Drive visibility and efficiency with a supply chain control tower

Supply Chain Management
Understanding the supply chain control tower

Supply chains are struggling to keep up with the pressures of customer expectations, supplier limitations, and crushing customization requirements.

At the same time, executives are seeking new ways to prove supply chains are more than a cost center by illuminating how big a role they play in customer loyalty.

Unfortunately, few companies successfully streamline operations outside their own organization due to the absence of real-time views of their entire supply chain. They struggle to meet tighter delivery windows on-time and in-full (OTIF).

This makes achieving supply chain excellence that much harder, especially when navigating unprecedented levels of supply and demand volatility.

In response, companies must embrace the digital capabilities needed to streamline their supply chains. This includes adopting a supply chain control tower, which helps supply chain professionals overcome visibility challenges, increase efficiency, and improve responsiveness.
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What is a supply chain control tower?

A supply chain control tower involves a combination of people, processes, and technical capabilities to improve a supply chain’s ability to respond and execute. This increases an organization’s ability to sense potentially negative situations by leveraging enhanced visualization, alerts, streamlined processes, aligned decisions across all departments, and insightful analytics.

Control towers can be associated with numerous terms that are often used to describe either their functionality or solution capability.

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Types of control towers available today

While every control tower in the market claims to deliver the ability to act quickly, there are key differences in how they operate. These differences stem from the fact that the control tower vendors have different core focuses (i.e., planning, transportation, etc.) and have stretched these focuses into the control tower market.

As a result, many control towers fail to provide all the pieces needed to create an agile and responsive supply chain: true, real-time, end-to-end visibility; decision support capabilities; and collaborative execution processes that include both internal and external parties and processes.

Supply Chain Control Towers

True supply chain control towers offer end-to-end visibility from planning through execution, process orchestration, and aligned decision making between internal and external supply chain parties.

Analytics Control Towers

Business intelligence companies build these to visually demonstrate supply chain flows and performance, bringing disparate, but often latent data sources together and using AI/ML to gather insights.

Execution Control Towers

These control towers provide a view of transportation flows and are integrated into key transportation execution systems, but they often lack multi-party visibility and upstream collaboration.

Planning Control Towers

Planning companies build control towers on top of their integrated planning solutions and attempt to provide visibility by designing extensive, yet static models that simulate real-world supply chains.

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Visibility is the foundation of every control tower capability. All decisions and responses within the execution window rely on having the right info early and often. Keeping order, shipment, and inventory status updated for all parties to view in real time is paramount to success. This is a core challenge since supply chains are highly complex and can change multiple times per second.

Visibility that utilizes GPS data and IoT can provide real-time updates to orders, shipments, and products. Planning and logistics control towers offer this visibility within their business function but lack insight into other departments.

Analytics control towers attempt to pull data together and present a dashboard view of the supply chain, but still rely on heavy batch updates and data crunching.

Neither of these approaches provide supply chain professionals with the end-to-end breadth of visibility or the real-time status of their supply chain operations they need.

There is only one way to ensure real-time, end-to-end visibility: using a platform that connects internal and external supply chain parties and devices to form a single source of truth that is always up to date and available to everyone involved.

A multi-tenant, multi-enterprise business network leverages a single data model that connects all parties to digital supply chain data and processes that are reflected immediately in the network. High-quality, real-time, shared data is the necessary cornerstone of building a data-centric supply chain that is poised for digital transformation.
Predictive alerting for proactive decision making

Change happens. Despite improvements in supply chain planning, companies cannot plan for an imperfect world. Instead, they must be able to detect change early.

For example, algorithms applied to real-time visibility help predict late shipments before companies receive carrier notices or customer complaints. Those tasked with running the supply chain who can see network inventory levels can monitor demand and supply balance to predict potential stockouts early so as to prevent lost sales.

Predictive alerting is an essential capability to acting quickly. Given the complexity of supply chains and the massive amounts of dynamic data involved, the number of shifts, changes, and signals can be paralyzing.

An essential component of predictive technologies is separating true, actionable signals from noise. Algorithms can use historic supply chain data as well as external sources like weather, carrier updates, sales, and order information to help determine what needs to be addressed or ignored. This keeps team members focused on the most important tasks and avoids time wasted.
Intelligent decision support

Making the best decisions immediately after a problem has been identified requires decision support capabilities. These ensure that your team is focusing on the most urgent and impactful alerts and applying the best solution.

Aggregation is helpful to identify common-cause events impacting multiple shipments and orders. By bundling total risk value or total customer exposure, your team gets a truer picture of how each response compares in order to make the right one.

Prioritization is essential to align resolutions with company strategy, whether it be reducing costs, improving speed and customer service, or some combination of both.

Receiving in-context information is vital to making quick decisions. Bringing relevant information needed to make decisions liberates time from data gathering and allows for instant analysis.

Prescription takes decision making to the next level by leveraging real-time network insights and intelligence to present the next best steps according to both the real-world condition of the supply chain and the company’s goals.
Collaborative execution

Advanced analysis of events and available resolutions require swift execution. Given the high-speed rate of change that many supply chains encounter, delays of days or weeks spent analyzing the right decision can limit available resolutions. This delay throws the entire process back to square one or worse, with no chance to act at all. Companies need to align quickly across internal departments and with external partners to ensure that everyone takes timely action.

Decisions must be swift, collaborative, and immediately reflected. Agile decision making is difficult to do with a static analytical dashboard that requires offline analysis, offline collaboration, and offline execution.

Relying on traditional communication and batch updates puts successful resolution at risk. A connected supply chain network, with shared data, processes, and insights leads to the most effective decisions since all involved can directly work together in-network from a single source of the truth in real time.

“Basically, a supply chain collaboration network (SCCN) that can get data feeds from across the plan, source, make, deliver, risk, and finance categories allows companies to have an end-to-end view of their supply chain...In some cases, collaboration with partners or other internal departments is necessary to make and execute the best decision. Infor enables collaboration and execution with internal and external partners in its SCCN.”

STEVE BANKER
VP Supply Chain Services, ARC Advisory Group
Next steps

There are no magic potions or formulas for turning supply chains into strategic game changers. Conflict and complexity must always be managed.

The best strategy for controlling disruption and turning your supply chain into a powerhouse for your business is to build a supply chain that can act swiftly when new opportunities arise yet is strong enough to overcome big shocks.

Digitally connected supply chains with early, predictive alerting, intelligent decision support, and multi-party collaboration provide the best solution to predict, sense, and respond to the systemic and situational events your team members face.

Leading supply chain companies are constantly looking for new ways to act faster and increase responsiveness to increase sales, reduce costs, and delight customers.

They invest in new technologies, people, and processes in both good times and bad.

An investment in the right control tower solution is the key to transforming the supply chain into the revenue driver executives are craving.

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