



i2: Closed-Loop Supply Chain Management

i2 Technologies, Inc.
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Overview

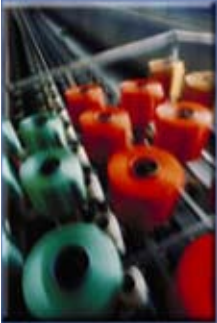


- What does it take to make today's supply chains even more efficient?
- Best practices
- i2 solutions
- Next steps





**What does it take to make
today's
supply chains even more
efficient?**





How can you make
your supply chain
more efficient?

**Lessons from 15 years
of i2 leadership**



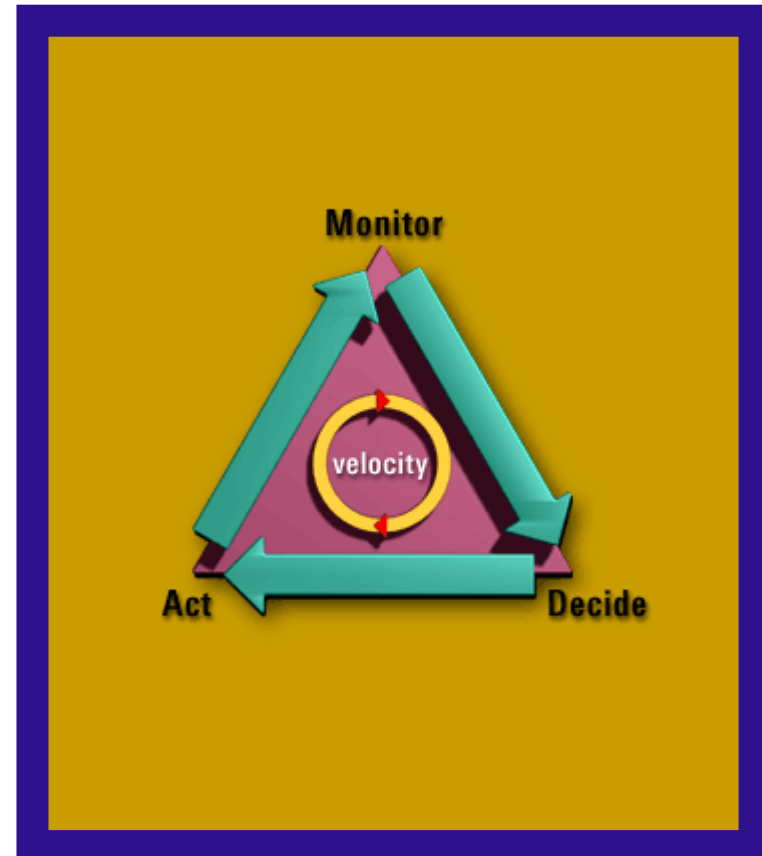
Battling variability with closed-loop SCM



Battling variability requires:

- **Forming a winning battle plan**
- **Then keeping the plan constantly synchronized with current reality**

This constant synchronization of your plans with current reality is closed-loop SCM





