

# IDC MarketScape: Worldwide Holistic Supply Chain Planning 2022 Vendor Assessment

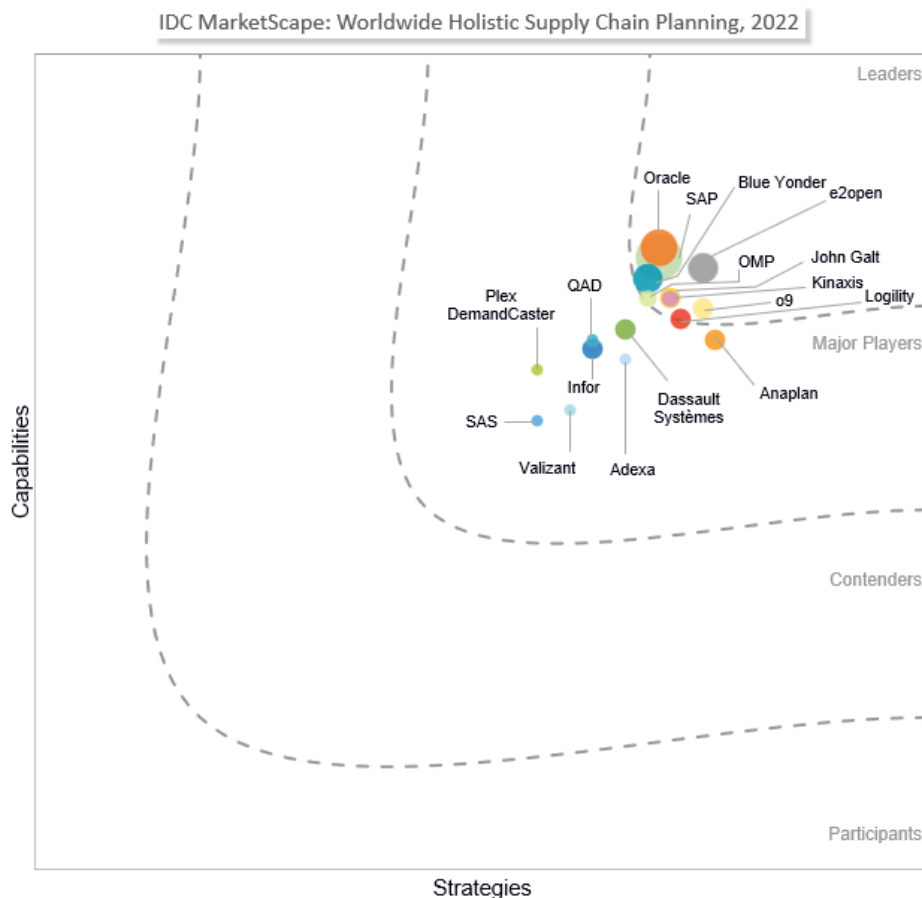
Simon Ellis

THIS IDC MARKETSCOPE EXCERPT FEATURES SAP

## IDC MARKETSCOPE FIGURE

FIGURE 1

### IDC MarketScape Worldwide Holistic Supply Chain Planning Vendor Assessment



Source: IDC, 2022

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Worldwide Holistic Supply Chain Planning 2022 Vendor Assessment (Doc # US49578717). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the holistic supply chain planning (SCP) space and help assess current and anticipated performance in the marketplace. Supply chain planning has become both central and critical to the success of the resilient supply chain. This IDC study assesses the capabilities and business strategies of 17 key vendors with broad competencies in overall supply chain planning. This evaluation is based on a comprehensive framework and set of parameters expected to be conducive to success in providing organizations with insight into supply chain planning tools. Key findings include:

