



NUCLEUS
RESEARCH

BOOST RESILIENCY WITH THE ONE NETWORK PLANNING SUITE

ANALYST

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THE BOTTOM LINE

One Network's supply chain planning (SCP) solution offers customers real-time insights into their operations and recommends an optimized course of action to stay on top of supply chain changes. The SCP specialist combines sales & operations planning, demand & supply planning, logistics management, and inventory optimization into a unified platform amplified by a prescriptive analytics layer. This layer can run autonomously or manually through prescribed resolutions to provide scenarios and what-if analyses. Nucleus interviewed several One Network customers and found notable benefits, including a 30 percent reduction in inventory levels, a \$1 million cut in operational costs, and an 8 percent decrease in supply costs. With One Network's connected ecosystem, customers are well-positioned to create an optimal procurement, logistics, and customer service-level strategy.

OVERVIEW

As we are exiting the worst effects of the global pandemic, supply chain disruptions and raw material shortages will continue to linger. The ongoing Russian invasion of Ukraine further elevated the operational and financial risks associated with supply chains worldwide. Businesses are in a vulnerable position and face new challenges that increase the probability of massive disruptions and potential insolvency. Supply chain orchestration is becoming increasingly difficult without a dedicated SCP solution that can plan and orchestrate across the whole network, sense future supply constraints, and resolve current supply or capacity issues while continuously optimizing performance. Unfortunately, many organizations still utilize outdated legacy systems, consisting of tedious manual tasks, old batch planning tools, and redundant spreadsheet calculations. This makes forecasting cumbersome, as demand planners only use historical data, leading to inaccurate predictions in an uncertain market. With unreliable forecasts, organizations are experiencing suboptimal service levels, overstock/understock, and high operational costs. Interviewed procurement managers often share their frustration that they operate blindly and cannot keep up with demand swings.

SCP solution providers, such as One Network, provide organizations with the ability to sense and visualize future capacity and supply constraints along with the agility to adjust operations quickly and avoid costly disruptions. Following a holistic data-driven approach, users can mitigate most of the risks associated with today's fast-paced supply chain environments. One Network equips businesses with comprehensive capabilities, including AI-based autonomous and interactive decision making, prescriptive analytics, sales & operational planning (S&OP), forecasting, multi-tier supply optimization, and machine learning algorithms to optimize operations while synchronizing planning and execution in real-time. Supported by a single version of the truth of near real-time data across the entire trading community, One Network combines all data available on the digital network to meet customer demand while reducing costs for all parties in the community.

ONE NETWORK

Founded in 2002, One Network is a leading SCP solutions vendor recognized for its usability and functionality. (Nucleus Research W38 – Supply Chain Planning Technology Value Matrix 2022 – March 2022) The vendor offers SCP solutions to organizations across various industries, such as retail, food services, consumer goods, automotive, manufacturing, healthcare, public sector, aerospace, defense, and logistics. The NEO Platform, One Network's supply chain planning and execution platform, consolidates sales and operations planning (S&OP), demand planning, supply planning, logistics management, and inventory optimization into an integrated system.

One Network's Digital Supply Chain Network is 90,000 trading partners strong, and runs forecasts and execution plans across the user's network ecosystem automatically. This multi-party, multi-tier network representation enables organizations to solve supply chain problems at any stage across all trading partners and customers. Since One Network can eliminate system-related lead times, all parties can work on the same real-time view of the supply/demand match across all network nodes for improved collaboration. With 80 percent of the trading partner ecosystem typically being external to the brand owner, this is a critical capability to orchestrate upstream and downstream operations.

NEO, One Network's AI/ML technology used to deliver the smart prescriptions, enables users to automate the decision-making process of supply chain management. NEO leverages network and trading partner data to recommend and execute an optimal course of action that supports complex and erratic supply chains. Users can define multiple network-wide performance metrics for NEO to maximize, such as on-time in-full deliveries (OTIF), while optimizing for local objectives such as asset utilization, labor efficiency, or inventory turns. NEO will present exceptions, problems, and potential issues to users via a workbench. With NEO's recommended resolutions, users can then choose and collaborate with relevant trading partners on the best path forward. Equipped with sophisticated forecasting tools, real-time insights, decision support, and decision execution, organizations bridge the gap between planning and execution.

The Digital Supply Chain Network provides updates from internal legacy systems and the systems of trading partners. In addition, NEO ingests real-time data from IoT devices, such as telematics or other tracking systems, along with third-party data feeds like weather and industry data sources. NEO empowers users with the ability to take real-time feeds and leverage that data to adjust plans and execution to ensure all plans are executable, delivering on the service level goals at the lowest costs.

**One customer decreased
its annual inventory
costs by 30 percent**

TYPICAL BENEFITS

Nucleus interviewed several One Network customers to identify the key benefits realized post-deployment. Users benefitted from improved organizational visibility, increased productivity, and reduced operational costs.

