

Mastering the Art and Science of Collaboration in the Era of Resilient Supply Chains

In the complex landscape of global supply chains, organizations face economic fluctuations, geopolitical tensions, legislative changes, and a tightening labor market. Traditional planning methods need help to adapt to this evolving terrain. Collaborative Planning, complemented by advanced analytics, emerges as a solution.

This white paper explores the dynamic world of modern supply chains, illustrating how Collaborative Planning, backed by analytical insights, fortifies supply chains, ensuring efficient and effective product delivery. It delves into the complexities of the global supply chain ecosystem, highlighting shortcomings of traditional planning methods and emphasizing the need for agile and resilient systems.

The paper introduces Collaborative Planning as a remedy for fragmented supply chain networks, enabling alignment and fostering a culture of excellence. It provides insights into key stages of the Collaborative Planning process, showcasing advantages such as reduced disruptions and enhanced operational efficiency.

Additionally, it underscores the importance of Collaborative Planning in known events, like promotions and unforeseen disruptions. Real-world examples demonstrate how Collaborative Planning frameworks yield significant benefits, including expense reduction, revenue increase, and improved profitability.

Finally, the white paper emphasizes a growth mindset. Reflecting on challenges, gathering feedback, and fostering open discussions can enhance the supply chain's resilience and efficiency. By viewing the supply chain as a cohesive network, businesses can achieve their objectives and consistently exceed expectations.

Let's explore the dynamic world of modern supply chains, where we'll discover how this innovative approach fortifies your supply chain, ensuring efficient and effective product delivery.



Challenges in Traditional Supply Chain Planning

Organizations with fragmented and siloed supply chain networks often face misaligned objectives and disjointed decision-making processes. This can result in excess inventory, stockouts, imbalanced inventory levels, lost sales, and unnecessary expenses. Relying on one-to-one communication within the network exacerbates these inefficiencies. Revising the approach to increasing transparency, clarity, mutual understanding, and meaningful connections is crucial to address this.

While advanced technologies play a crucial role, there are other solutions to meet business goals in this ever-changing landscape of consumer behavior and economics.

The Collaborative Planning Advantage

Adopting a collaborative planning supply chain operating model is essential to build a resilient supply chain that can withstand risks, optimize the flow of goods, and support integrated business plans. This interconnected ecosystem ensures that all partners are well-prepared to support the integrated business plan and tackle challenges as they arise. This collaborative planning practice, in essence, fills the gap between S&OP and S&OE, being some of the well-established internal business planning processes.

So, how do these collaborative planning teams deliver superior results? When every supply chain partner comes together, sharing their diverse perspectives, robust solutions for business needs and consumer demand emerge. Achieving alignment, accountability, and shared commitment to excellence creates a stronger system. This system operates cohesively as partners gain clarity on the aligned integrated business demand plan and collectively decide on the best approach for managing the flow of goods from suppliers to retail locations.

Implementing Collaborative Planning Frameworks

For example, HAVI, a global supply chain management company, utilizes a collaborative planning framework powered by CPFR^[1] to effectively close the gap between S&OP and S&OE. This comprehensive system includes promotional events, sourcing, and contingency incidents. By implementing this benchmark integrated planning model, HAVI has seen reduced supply chain

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disruptions and increased agility and resiliency in the supply chains they support. Numerous studies consistently demonstrate that an integrated supply chain leads to cost reduction, operational efficiency, higher sales, maximized revenues, and improved profitability ^[2].

The Collaborative Planning Process in Action

The collaborative planning process unfolds in several key stages:

- 1. Strategy & Planning:** During this stage, partners review the aligned, integrated business plan and assess its impact on the supply chain. CPFR teams are activated to execute the plan, and collaborative decisions are made to enhance existing practices.
- 2. Demand & Supply Management:** In Strategic Supply Meetings, partners collaboratively align on the most effective production and logistics approaches to meet expected consumer demand.
- 3. Execution:** As the event begins, partners collectively evaluate actual sales against projected demand. They prepare aligned replenishment plans to ensure inventory continuity and supply to retail locations.
- 4. Analysis:** At the event's conclusion, partners review performance metrics and collaboration practices, identifying areas for improvement in future operations to enhance supply chain effectiveness.

Empowering Supply Chain Excellence

Traditional supply chains often rely on one-on-one communication, leading to inefficiencies as information is shared among multiple stakeholders. Collaborative planning addresses this challenge.

Collaborative planning is adaptable and can be activated for various events, including promotions, network optimization deployments, product specification changes, and more. Most importantly, it is

² “Linking CPFR and S&OP: a roadmap to Integrated Business Planning,” 2010 Voluntary Interindustry Commerce Solutions (VICS); “The Collaboration Index,” International Journal of Physical Distribution & Logistics Management Vol. 35 No. 1, 2005 pp. 44-62; www.emeraldinsight.com/0960-0035.htm



designed to support the business plan and goals. Organizations bridge the gap between internal plans and strategic supply chain strategies by engaging in collaborative planning meetings. Leveraging the collective intelligence of partners yields robust solutions for supply continuity. Partners are empowered to voice concerns, foster healthy debate, and take action to deliver optimal outcomes.