- IDC Manufacturing Insights defines holistic supply chain planning as the broad process by which supply chain organizations anticipate demand for their products and services, ensure that the supply of components and materials is adequate to meet that demand, ensure that inventory levels at all point of the supply chain are optimized, and then develop a consensus plan that balances demand and supply through sales and operations planning.
- Growing complexity in the supply chain, particularly increasingly diverse offshore sourcing, has made supply chain planning much more challenging. Combined with larger forecast error and a lack of complete insight into supply opportunities and constraints, the need for competent, overall supply chain planning applications is central to the success of the broader supply chain.
- Each vendor included in this IDC MarketScape offers and has displayed demonstrable competency in the field of supply chain planning, and IDC would not hesitate to recommend any of it in the evaluation process.
- The criteria used in this IDC MarketScape (and resulting position in Figure 1) are across the dual dimensions of strategies (future plans and where the vendor is headed) and capabilities (where the vendor is today in terms of capabilities). Each of the elements within strategy and capability is then assigned a weighting based on the relative importance of each criterion in the opinion of IDC Manufacturing insights and feedback from client references and discussions.
- This IDC MarketScape is a starting point for manufacturers that are considering purchasing a supply chain planning application or suite, either for the first time or as a replacement for something they already own. The vendors included represent a "short list" – a way to winnow down the long list of service providers, both big and small, in the marketplace. It does not replace the due diligence that companies must then do to evaluate which vendor is the right fit for their needs and circumstances.

The supply chain, whether you are a manufacturer, retailer, wholesaler, or something else, is now a critical function for companies to realize their business aspirations. It is a competitive weapon in the modern digital economy. Advanced supply chain capabilities can enable more efficient and effective

business approaches and support new business models that translate directly to business performance that is tangible and measurable. More importantly, these capabilities transition the supply chain from one that is a "cost center" to one that is an "opportunity center."

The role of supply chain planning is critical to the overall performance of the supply chain. IDC has long evangelized the notion of a singular, integrated supply chain planning facility, which we view as central to an intelligent digital supply chain evolution, but it is also now much more than that, with necessary connections to product design, manufacturing, and supply chain execution. Integrated business planning is the holistic business process that connects all the various planning functions across the supply chain including demand planning, supply planning, inventory optimization, and sales and operations planning (S&OP).

## IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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The supply chain, whether you are a manufacturer, retailer, or wholesaler, is a critical function for companies to realize their business aspirations. Issues faced by supply chains over the past three years of the global COVID-19 pandemic have reinforced that if the supply chain doesn't work, the business doesn't work. Indeed, modern supply chain capabilities can enable more efficient and effective business approaches to better handle challenges and disruptions and support new business models that translate directly to business performance that is tangible and measurable. In IDC's 2022 *Supply Chain Survey*, one of the more persistent and problematic gaps identified by supply chain practitioners was that *a lack of digital competencies limits the ability to transition the supply chain to new business models*. At IDC, we have noted in the past that the most successful businesses have transitioned the supply chain from one that is a "cost center" to one that is an "opportunity center."

IDC has long evangelized the notion of a singular, integrated supply chain planning facility, which we view as central to an intelligent digital supply chain evolution, but it is also now much more than that, with necessary connections to product design, manufacturing, and supply chain execution (SCE). Integrated business planning (IBP) is the holistic business process that connects all the various planning functions across the supply chain including demand planning, supply planning, inventory optimization, and sales and operations planning.

This document covers key vendors specifically in the overall, or holistic, supply chain planning. Indeed, there are numerous vendors offering capabilities to the market, and we would judge the space to be generally mature. This does not mean that there is no innovation, rather that the foundational capabilities necessary for a competent supply chain planning tool are now table stakes.

The intent with this IDC MarketScope is to focus on those notable vendors that offer broad supply chain planning capabilities. Each of the 17 vendors included in this document meet this requirement, with the following criteria to guide inclusion:

- Vendors must have a global presence, with engagements in at least two major geographic regions.
- Vendors must have industry breadth, with engagements in manufacturing and at least one additional industry (retail, life sciences, wholesale, etc.).
- Vendors must have been offering supply chain planning tools for at least five years.
- Vendors must have at least 10 referenceable client engagements.

Although overall revenue is not an inclusion/exclusion criterion, it is a component of evaluation as a measure of the ability for a vendor to scale. The supply chain application space has a longtail, with scores of companies offering capabilities. For the purposes of this document, we have focused on those that we deem to be notable, with all falling into either the Leader or Major Player categories.

