WINNING WITH A **RECESSION-PROOF** DIGITAL SUPPLY CHAIN



LOGILITY

GOOD TIMES CAN BE DANGEROUS

A recession is when the economy declines significantly for at least six months, and there's a drop in five economic indicators:

- real gross domestic product
- income
- employment
- manufacturing
- retail sales

Since World War II the US economy has had 12 recessions with an average of one every six years, with the longest interval being 11 years.



IT'S COMING. IS YOUR SUPPLY CHAIN READY?

NEARLY HALF (48.1 PERCENT) OF U.S. CFOs BELIEVE THAT THE U.S. WILL BE IN RECESSION BY THE SECOND QUARTER OF 2020.

Source: June 11, 2019 Duke University/CFO Global Business Outlook

Sixty-three percent of European CFOs believe their countries will be in recession by the second quarter of 2020, as do the majority of CFOs in Africa (85 percent), Asia (57 percent), and Latin America (52 percent).

Source: June 11, 2019 Duke University/CFO Global Business Outlook

WHO WILL SURVIVE

Companies that survive will focus on cutting costs, reducing capacities, consolidating suppliers, and freeing up cash by optimizing inventory – before the recession hits. Winners will:

- plan for the unexpected
- understand cash is king
- get and keep your financial house in order
- proactively investigate paths to navigate tariffs, including finding alternative sourcing, raising prices and buying ahead

WINNERS WILL EMBRACE A DIGITAL SUPPLY CHAIN NOW.



