

Experience the power of SAP Integrated Business Planning for Supply Chain

Harnessing artificial intelligence for smarter decision-making



Power more strategic planning for risk resiliency

SAP Integrated Business Planning for Supply Chain (SAP IBP) is an AI-enabled cloud solution that provides comprehensive capabilities for demand, inventory, supply, and sales and operations planning. It offers advanced predictive analytics and simulation capabilities to optimize decision-making and improve business performance. With **real-time insights and intelligent automation**, your business is better able to streamline operations, boost collaboration, and drive profitability.

SAP IBP addresses supply chain risk by leveraging advanced analytics to continuously monitor and assess potential disruptions. By utilizing AI-driven algorithms, it can help you predict and mitigate supply chain disruptions by identifying potential risks in real time and recommending actions to minimize their impact. This helps your business become more risk resilient by enabling you to proactively respond to potential disruptions such as

supplier delays or natural disasters before they escalate into major issues. SAP IBP also facilitates scenario planning, letting businesses evaluate the potential impact of different risk factors and develop contingency plans. By leveraging AI technology, SAP IBP helps you better manage supply chain risk and become more agile and responsive in the face of unexpected events.

Leverage the power of business AI

SAP IBP leverages artificial intelligence (AI) to enhance forecasting accuracy, optimize inventory levels, and automate business processes. AI algorithms analyze historical data, market trends, and external factors to generate more-accurate demand forecasts. This enables better decision-making and improved supply chain performance. Additionally, AI-enabled capabilities within SAP IBP help identify potential risks and opportunities, and suggest optimal solutions for demand and supply planning (see Figure 1). By using AI and predictive analytics, SAP IBP empowers your organization to make data-driven decisions, streamline operations, and adapt to changing market conditions more effectively. This ultimately leads to improved risk resiliency, cost savings, and higher customer satisfaction.

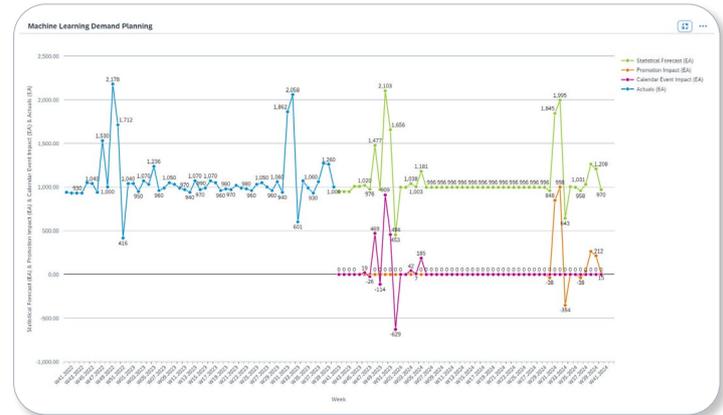


Figure 1: AI-enabled demand planning

Run real-time scenarios and simulations and gain deep insights with **business AI and predictive analytics.**

Unify sales and operations planning

The SAP Integrated Business Planning application for sales and operations supports sales and operations planning methodologies across functions within the enterprise to drive an optimal business plan that is operationally feasible, financially viable, and aligned with the enterprise's goals

and objectives. You can balance inventory, service levels, and profitability in a collaborative, cross-functional business process. Model various business alternatives, create and optimize business plans, and combine input from multiple constituencies (see Figure 2). Consider budget and technical implications at each step along the way and get management buy-in and approvals. And as business conditions change, you can revise plans, increase planning speed and agility, drive profitable decisions, and meet financial targets.

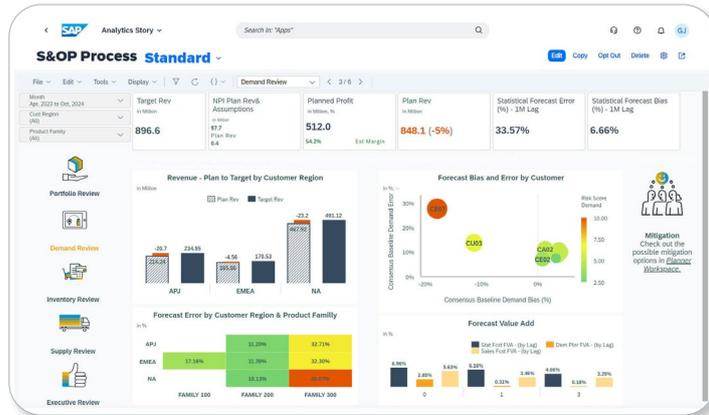


Figure 2: Sales and operations planning process

Give planners what they need to spend less time on routine problems and more time on **strategic and value-added activities**.

Enable the full range of demand and forecast management

AI-based forecasting is the foundation of SAP's demand management functionality. This provides demand transparency across the planning spectrum, from short-term and midterm to longer-term, more-strategic forecasting. You can develop accurate long-term forecasts with advanced algorithms, using both internal and external data, while short-term forecasting algorithms allow you to react quickly to immediate changes (see Figure 3). SAP IBP lets you incorporate business intelligence, enables planning segmentation, and fosters collaboration among groups ranging from marketing to sales and demand planners. As a result, you can look and plan ahead while also reacting with speed and agility to changes as they happen.

