Taking On the Supply Chain Crisis with Advanced Decision-Making
Our thanks to Board International for underwriting three white papers on this topic and sponsoring this webinar.

Board International is a leading software vendor in the fields of BI, Corporate Performance Management, and Advanced Analytics.

Download your copies of these white papers from the Handouts tab of your control panel.
Al McClain
CEO, Co-founder, RetailWire

Al McClain has spent 30+ years in the retail, tech, and CPG spaces. Al's career highlights include sales and management stints with Luzianne-Blue Plate Foods, Bestfoods, Red Rose Tea, and Progressive Grocer (Trade Dimensions and Retail Insights divisions).

Al has also spoken extensively at industry events such as Shoptalk and for the National Grocers Association, the Institute for International Research, the Magazine Publishers Association, and the Category Management Association. He has written for publications such as Nielsen Wire, Loyalty Management and Forbes.com.
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**Influential community**
Mid to top management from a variety of retail disciplines

**Collective thinking**
Sharp editorial, plus the combined expertise of over 125 RetailWire BrainTrust panelists.
Today’s agenda

INTRODUCTION:
Reflections on the Current State of the Global Supply Chain
- David Food, Head of Supply Chain Marketing, Board International

PANEL DISCUSSION
- Ken Morris, Managing Partner, Cambridge Retail Advisors
- James Tenser, President, VSN Media LLC
- David Food, Head of Supply Chain Marketing, Board International
- Al McClain, CEO, Co-founder, RetailWire – Moderating

AUDIENCE Q&A
David Food
Head of Supply Chain Marketing, Board International

Dave has spent over 30 years working with supply chain solutions, spending time at a range of solution providers, generally at the strategic end of the product use and design.

Dave currently heads up supply chain within Board International, developing tomorrow’s thinking for decision support platforms with advanced intelligent analytics that enable supply chain executives to make informed, effective decisions. He is particularly interested in how companies can become disruptive by leveraging emerging technologies and approaches.
Taking on the current supply chain challenges with Advanced Decision-Making

David Food
Head of Supply Chain Marketing
What are we learning?

If we don’t learn and change from the pandemic, we have missed the opportunity.
So what is being done?

- Risk mitigation alternative sourcing and routing
- Improve synchronization between SC actors
- Exploring balanced omnichannel alternatives
- Desire to return to better inventory models

68%
Decrease in stock turns

37%
Moved to a more flexible sourcing model

126 / 320
Have significantly increased the use of partners

From 2021 Student research paper at WMG, Warwick University
Our retail customers
Move from any shore to right shore

- Any shoring – to find supply
- Near shore – to reduce cost and risk
- Right shore – to bring balance

Sourcing now also includes routing
Synchronized replenishment in the planning

Need for better synchronization in planning.

Through:

• Great visibility
• Synchronized decisions
• Deeper awareness of customer orders
• Appropriate granularity
• Improving the rhythm
Exploring Omnichannel alternatives

COVID is leaving its mark in the increase of customer expectations.

- Omni-channel – experience is still siloed
- Exception management cannot be a manual process
- Planning needs to include the alternatives
- Digital transformation needs to be from the inside out

Making the experience customer centric requires more flexibility.
Return to better inventory models

Expectations are turnover stock will return to acceptable levels.

Safety stock to protect against variability is less clear.

• Due to
• Ongoing lead time variability
• Port bottlenecks affecting delivery predictability
• Demand switching

Results are a more complex but measurable for planning.
What next – what is on tomorrow’s agenda?

• Increased customer centricity

• Better planning to reduce the last 50-meter challenge

• Online insights to improve allocation decisions

• Sustainability dashboards and scorecards
The #1 Decision-Making Platform

**Business Intelligence**
- Dashboard
- Reporting
- Analysis
- Scorecarding

**Planning**
- Scenario Management
- Workflow
- Collaboration
- Demand Forecasting

**Predictive Analytics**
- Simulation
- Clustering
- Optimization
- Machine Learning
Ken Morris
Managing Partner, Cambridge Retail Advisors

Ken was CEO and President of LakeWest Group and founder of CFT Consulting and CFT Systems, a retail software company. Earlier in his career, he held retail information technology executive positions at Lord & Taylor, Filene’s (Macy’s), Talbots, Stop & Shop Supermarket Company and Sears. His experience is with strategy, selection development and deployment of retail management systems and processes.
James Tenser
President, VSN Media LLC

“Jamie” is an analyst and consultant to the retail and consumer products industry. His firm, VSN Strategies, focuses on retail technology, merchandising, marketing, consumer behavior, shopper media, category management, service practices and all-channel retailing.

Since founding VSN in 1998, he has helped a diverse range of clients, including: Board International, American Express Co., Dial Corporation, Eastman Kodak, Del Monte Fresh Produce, Gourmet Award Foods, IBM Global Services, Cisco Systems, DemandTec, and many others.
Panel Discussion: Taking on the Supply Chain Crisis with Advanced Decision-Making

Audience Poll #1

1. On a scale of one to five, how bad have your business-related supply chain headaches been this year?

Poll Results (single answer required):

- 5 - Severe: 11%
- 4 - Painful: 33%
- 3 - Moderate: 28%
- 2 - Annoying: 22%
- 1 - Minor/None: 6%
#1: Cost/benefit conundrum

Gap recently took a wallop to its stock price after revealing plans to air freight 35% of its holiday assortment and absorb $450 million in related costs in efforts to get ahead of supply chain shortages.

What recommendations would you have for retailers when making such decisions to expedite delivery at the expense of margins?
Panel Discussion: Taking on the Supply Chain Crisis with Advanced Decision-Making

### Audience Poll #2

**Question:** Which vertical presents the greatest challenges when using Business Intelligence to optimize the supply chain activities?

<table>
<thead>
<tr>
<th>Vertical</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery</td>
<td>11%</td>
</tr>
<tr>
<td>Apparel</td>
<td>37%</td>
</tr>
<tr>
<td>Mass discounters</td>
<td>32%</td>
</tr>
<tr>
<td>Off-price discounters</td>
<td>11%</td>
</tr>
<tr>
<td>Consumer electronics</td>
<td>11%</td>
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</tbody>
</table>
Ernie Herrman, CEO of TJX Cos, recently commented that their off-pricer retail model offers a “tremendous advantage” in managing supply chain shortages. He said, “We have been able to expand and contract categories and merchandise in our stores so that customers have full racks and shelves to shop when they visit.”

Do you agree that off-pricers have an inherent advantage in inventory management? What lessons are here for their “full-price” competitors?
Panel Discussion: Taking on the Supply Chain Crisis with Advanced Decision-Making

3. The pace of change in 2020 was through the roof and 2021 was a bit wild too. What will 2022 be like?

Poll Results (single answer required):

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Back to pre-pandemic &quot;normal&quot;</td>
<td>0%</td>
</tr>
<tr>
<td>About the same as 2021</td>
<td>71%</td>
</tr>
<tr>
<td>Another wild ride like 2020</td>
<td>0%</td>
</tr>
<tr>
<td>Something different, but don't know what.</td>
<td>29%</td>
</tr>
</tbody>
</table>

Audience Poll #3
Perhaps one lesson we’ve learned in the last two years about the “new normal” is that the only normal we should count on is constant change.

What are your predictions for retail industry dynamics in 2022 and how they will affect supply chain management? How should retailers and brands make use of Business Intelligence to prepare for what 2022 will bring?
Your questions for the panel

David Food
Head of Supply Chain Marketing, Board International

Ken Morris
Managing Partner, Cambridge Retail Advisors

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