STRATEGY ONE: UNDERSTAND DEMAND

Demand Forecasting

Machine Learning and Artificial Intelligence

Statistical forecast for mid and long range horizons

Aggregate time series and detailed forecasting

Foundation of demand planning

Causal Forecasting

Augment demand forecast

Integrate all relevant demand signals into a single demand plan

Machine Learning with internal and external signals

Predict reactions to external factors

Demand Sensing

Short term daily forecasting

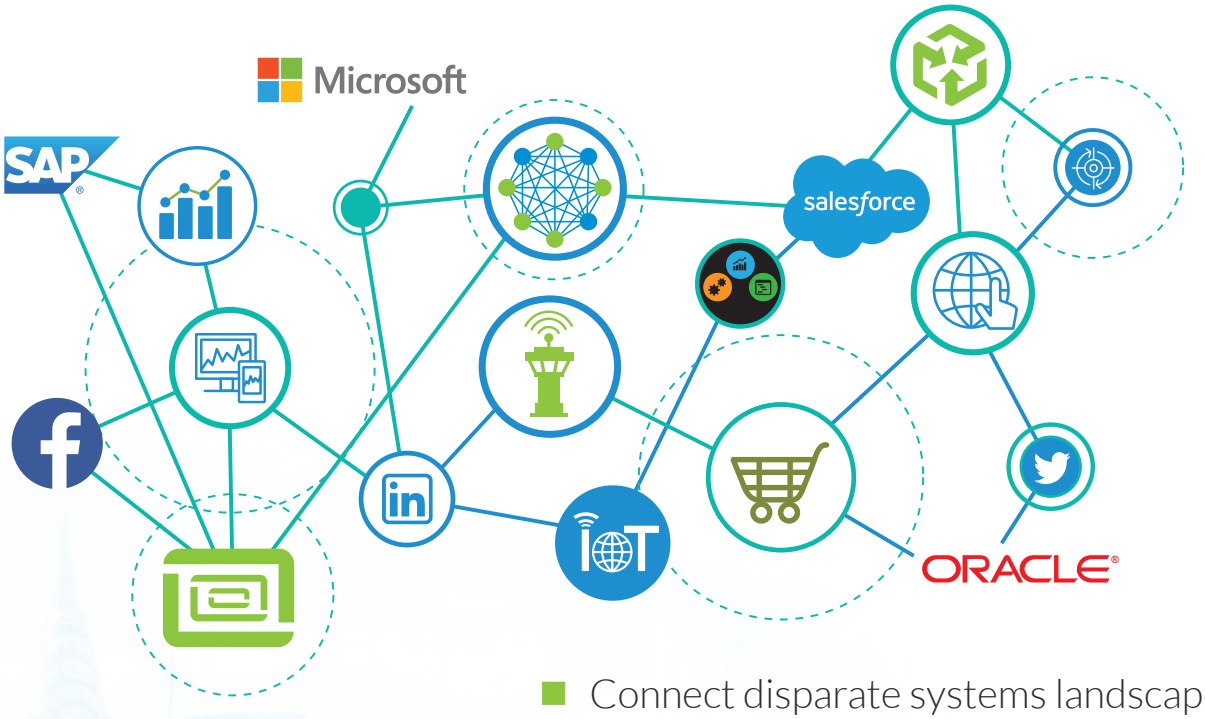
Harness point of sale (POS) indicators

Leverage for allocation and supply prioritization

Machine Learning with consumption, inventory movement data

Demand shaping

STRATEGY TWO: CREATE A CONNECTED ENTERPRISE



- Connect disparate systems landscape
- Leverage Artificial Intelligence and Machine Learning to boost data quality and integrity
- Synchronize global operations
- Tackle large data volumes
- Streamline data management
- Accelerate adoption and visibility

STRATEGY THREE: KEEP IT FLEXIBLE AND FAST

- **Use automation through artificial intelligence** to leverage an in-memory digital twin to quickly perform fast planning simulations, comparisons and "what if" scenarios, and develop a platform that you trust to perform autonomously, removing steps and speeding time to market.
- **Strengthen your supply chain data management strategy** to improve data quality and prepare to capture the right data from new, future data streams.
- **Organize for agility** and capitalize on global seamless inventory to consistently serve customers so they can buy anywhere, return anywhere and have fresh and current products available on demand, and base everything on advanced analytics so you can react, sense and respond.

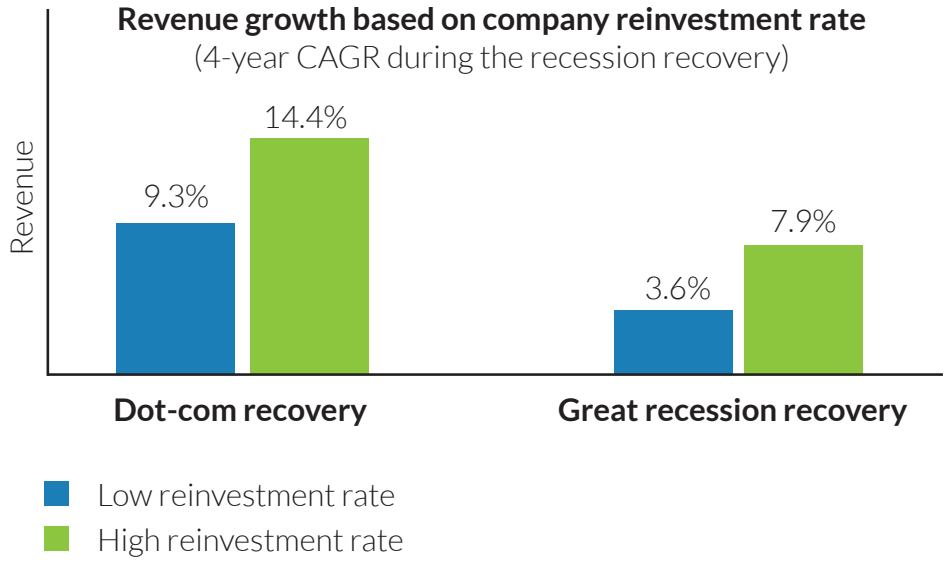
STRATEGY FOUR: REPLACE INVENTORY WITH INFORMATION

- Optimize inventory across the supply chain
- Employ postponement and other strategies
- Understand the causes of inventory
- Run scenarios reflecting changes to the supply chain and quickly understand the impact on cost and service
- Evaluate multiple supplier options based on reliability, cost, time and quality

NOT INVESTING IS NOT THE ANSWER

Winners understand a recession can be the perfect time to invest in digital technology and automation to prepare for future growth.

History shows that companies that invest during a recession typically experience a higher growth during the recovery.



