

The Supply Chain Opportunity in a Challenging Economy

by Jackson L. Wilson, Jr.

I don't have to tell you that these are difficult times for businesses. Foreclosures, bankruptcies, layoffs, consolidation, reduced consumer spending—the list goes on and on. Cash is king. Many companies spend their days trying to figure out how to make more of it and how to spend less of it while remaining relevant. Spending less money seems to be a logical step when times are tough, but it can be a short-sighted approach. Companies must not just make fewer, smaller investments, but make *smarter* investments. Just because the economy has slowed down, it doesn't mean you have to.

In this tough economy, a sharp focus on supply chain management is critical to your company's success. In times of prosperity, you can more easily overlook problems if the bottom line is still good. But nothing illuminates business challenges like an economic downturn. That is why now is the ideal time to address those challenges with technology that provides a quick return on investment and long-term savings. Technology implementations that streamline manufacturing operations, optimize inventory, and focus on increasing cash through improved asset utilization and enhanced transportation management can enable your business to maneuver through volatile times, setting you up for success once the economy recovers.

Not all supply chain investments have to be made in new systems. I recently read that business is booming for cobblers—yes, the people who fix shoes—because people are trying to get more out of their existing footwear investment. Auto mechanics, too, have seen an uptick in business, as consumers are becoming more diligent about increasing the longevity of their current vehicles. While the investment you make in a new pair of shoes—or a new car for that matter—is substantially less than an investment in your supply chain, the approach merits consideration.

What are you doing to maximize the investments you've already made in your supply chain? Are you sure you're getting maximum performance from your current systems? Now is the time to fine-tune—or upgrade—what you have. Doing so will help ensure that you are in a position to not only weather the storm, but to move past the competition once the storm clears. A continued investment in i2 maintenance programs, or an upgrade of your existing solutions, is a good way to do this. Our maintenance and upgrade programs are supported by product and solution experts who have the requisite skills and expertise to help you leverage the most value from your i2 solutions. The incremental investments you make now will allow you to better prepare for more expansive supply chain improvements in the future.

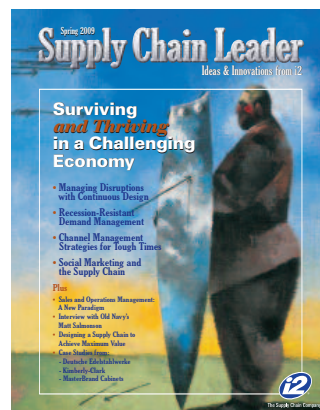
Did your long-range business plans call for supply chain improvements this year? If so, then stay the course.

Any new investments you make today can put you ahead of the curve when things turn around. The key to success is identifying solutions that provide the greatest return on investment in the shortest period of time.

For instance, a large semiconductor company recently completed an i2 inventory optimization implementation delivered in a software-as-a-service (SaaS) model. Not only was the implementation 50 percent faster than a more traditional implementation, but it was done at a much lower cost. The result? That customer now possesses a robust, just-in-time scenario analysis capability to evaluate different forecast scenarios—a critical process during these turbulent economic times. Another key outcome is that the customer has moved from a 100 percent manual inventory review to a prioritized exception-based process, reducing end-to-end targets planning, review and approval times by 40 percent.

Solutions like this, and others such as our hosted transportation solution, i2 FreightMatrix, are generating a lot of interest these days. That's because the SaaS delivery model offers a reduced cost of entry, quick start-up time and lower total cost of ownership, making it an affordable option when need is great and budgets are tight. We continue to explore opportunities to deliver more of our industry-leading solutions via the SaaS model, because we believe solutions delivered in this fashion are not only relevant today, but provide opportunities for companies beyond the Fortune 500 to benefit from supply chain solutions from i2.

I believe history will show that companies making an investment in supply chain improvements today will emerge stronger and more successful than those who conservatively stand back and wait for the economy to improve. This is an exciting time for i2—and for you, should you choose to embrace the opportunity this difficult economy presents. We're not standing still. Are you?



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