

Quick answer: Know when to build, buy or go hybrid with supply chain planning technologies

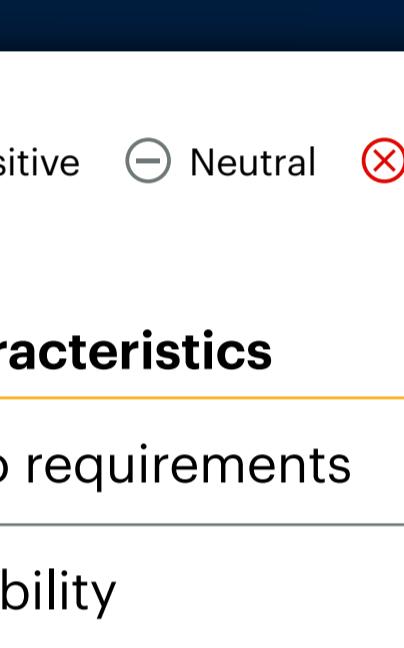
Recent Gartner surveys reveal that 45% of organizations had one or more failed attempts in implementing a digital planning tool, while the vast majority are not using technology solutions to their fullest potential.

To acquire technology to support supply chain planning decision making, organizations can invest in packaged SCP solutions, build the capabilities or use a combination of both. Supply chain planning technology leaders can use this research to evaluate the best approach for their organization.

Step 1

Understand the three strategies for technology enablement.

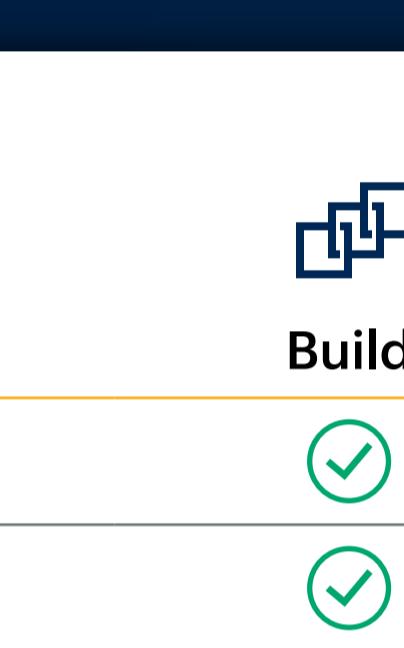
Despite how weighty and complex this process may seem, supply chain technology leaders have three options:



Build: Create a fit-for-purpose, unique solution

Pros: Allows for full flexibility in design and functionality, theoretically leading to a unique technology that seamlessly fits operational requirements and potentially, creates a competitive edge.

Cons: Greatly increases risks involving scope, budget uncertainty and longer-than-expected implementation.



Buy: Purchase a standardized, accessible solution

Pros: Boasts accessibility both as a product and as a function of talent; knowledge of off-the-shelf solutions is typically available in the broader market talent pool.

Cons: Requires careful mapping to ensure the standard features cover the business' needs.



Go hybrid: Buy some and build some capabilities

Broadly, hybrid solutions combine packaged technologies with custom builds in three distinct ways:

- Extending with a custom analytics engine that purely runs in the back end
- Developing custom apps within a planning platform
- Integrating a planning platform with a custom or third-party tool

Step 2

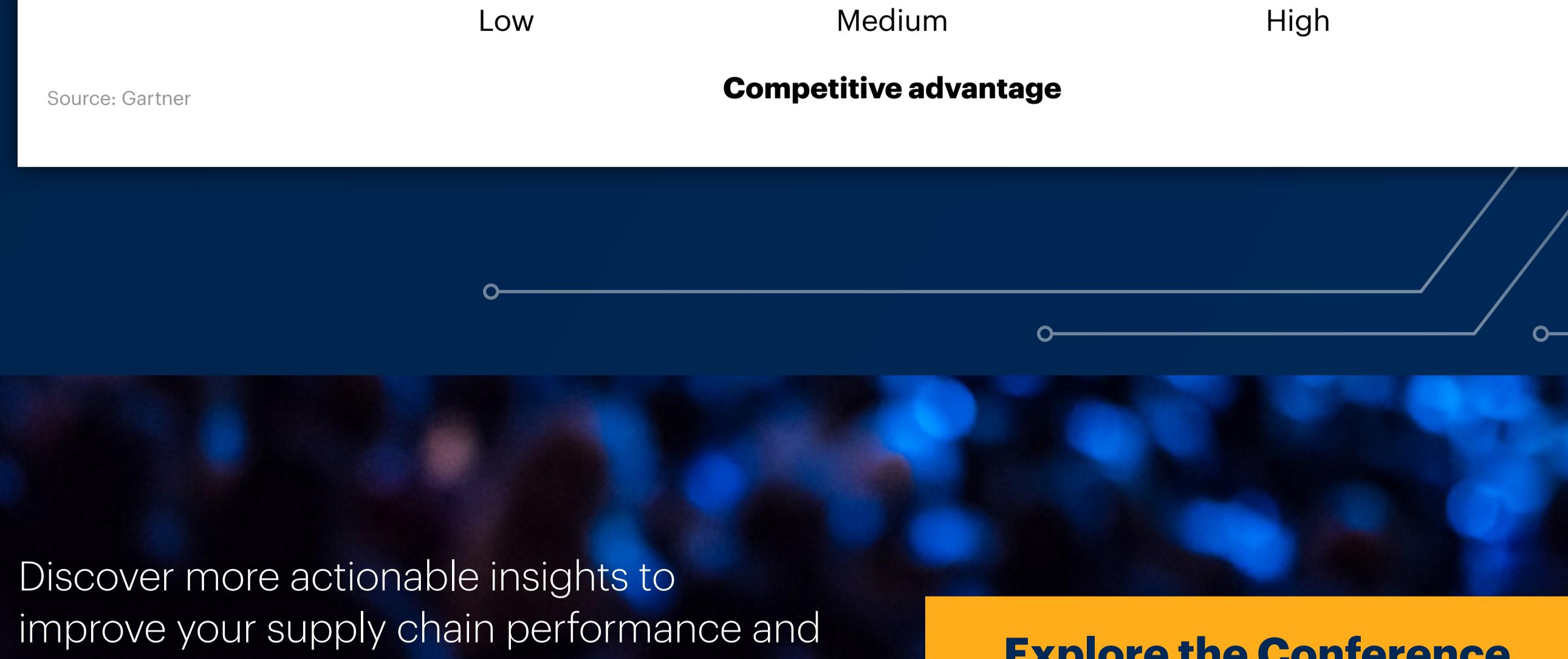
Evaluate the right technology-enablement strategy.

Supply chain technology leaders can use a scorecard and maturity model approach to evaluate deployment options.

Scorecard to evaluate SCP deployment options

Characteristics	Build	Buy	Go hybrid
Fit to requirements	✓	✗	✓
Flexibility	✓	✗	✗
Speed to deployment	✗	✓	✗
Internal skills and competencies	✗	✓	✗
Internal resources	✗	✓	✗
Maintenance and upgradability	✗	✓	✗
Scalability	✓	✗	✓

Supply chain planning maturity informs technology enablement strategies



Step 3

Align technology-enablement approach with value and competitive advantage.

Though cost is an essential factor, defining expected business value and competitive advantage tends to be a more helpful metric than cost alone.

Focus on value and competitive advantage, not cost

Value realization

High

Medium

Low

Low

Competitive advantage

High

Medium

Low

Low

Source: Gartner

Medium

High

Medium

Low