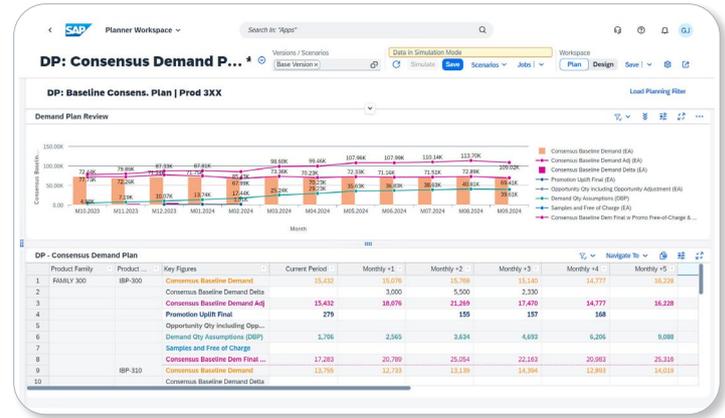


Figure 3: Consensus demand planning

Evaluate plans and their potential impacts on customer service and working capital investments.

Optimize response and supply planning

Response and supply planning functionality in SAP IBP help you meet customer demands and improve resource efficiency. Create plans based on prioritized demands, allocations, and optimized supply chain constraints (see Figure 4). SAP IBP supports tactical, rough-cut supply planning as well as operational supply planning for the

sales and operations execution process. It also enables scenario planning and what-if analysis of actual or hypothetical changes. You can quickly match supply and demand, responding to changes in the network. Along with reconfirming sales orders, you can take advantage of pegging and gating-factor analysis to determine the root cause of late or unmet demands.

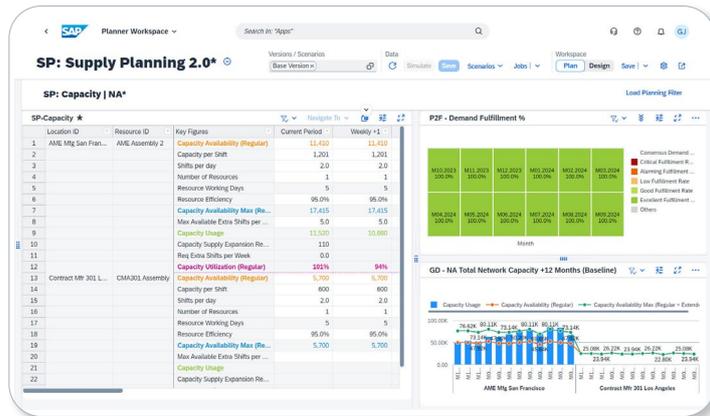


Figure 4: Supply planning

Sophisticated algorithms help satisfy demand requirements, providing a material- and capacity-constrained plan. You can also use heuristics to create an unconstrained demand propagation and identify bottlenecks quickly, or optionally turn constraints on or off using switches. Perform rules-driven or constrained optimization that factors in production capacity and costs, including storage, procurement, and transportation. Generate and share allocations for live available-to-promise processes, reschedule sales orders, and create deployment and load built plans that account for modeled supply chain constraints.

Support inventory planning and multistage optimization

With SAP IBP, you can connect, integrate, and coordinate inventory planning throughout your organization and address uncertainty across the extended supply chain. The solution optimizes your network simultaneously, recommending ideal target stock levels for distribution and production nodes in the network (see Figure 5). This extends across the bill of materials to include raw materials, components, and semifinished and completed products. You can establish optimal inventory targets to help maximize profits while buffering to absorb variability in demand and supply. Multistage optimization enables coordinated planning across the organization and the supply chain, eliminating overbuffering and helping to ensure you meet service objectives while optimizing inventory investment levels. You can factor in various planning parameters, from internal service-level requirements, production and transportation lead times, and biased demand to forecast errors, outlier sales, and seasonality.

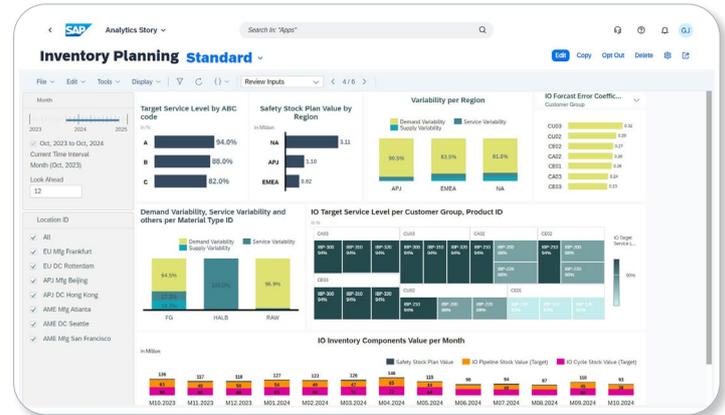


Figure 5: Inventory planning

Strike the right balance to increase revenue along with inventory turn rates and customer service levels.