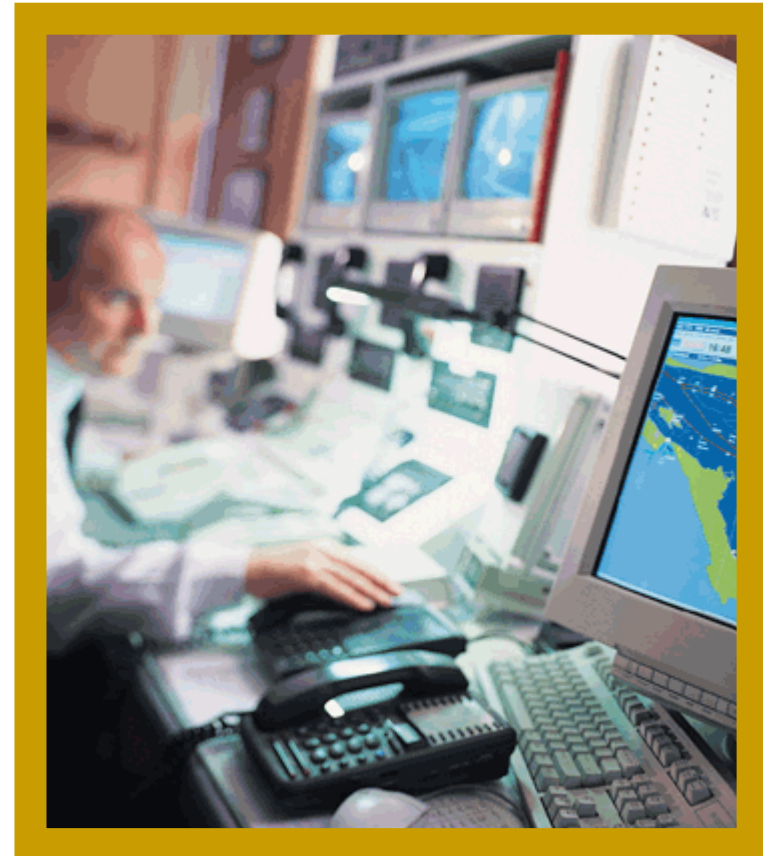
**What are the
best practices in
closed-loop SCM?**

Best practices in closed-loop SCM



1. Plan-driven management

- Deliver to 'plan' commitment, make 'plans' happen
- Early detection of threats to plan
- Fast decisions and actions to maintain plan
- Formal plan amendment process

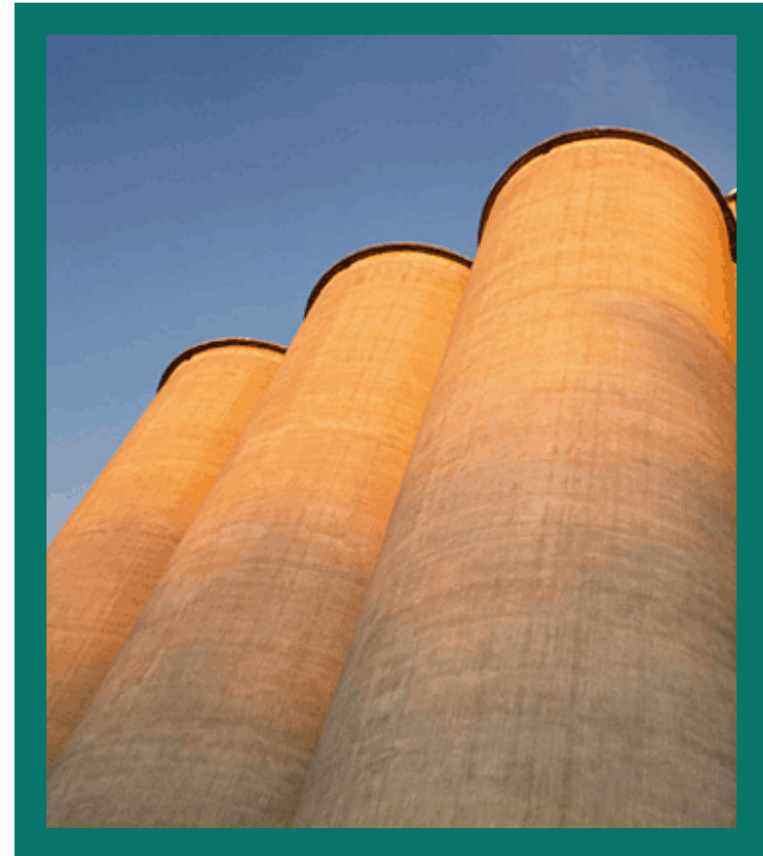


Best practices in closed-loop SCM



2. Remove silos

- All teams work off plans that are tightly synchronized to changing customer needs
- Visibility of plans across departmental boundaries
- Multi-directional sales and operations balancing
- One version of the truth – clear accountability