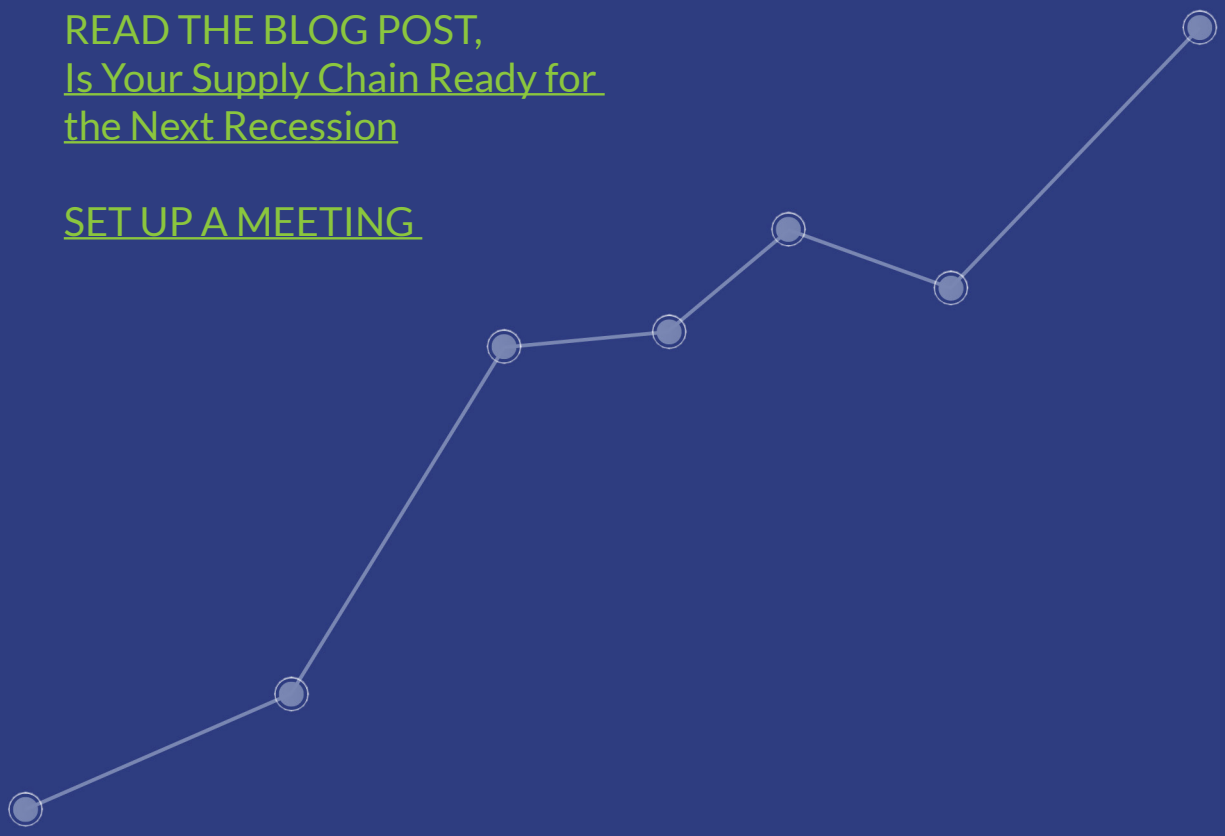
Source: Capital IQ, Deloitte analysis of more than 100 US retailers using retailer fiscal year performance.

LOGILITY CAN HELP YOU WIN

by building a recession-proof plan for your digital supply chain:

READ THE BLOG POST,
Is Your Supply Chain Ready for the Next Recession

SET UP A MEETING





Accelerating the digital supply chain from product concept to customer availability, Logility helps companies seize new opportunities, sense and respond to changing market dynamics and more profitably manage their complex global businesses.

The Logility Voyager Solutions™ SaaS-based platform leverages an innovative blend of artificial intelligence (AI), machine learning and advanced analytics to automate planning, accelerate cycle times, increase precision, improve operating performance, break down business silos and deliver greater visibility.

To learn how Logility can help you make smarter decisions faster, visit **www.logility.com.**

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