## ADVICE FOR TECHNOLOGY BUYERS

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Holistic supply chain planning is a critical capability in the resilient supply chain. The ability to pair an accurate demand forecast to a credible supply-side plan, while optimizing necessary inventory positions, and then agreeing to a consensus plan through S&OP are all critical components in managing an efficient and effective supply chain organization and can be the difference between meeting or not meeting customer expectations for service and quality. As we noted at the outset of this document, supply chain planning has been around for a long time and is a generally mature application space. This does not mean, however, that progress or innovation has remained static; indeed, in the 17 vendor profiles discussed in this document, the level of capability and innovation far outstrips what was available even three years ago – whether in terms of planning frequency, the use of both broad and deep data sets, extended collaboration, or the use of new technologies such as artificial intelligence (AI) or machine learning (ML).

For more depth into either demand planning, supply planning, S&OP, or inventory optimization, see the following companion IDC MarketScape documents:

- *IDC MarketScape: Worldwide Supply Chain Demand Planning 2022 Vendor Assessment* (IDC #US47619722, September 2022)
- *IDC MarketScape: Worldwide Supply Chain Sales and Operations Planning 2022 Vendor Assessment* (IDC #US49568417, September 2022)
- *IDC MarketScape: Worldwide Supply Chain Inventory Optimization 2022 Vendor Assessment* (IDC #US49568517, forthcoming)
- *IDC MarketScape: Worldwide Supply Chain Supply Planning 2022 Vendor Assessment* (IDC #US47620822, forthcoming)

One important consideration is that supply chain organizations are faced with the choice of whether to continue with point/narrow focus applications or move to an integrated supply chain management suite. The cobbling together of myriad point solutions, even those that are best of breed, rarely results in a best of breed "whole" – in other words, the whole may be much less than the sum of its parts. If we accept that suite solutions are broadly the future and point solutions the past, then the journey must begin with the right strategy. This is a major factor in the acquisition of supply chain planning applications. While there may be perfectly good reasons for an organization to purchase individual components of supply chain planning, consider them as a part of a broader set of capabilities. When considering supply chain planning overall, or components, it is important to be clear on the broad strategy for your supply chain, but also that short-term tactical requirements may require making exceptions. Also, recognize the importance of having an interconnected, integrated supply chain and the degree to which older point applications (even if they are best of breed) may not ideally support this goal.

For manufacturers, retailers, or wholesalers looking for a holistic supply chain planning application – either standalone components or a complete planning suite – IDC offers the following guidance:

- Take your time in evaluating vendors. The decision to engage should be backed up with due diligence to ensure that the vendor selected has the appropriate levels of experience in your area of need.
- Be clear on whether you want independent point solutions or a supply chain planning application that is part of an interconnected suite.
- Keep customization to a minimum. Customized workflows and systems add a layer of complexity into the supply chain, which may be unnecessary.
- Look to vendors that have experience in your market segment and have the established application scale you require.
- Ensure that part of the evaluation considers your current set of supply chain applications in terms of how supply chain planning will integrate with those applications.
- Ensure that the vendors you consider have both the existing necessary functionalities and the future capabilities you will likely need.

## VENDOR SUMMARY PROFILE

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This section briefly details IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

### SAP

SAP is positioned in the Leader category in this 2022 IDC MarketScape for worldwide holistic supply chain planning.

SAP is a global enterprise software company headquartered in Walldorf, Germany. SAP has been providing its integrated business planning offering since 2011, although it has had other supply chain planning applications since the early 2000s across a wide breadth of industries including consumer products, retail, high tech, automotive/heavy equipment, pharma/life sciences, and wholesale distribution. The SAP Integrated Business Planning is built on SAP HANA and delivered in the cloud. It is a single planning platform that includes SAP Integrated Business Planning for sales and operations, SAP Integrated Business Planning for demand, SAP Integrated Business Planning for inventory, SAP Integrated Business Planning for response and supply, and SAP Integrated Business Planning for demand-driven replenishment and enables all steps of the DDMRP model to effectively manage the flow of information and materials through the supply chain.