For example, a leading quick-service restaurant company effectively employed the Collaborative Planning Event team framework to prepare for an upcoming summer promotional food event. During the strategic planning meeting, a transportation partner identified a potential issue with product temperature specifications that could jeopardize the pipeline fill plan. Proactive adjustments were made to accommodate variant temperature requirements between transportation and retail delivery. As a result, products were delivered to warehouses as planned, avoiding losses or compromises and minimizing risks to sales ^[3]. This practice has since been replicated and integrated into normal operations.

Collaborative Planning for Contingency Incidents

When unforeseen supply chain risks arise, it's crucial to have a plan to ensure operations continuity. This is especially important in today's volatile demand and fragile supply chain landscape. Collaborative planning for contingency incidents establishes an on-call system that swiftly addresses immediate needs and resolves problems. Partners collectively assess vulnerabilities, evaluate action plans, and unite as one cohesive supply chain. Time is of the essence during these incidents, so collaborative planning ensures all affected partners have the same information and prioritize actions.

In early 2023, HAVI's advanced analytical risk management system identified a supplier performance issue that threatened assured supply ^[4]. A collaborative contingency team was activated, aligning all system partners to mitigate the risks. The team identified hypersensitive areas in real-time, allowing for a strategy that restored normal operations within one day. This ensured a continuous supply and met customer needs.

³ Demonstrated Results for Events: Data based on 2022 event managed by HAVI and a major foodservice customer.

⁴ Demonstrated results for Contingency event: Data based on 2023 results for risks mitigated by HAVI and a major foodservice customer.

Advancing Supply Chain Capabilities Through Collaboration

Executing promotional events, adapting to supply chain changes, and recovering from disruptions all present valuable learning opportunities. Do you take the time to reflect, analyze root causes, and adjust your practices to avoid similar situations?

Evaluating and understanding your supply chain's performance as an integrated value chain offers significant benefits. It helps you achieve your business objectives and advances your journey toward a more perfect supply chain. After each collaborative planning session, all participating partners engage in a formal post-analysis meeting. During this review, predefined metrics are examined, and activities driving outcomes are analyzed.

By fostering a culture of continuous feedback and learning, you pave the way for the evolution of your supply chain system. These interconnected teams build trust, transparency, and a shared commitment to elevate operations to the next level of maturity. Collaborative meetings also provide a platform for recognizing achievements and innovative thinking and cataloguing best practices for future use.

Synergizing Human Expertise and Digital Precision for Supply Chain Excellence

A resilient supply chain must be prepared to adapt to evolving customer demands and external factors in a volatile, uncertain, complex, and ambiguous world. Time is crucial.

Collaborative planning combines human expertise with process to create a robust supply chain that delivers optimal results. This inclusive supply chain community translates your integrated business plan into impact throughout the entire ecosystem, efficiently getting your product into customers' hands and maximizing revenues. Fusing the collaborative planning process with people's expertise leads to supply chain excellence.



Call to Action: Elevate Your Supply Chain with Collaborative Planning

To achieve supply chain excellence in an evolving world, embrace collaborative planning. Here's how you can act:

- **Assess Your Current Supply Chain:** Evaluate existing operations and identify inefficiencies and challenges.
- **Explore Collaborative Planning:** Understand how collaborative planning addresses supply chain pain points and drives positive outcomes.
- **Cultivate a Collaborative Culture:** Foster an environment of open communication, knowledge sharing, and teamwork.
- **Learn from Success Stories:** Study inspiring examples to gain insights into the transformative power of collaborative planning.
- **Get Started:** Partner with experts who guide you through implementing the right solutions for supply chain excellence.

By taking these actions, you fortify your supply chain, unlock growth and efficiency, and proactively drive change with collaborative planning.

About HAVI

HAVI is a global, privately owned company that connects people with ideas, data with insights, supply with demand, restaurants with deliveries and ultimately, people with the products they love. Whether we are sourcing, storing or delivering products, we bring unmatched category expertise and unrivaled operational excellence, combined with powerful digital analytics and insights. Founded in 1974, HAVI employs more than 10,000 people and serves customers in more than 100 countries. HAVI's business units include Supply Chain, tms and Stanley. Our portfolio of businesses offers best-in-class sourcing and supply chain capabilities, brand defining marketing and promotion services and innovative consumer products. For more information, please visit [HAVI.com](https://www.havi.com), [tmsw.com](https://www.tmsw.com) and [stanley1913.com](https://www.stanley1913.com).