RIVERLOGIC

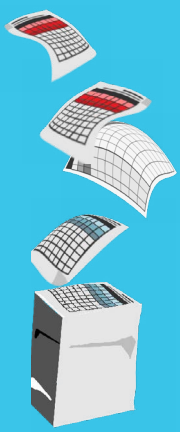Solution Sheet: **Supply Chain Optimization**

Don't Settle for a Better Plan.
Get The Best Plan.

Stop Suffering From These **Decision-Making Challenges**

– Lack of visibility into how best to utilize capacity to align with business objectives or shift production processes in response to market shifts

– Inability to optimally balance competing objectives, like lowering logistics costs, pre-building inventory, re-allocating production, increasing shift hours, and more

– Inability to analyze the future impact of decisions, like opening or closing plants, on profit and cost

– Inflexible supply chain plans that prevent rapid, optimal responsiveness and decision-making agility

– Reliance on heuristics-based approaches or complicated excel models that output sub-optimal, "best fit" plans

Unlocking Value

✓ Optimally balance multiple competing objectives across business functions, such as lowering costs, improving service levels, boosting margins, and right-sizing inventory

✓ From supplier to customer, use rapid scenario analysis to respond to unforeseen changes, like natural disasters or new market share opportunities, without sacrificing key performance objectives

✓ Spend less time wrangling spreadsheets and data and more time exploring the answers to new questions

✓ Leverage one validated source of truth to build accountability and trust among business functions

✓ Instantly understand the value or cost of your decisions in order to find ways to better use existing resources within the unique constraints of your business

Technical Capabilities

Integrated financial and operational modeling gives you out-of-the-box representation of financials as they're incurred by your business

Consider the end-to-end value chain when creating plans, including transportation capacities, warehouse capacity, procurement contracts, regulatory constraints, and more

With an AI Expert system that requires no code, create and optimize a digital twin of your business that represents even the most unique constraints, objectives, and processes

Easily extendable optimization models minimize the amount of effort and IT investment required to address new problems within or outside of a company's supply chain

PowerBI reports let you drill into the details of each scenario and better understand the drivers of your business

Customer Success Story
Company Overview

Top 3 global consumer packaged goods

€10B+ Annual revenue

10K Employees

This customer is one of the largest SAP customers in the world and used SAP APO to generate their demand plan and then SAP SNP to create supply plan. However, they were continually coming up with **unmet demand equal to $500M in lost revenue every year.** Despite being one of the most advanced APO users, the team still struggled to balance supply and demand. In fact, they were exporting their demand plan to Excel to understand which demand to short, without even knowing if meeting certain demands was the best for their business.

They had a clear need for River Logic's modeling and optimization capabilities, and leveraged it to address their major objective: "How do we minimize our unmet demand, and stop losing half a billion in revenue a year?" After implementing River Logic, they had a new level of visibilty into how their business ran.

EO+

New questions they could answer

? How much unmet demand is the result of limited line versus labor capacity?

? How many straight-time and overtime shifts are needed to satisfy minimum and target service level objectives?

? How do our capacity plans change if we measure performance in terms of profit rather than service level?

? How much of which products should we prebuild to best balance labor costs and working capital constraints?

? How would a focus on profitability impact customer service levels?

Impact
During a 6-week period

€21M
In profit improvement opportunities indentified

COE
Leveraging River Logic for multiple other use cases globally

Additionally, they were able to:

✓ Increase planning value add by reducing time spent preparing spreadsheet models

✓ Broaden participation at the executive level by engaging business users with intuitive scenario management and visualization

✓ Determine that more than 90% of capacity shortages were the result of miss-allocated labor

✓ Increase service levels for all positive contribution margin products beyond initial 98% target without violating working capital debt covenants

> We continually use River Logic for visibility and optimization of our network and we see great value from this. The scenario modeling is user-friendly, reliable and fast. The River Logic team are responsive and flexible to our needs. As we go forward we are looking to gain further value from the tool, particularly in the area of continuing to look beyond current network capabilities and capacities.

European Supply Chain Team
Upfield, formerly a division of Unilever