Best practices in closed-loop SCM



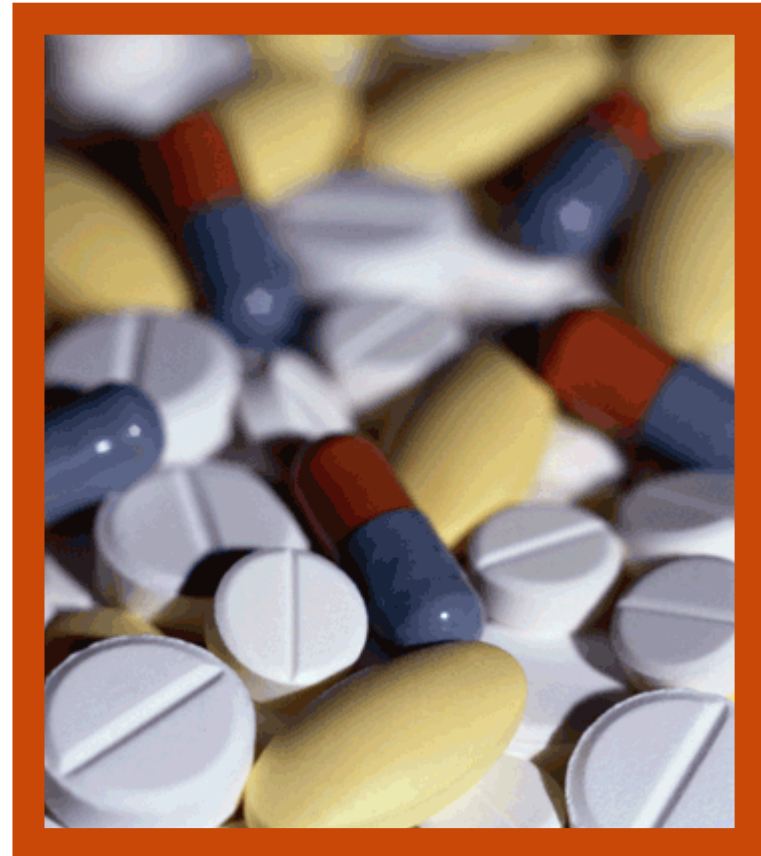
3. Design for speed

- Fast monitoring, deciding, acting
- Fast process cycle time



4. Treat root causes, not the symptoms

- Analyze root causes of value leakage and deviation from plans, e.g., when service levels are low, fix demand planning process vs. building inventory
- Treating symptoms keeps root causes hidden



Best practices in closed-loop SCM



5. Measure for accountability and continuous learning

- Measurements aligned to “plan” or agreed-upon plan amendments, without exception
- Regular post-mortems for process innovation
- Empowered process and measurements teams (Chief Process Innovation Officer – CPIO)
- Without clear accountability, continuous learning and improvement is almost impossible



Best practices in closed-loop SCM



1 Plan-driven management

2 Remove silos

3 Design for speed

4 Treat root causes, not the symptoms

5 Measure for accountability
and continuous learning

Results achieved, open-loop vs. closed-loop



Open-Loop SCM	Closed-Loop SCM
Plans are usually old and unrealistic	Plans remain realistic
Variations in performance, further leading to customer over-orders and supplier under-delivers	Predictable performance and reliable commitments to/from suppliers and customers
Silos at high cost	Synchronized “agile” supply chain – co-dependence
Unclear accountability, limited learning	Self-correcting, continuous improvement



i2 Solutions



“Our number one priority is to provide our customers not only with value, but time to value. This commitment translates into solving our customers’ toughest supply chain problems, earning our customers’ trust by delivering value quickly, and offering the best products and people in the industry.”

