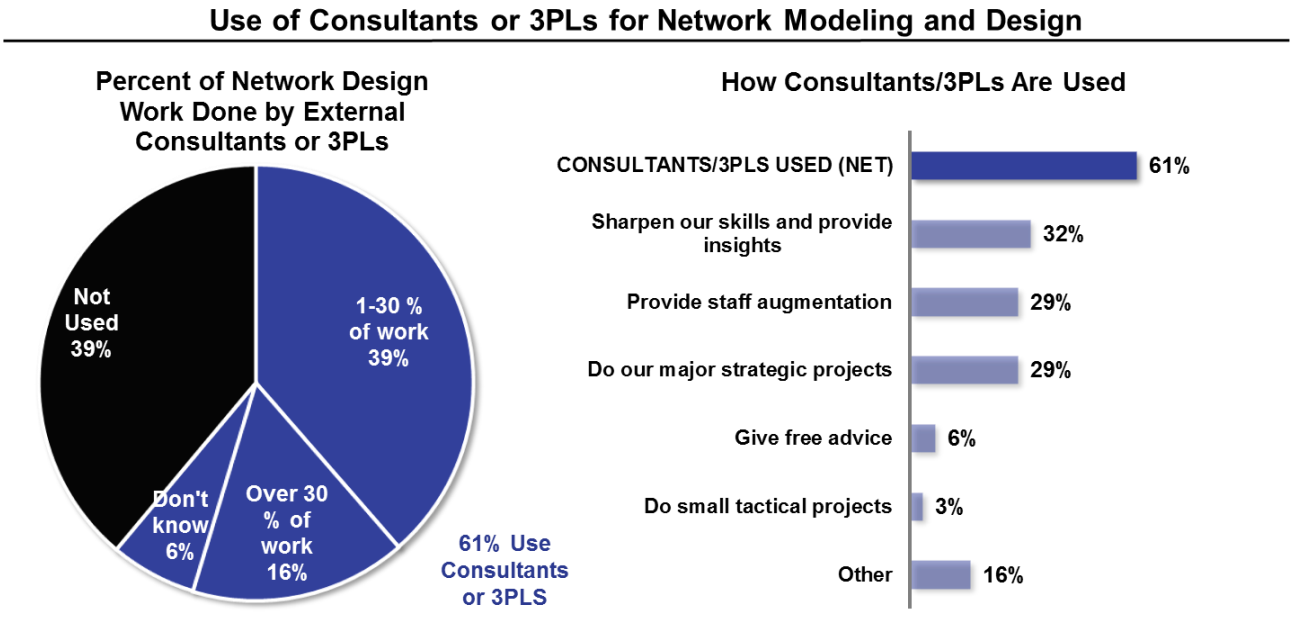
Source: Supply Chain Insights LLC, Network Design Technology Study (May-June 2014)
Base: Manufacturers, Retailers, Wholesalers / Distributors / Co-operatives, and Third Party Logistics Providers who use supply chain network design tools (n=37)
Q22. Please indicate which of the following best describes your current title or position.

Figure D. Definition by Role of Respondents in the Network Design Study



Source: Supply Chain Insights LLC, Network Design Technology Study (May-June 2014)
Base: Manufacturers, Retailers, Wholesalers / Distributors / Co-operatives, and Third Party Logistics Providers who use supply chain network design tools (n=37)
Q4. Does your company have a formal supply chain network modeling and design function?
Q5. Which of the following best describes this supply chain network modeling and design function at your company?

Figure E. Respondents Use of Consultants in the Network Design Study



Source: Supply Chain Insights LLC, Network Design Technology Study (May-June 2014)
Base: Manufacturers, Retailers, Wholesalers / Distributors / Co-operatives who use supply chain network design tools (n=31)
Q10. Does your company use external consultants or 3PLs to provide network modeling and design services?
Q11. How are these external consultants or 3PLs typically used, in terms of network modeling and design? Please select all that apply.
Q12. Approximately what percent of your company's network modeling and design work is done by consultants or 3PLs? NUMERIC ENTRY.

Other Reports on Supply Chain Planning

Voice of the Supply Chain Leader – 2014

Voice of the Supply Chain: Leaders Speak on Technology

Voice of the Supply Chain Leader

Endnotes

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[i] Supply Chain Insights Research Study, Supply Chain Visibility in Business Networks, http://supplychaininsights.com/supply-chain-visibility-in-business-networks/, March 2014

[ii] Supply Chain Insights Research Study, Supply Chain Talent, the Future Missing Link of the Supply Chain, http://supplychaininsights.com/supply-chain-visibility-in-business-networks/, June 2014 – WRONG LINK, WRONG DATE

About Supply Chain Insights LLC

Founded in February, 2012 by Lora Cecere, Supply Chain Insights LLC is focused on delivering **independent, actionable, and objective advice for supply chain leaders**. If you need to know which practices and technologies make the biggest difference to corporate performance, turn to us. We are a company dedicated to this research. We help you understand supply chain trends, evolving technologies and which metrics matter.

About Lora Cecere

Lora Cecere (twitter ID @lcecere) is the Founder of Supply Chain Insights LLC and the author of popular enterprise software blog Supply Chain Shaman currently read by 5,000 supply chain professionals. She also writes as a LinkedIn Influencer and is a contributor for Forbes. Her book, ***Bricks Matter***, (co-authored with Charlie Chase) published on December 26th, 2012. She is currently working on a second book, *Metrics That Matter*, to publish in November, 2014.

With over ten years as a research analyst with **AMR Research, Altimeter Group, and Gartner Group** and now as a Founder of Supply Chain Insights, Lora understands supply chain. She has worked with over 600 companies on their supply chain strategy and speaks at over 50 conferences a year on the evolution of supply chain processes and technologies. Her research is designed for the early adopter seeking first mover advantage.