Gain a robust supply chain with an intelligent control tower

Using SAP IBP with the SAP Supply Chain Control Tower solution lets you consider internal and external events affecting the supply chain (see Figure 6). You can detect and analyze the impact these have on business outcomes and provide intelligent recommendations to deal with

them. SAP Supply Chain Control Tower provides intelligent visibility across the supply chain and supports AI-based outlier detection. It enables the supply chain analysts to view and monitor the supply chain as a network and manage the exceptions that impact performance. You can improve supply chain performance by monitoring, performing root-cause analysis, and responding to supply chain events with configurable alerts for faster decision-making and corrective actions and for greater visibility.

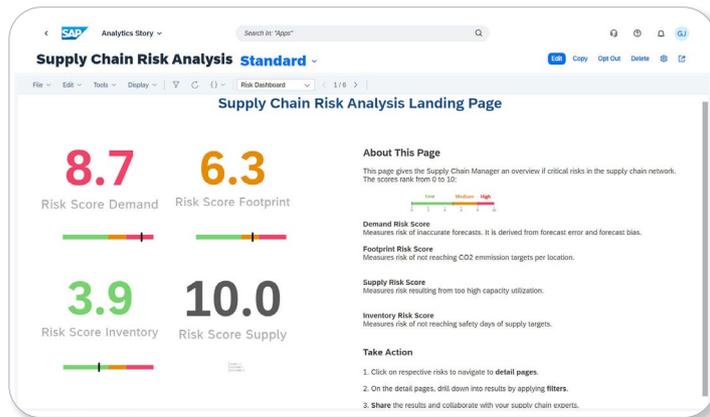


Figure 6: Supply chain risk analysis overview

Overall, SAP Supply Chain Control Tower helps your company's supply chain become less fragile. It's a cornerstone for coping better with uncertainties and being more responsive to supply chain disruptions.

Empower planners to do more in less time

SAP IBP allows you to extend your planning beyond your organization by collaborating with suppliers to align goals and capacity constraints. Improve sustainability by optimizing inbound and outbound deliveries to reduce waste and minimize obsolete inventory. Leverage data on risk and uncertainty within your ecosystem to better understand potential disruptions and their impact (see Figure 7).

With SAP IBP, you can use advanced analytics and business AI to predict demand, plan supply, and build production efficiency. By connecting financial and operational data, you can develop aligned plans to protect your bottom line, hit your top line, and enhance customer satisfaction. SAP IBP provides real-time visibility and execution to align strategic and operational planning efficiently and transform your supply chain into an intelligent and resilient powerhouse.

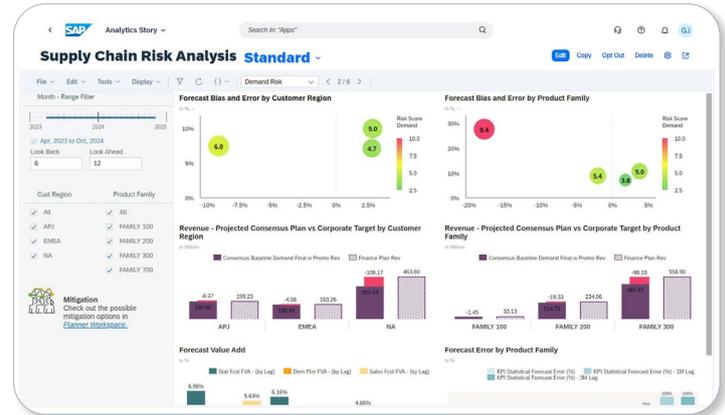


Figure 7: Supply chain risk analysis



Summary

Take advantage of predictive analytics and business AI, what-if simulations, and alerts to mitigate risk and transform your supply chain into an intelligent and resilient powerhouse with SAP Integrated Business Planning for Supply Chain. Integrated with SAP S/4HANA, the cloud solution combines sales and operations, forecasting and demand, response and supply, and inventory planning with SAP Supply Chain Control Tower to enable intelligent visibility.

Objectives

- Eliminate disconnected, sequential activities
- Streamline and automate planning processes and eliminate manual tasks
- Improve responsiveness and AI-enabled decision-making
- Synchronize with other parts of the business to respond instantly to changing demand

Solution

- Support for integrated sales and operations; forecasting and demand; response and supply; and inventory planning
- Connection with SAP Supply Chain Control Tower for intelligent visibility across the supply chain
- Supply chain analytics, what-if simulation and alerts, and statistical modeling
- Advanced algorithms and business AI

Benefits

- Gain better visibility to enable anticipating and mitigating risk
- Unify and automate processes for synchronized planning
- Make decisions and seize opportunities faster
- Increase revenues and inventory turns, reduce inventory costs, and improve customer service



Learn more

To find out more, call your SAP representative today or visit the [SAP Integrated Business Planning for Supply Chain](#) page.