IBP is focused on delivering touchless planning, such as operational job monitoring to identify job anomalies and outlier detection in alerts including automated threshold adaption. The platform also leverages machine learning capabilities in multiple aspects of planning such as forecasting, alerting, master data, and operations. Embedded natively in the solution, machine learning capabilities are available out of the box, with automatic access to all relevant planning data needed to train the models.

### Strengths

SAP's strengths include:

- A seamless, user-friendly planning platform (SAP Integrated Business Planning) to enable low-latency planning and replanning across supply chain functions

- High-performing and emerging technologies to enable cross-functional planning and collaboration, real-time simulations, and scenario analysis
- Embedded analytics tightly integrated to manufacturing, operational planning, and supply chain execution
- Master data anomaly detection and correction recommendations
- Connection to SAP Business Network for ecosystem collaboration

## *Challenges*

SAP has been competing in the supply chain planning space for a long time and may be perceived by some as an "old and on-premises" technology. While that may be true for older offerings such as Advanced Planning and Optimization (APO), which still has a sizable installed base, it is not true for SAP IBP. Even though supply chain planning is a mature space, the vendor's options have expanded significantly over the past five years, and SAP must continue to be viewed as "keeping up."

## *Consider SAP When*

SAP has extensive experience in almost all industries, with notable engagements in consumer products, retail, high tech, automotive/heavy equipment, pharma/life sciences, and wholesale distribution. Supply chains looking for a comprehensive supply chain planning offering that provides a seamless, user-friendly planning platform with embedded analytics that is tightly integrated to manufacturing, operational planning, and supply chain execution should consider SAP.

## APPENDIX

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### Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

Each of the 17 vendors evaluated for this IDC MarketScape have a well-rounded scope of capabilities related to holistic supply chain planning. All of the vendors ended up in the Leader or Major Player segments due to the ability to meet the core requirements of having both broad functional expertise and a significant customer base. While there remain differences among the competitors, IDC Manufacturing Insights would feel comfortable recommending any of these companies.

### IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

### Market Definition

IDC Manufacturing Insights defines holistic supply chain planning (SCP) as the broad process by which supply chain organizations anticipate demand for their products and services, ensure that the supply of components and materials is adequate to meet that demand, ensure that inventory levels at all point of the supply chain are optimized, and then develop a consensus plan that balances demand and supply through a sales and operations planning process.

## LEARN MORE

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### Related Research

- *IDC MarketScape: Worldwide Supply Chain Inventory Optimization 2022 Vendor Assessment* (IDC #US49568517, forthcoming)
- *IDC MarketScape: Worldwide Supply Chain Supply Planning 2022 Vendor Assessment* (IDC #US47620822, forthcoming)
- *IDC MarketScape: Worldwide Supply Chain Demand Planning 2022 Vendor Assessment* (IDC #US47619722, September 2022)
- *IDC MarketScape: Worldwide Supply Chain Sales and Operations Planning 2022 Vendor Assessment* (IDC #US49568417, September 2022)
- *2022 IDC's Manufacturing Supply Chain Survey Findings and Implications* (IDC #US49274422, June 2022)
- *IDC MaturityScape: Digital Supply Chain Resiliency 1.0* (IDC #US48402418, December 2021)
- *Resilient Supply Chain Paradigm Shift: From Unconstrained to Constrained* (IDC #US48326218, November 2021)
- *IDC FutureScape: Worldwide Supply Chain 2022 Predictions* (IDC #US48298220, October 2021)

### Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of a number of providers participating in the worldwide holistic supply chain planning market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assesses providers relative to one another and to those factors expected to be most conducive to success in a given market during both the short term and the long term.

"Holistic supply chain planning is a critical capability in a resilient supply chain. The ability to pair an accurate demand forecast to a credible supply-side plan, while optimizing necessary inventory positions, and then agreeing to a consensus plan through S&OP are all critical components in managing an efficient and effective supply chain organization," says Simon Ellis, program VP, Manufacturing Insights and Worldwide Supply Chain Strategies.



## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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