**—Sanjiv Sidhu
Founder, Chairman and CEO
i2**



i2 today: Focused



- **Focused on delighting our customers!**
 - Every active customer has an assigned field representative
 - Every customer-facing organization is measured based on customer satisfaction
 - Active user community and advisory board
 - Customer input for all facets of i2 operations
- **Focused on providing domain expertise**
 - Invested more than \$1 billion in intellectual property
 - Industry-leading expertise in solving challenging end-to-end supply chain problems
 - High tech – i2's largest install base and domain expertise

Who are we learning from?

i2 customers: Supply chain leaders

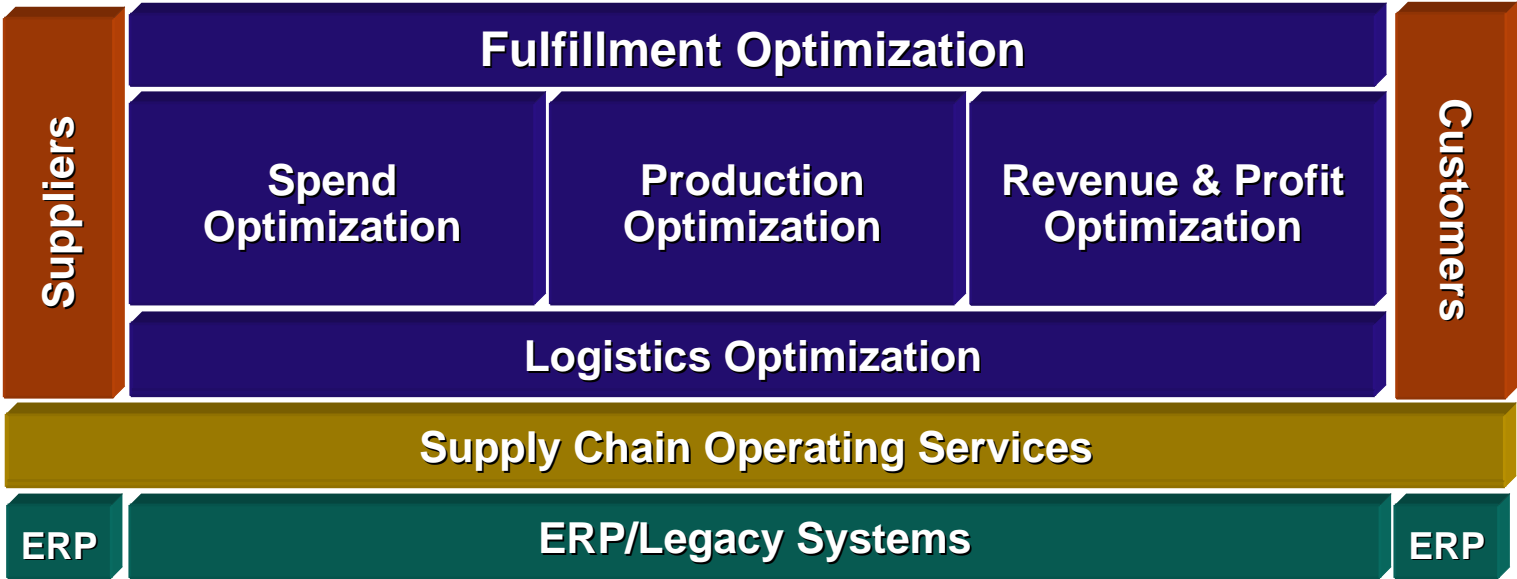


- All of the top 14 semiconductor companies
- All of the top 10 Forbes aerospace and defense companies
- 14 of the top 15 electronics OEMs
- 11 of the top 12 industrial OEMs
- 3 of the top 4 contract manufacturers
- 10 of the top 15 Forbes retail companies
- 5 of the top 6 global automotive companies
- 7 of the top 10 3PLs
- 4 of the top 5 global industrial companies
- 6 of the top 10 global metals companies
- 4 of the top 6 Forbes healthcare companies
- 10 of the world's largest brand names in the consumer goods industry