- **Improved organizational visibility.** One Network breaks down an organization's data siloes and consolidates information gathered across the entire supply chain. The NEO platform integrates internal and external data, such as trading partner capacity, lead times, inventory levels, and financials. Multi-party visibility to future constraints enables supplier resilience, and multi-tier optimization allows for reduced revenue backlog and greater customer service levels. Interviewed customers reported improved organizational visibility, which led to more accurate forecasting and shorter lead times. One customer increased its forecasting frequency from once per year to a weekly basis with greater access to trading partners and third-party data sources.
- **Increased productivity.** One Network eliminates tedious manual data consolidation tasks by automatically synchronizing information from various sources, such as ERP, BI, CRM, and other third-party applications. With improved organizational visibility and self-reporting capabilities, functional departments can collaborate more effectively and reduce reporting process times. Automated processes such as autonomous forecasting and AI prescriptive actions enable users to conduct more granular and accurate forecasts at a higher frequency while simultaneously reducing overall processing times.
- **Reduced operational costs.** As a result of improved organizational visibility and increased productivity, organizations can substantially reduce operating costs. Streamlined demand planning processes and increased forecast accuracy enables companies to adjust operations when necessary. One Network's sophisticated prescriptive capabilities allow organizations to create flexible plans to orchestrate demand, supply, inventory levels, and transportation to achieve near-perfect fill rates, lower inventory levels, and reduced wastage. Customers reported an 8 percent decrease in supply costs, a 30 percent reduction in inventory levels, and an estimated \$1 million in annual cost savings.

CUSTOMER PROFILES

RESTAURANT HOLDING COMPANY

This organization is one of the largest restaurant holding companies globally, with over 1400 restaurants in almost 20 countries. Prior to One Network, the casual dining business had been operating blindly without a dedicated demand planning system and could not supply all its dining facilities. Demand planning consisted of tedious manual tasks and spreadsheet calculations, which only utilized historical data as inputs from the ERP system. With inaccurate forecasts, the company experienced stockouts which forced certain restaurant locations to close, while in other locations, it had overstock, which led to high inventory

costs. This prompted management to replace its legacy system with an SCP solution. Several alternatives were considered, such as SAP and an in-house application, but One Network was chosen due to its extensible architecture.

After a one-year implementation process, the restaurant chain business immediately improved its forecasting accuracy through AI-based autonomous forecast management.

Due to the complex nature of the business, the organization was only able to conduct forecasts once a year before the SCP implementation.

Now with One Network, it can produce granular estimates weekly with autonomous forecasting and eliminated information lead time. This means updated plans are created by driving the forecast upstream through the bill of recipe across all suppliers in real-time. This generated value at the restaurants in terms of greatly increased forecast accuracy, the ability of the restaurant managers to focus on customers

versus forecasting, and an 8 percent cost improvement from suppliers due to a reduction in variability. Empowered by accurate and autonomous forecasting and multi-echelon inventory planning capabilities, the organization optimized inventory levels for an estimated \$1 million in cost savings every year.

Conduct autonomous forecasts that propagate upstream in real-time

AUTOMOTIVE PARTS SUPPLIER

Founded at the beginning of the 20th century, this automotive parts supplier operates facilities in over 30 countries. The supplier previously faced challenges in sourcing materials for its extensive portfolio of automotive parts and required an SCP solution to meet its high standard of service levels. The organization lacked sufficient forecasting capabilities and only utilized historical data in its manual Excel spreadsheet calculations. As a result, the supplier had trouble reacting to changes in the supply chain and experienced suboptimal service levels. The company overcompensated and increased its stock to prevent stockouts, leading to higher inventory costs.

The organization decided to upgrade its demand planning process and implement an SCP solution. Several alternatives, such as Oracle, SAP, QAD, and Kinaxis, were considered during the request for proposal process (RFP). Ultimately, One Network was chosen due to its out-of-the-box functionalities and comprehensive logistics management capabilities. After the initial implementation, the organization improved the workloads across individual plants and synchronized its entire supply chain. With greater forecasting accuracy and real-time insights, the supplier improved its service levels while reducing its inventory costs by 30 percent.

WHY IT MATTERS

Unfortunately, the global pandemic, economic recession, and geopolitical events will continue to impact global supply chains negatively. To stay competitive and keep up with the ever-changing landscape of supply chains, organizations need to implement a holistic, data-driven strategy to supply chain management. Manual spreadsheet calculations and Min/Max forecasts no longer cut it. Dedicated SCP solutions, such as One Network's NEO Platform, empower companies to increase their service levels while reducing inventory and logistic costs.

One Network enables companies to shift from a reactive to a proactive supply chain management approach and provides much-needed visibility to capacity and supply constraints and the agility to keep up with demand swings. Procurement managers no longer have to operate blindly, as they can take advantage of the unique vantage point an extensive network of over 90,000 trading partners provides. As IoT, AI, and 5G technology becomes more economical, organizations can further improve their supply chain resilience by integrating smart devices across the entire supply chain. This provides real-time insights at individual stages and offers the opportunity to maximize performance.

With One Network's embedded Control Tower functionality, NEO's AI capability creates a workflow that keeps planners engaged throughout the entire problem, ensuring execution is performed across orders, logistics, and supply processes. Nucleus found One Network's combination of SCP and Control Tower to reduce planner cycle time and headcount, with similar benefits propagating to supply chain execution personnel, such as buyers, dock schedulers, and expeditors. Nucleus expects One Network to maintain its position as a leading SCP and Control Tower vendor and further invest in its AI/ML models. (Nucleus Research V146 – *Control Tower Technology Value Matrix 2022*, September 2021) One of the vendor's focus areas is to provide enhanced demand segmentation capabilities, such as lead times, product categories, and customer type configurations, to help companies construct more granular S&OP strategies.