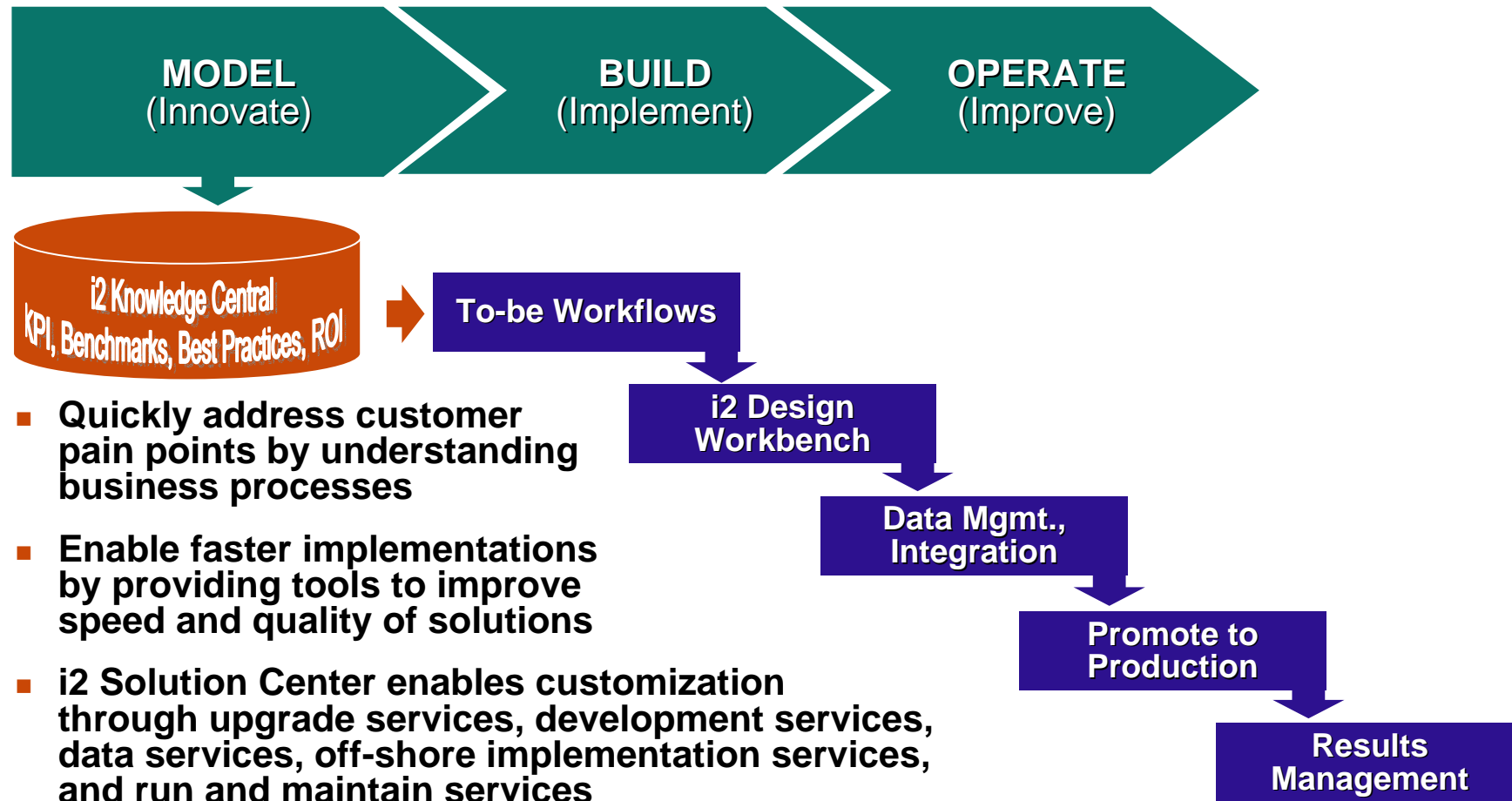
Supply chain solutions that help our customers succeed



- Five optimization areas
- Workflows built with standard products to suit industry needs
 - Development toolkits for customized solutions and specialized industries
 - Industry-specific consulting services



New engagement approach leverages i2's experience for delivering rapid ROI



Supply chain mastery: i2 Six business benefits



Integrates planning and execution systems

i2 Six :

- **Optimizes** business processes
- **Increases** agility

SCOS: Protects existing technology investments

- **Easier to implement** enterprise-wide
- **Supports** open standards
- **Integrates** what you have today
- **Faster** time to value

Easy to use

- **Simple** to understand and operate
- **Lower** run-maintain costs



Next Steps