

The Adaptive Supply Chain **CHECKLIST**



From supply shortages to geopolitical shifts to changes in customer demand, supply chain disruptions are increasingly frequent. For chief supply chain officers (CSCOs), the task is clear: design and manage a supply chain that can not only withstand these challenges, but also adapt dynamically to them. The time to build an adaptive supply chain is now. Companies that do so will not only outsmart disruptions but gain a competitive advantage that multiplies margins in the process.

This checklist covers the six strategies for achieving an adaptive supply chain: integrated scenario planning, real-time risk monitoring, collaborative supply networks, sustainability, AI adoption, and employee training. By implementing these strategies, CSCOs can build an integrated, antifragile, and optimized supply chain that is strong enough to take on the uncertainties of tomorrow and beyond.



Integrated

Integrated Scenario Planning

- ✓ **Invest in the right technology** that can connect and aggregate data from all systems and processes, including ERPs, POs, invoices, inventory, forecasting, etc. An advanced supply chain digital twin is also a worthy investment. *Tip: Use ISP to identify disconnects between your annual operating plan (AOP) and operational execution strategy.*
- ✓ **Build a set of potential scenarios** (e.g., high demand, low demand, supply shortage) to visualize future possibilities, and use predictive analytics to identify patterns and probabilities for each scenario.
- ✓ **Run different scenarios** through your digital twin to understand how each scenario would impact operations, cost, and customer service levels. *Tip: Leverage AI tools to swiftly analyze what happened and why it happened, allowing executives to focus on making the right decisions to close gaps in the AOP.*
- ✓ **Create flexible contingency plans** for each scenario and identify resources, suppliers, and logistic strategies to deploy when needed.

Real-Time Risk Planning

- ✓ **Implement a centralized platform** that consolidates data across the supply chain to provide a holistic, real-time view of potential risks.
- ✓ **Set up risk indicators for internal risks**, like demand fluctuations and supplier third-party risk across different domains (InfoSec, Anti-Bribery, Anti-Corruptions, etc.). *Tip: Use AI to automate the monitoring of internal risks. Find a technology partner that aggregates user-submitted and general performance feedback to understand a supplier's reliability and overall risk.*
- ✓ **Set up risk indicators for external risks**, like weather, economic conditions, or new regulatory laws. Raise exceptions for anything that exceeds risk tolerance thresholds. *Tip: Use AI to automate the monitoring of external risks, and then set tolerance thresholds for each type of risk (financial, judicial, news sentiment, geopolitical, etc.) to control the level of acceptable risk in your network.*
- ✓ **Regularly audit suppliers and test contingency plans** within the digital twin to cross-check risks and ensure backup plans will work within the most current conditions of the supply chain.

Employee Skills

- ✓ **Identify current skill gaps** for building an adaptive supply chain, such as data analysis, technology use, or sustainability knowledge. *Tip: Partner with universities to collaborate with professors on tailored curricula to address specific skills gaps or invite professors to speak at company training sessions.*
- ✓ **Build a training program** that covers all the skills needed to advance the workforce. To increase the workforce's knowledge of AI, secure a technology partner that offers guided and personalized support for its products. *Tip: Set time aside for training by making it a required task in every employee's schedule.*
- ✓ **Divide employees into data-driven strategy and tactical, operationally-focused specialists** so each area of the supply chain receives the attention it needs. *Tip: Schedule a weekly meeting between these two specialist groups to encourage knowledge sharing and cross-collaboration.*
- ✓ One of the best ways to learn is through **peer-to-peer engagement**. Find an online community where supply chain experts share resources and encourage employees to attend conferences when possible.

Antifragile

Collaborative Supply Chain Networks

- ✓ **Identify the suppliers and logistics partners** critical to supply chain success. *Tip: Don't just identify suppliers with the most spend. Any supplier that provides critical materials or products will bring significant value through stronger collaboration.*
- ✓ **Implement technology that securely exchanges critical data** — such as POs, production forecasts, demand forecasts, etc. — and facilitates easy and real-time communication. *Tip: To improve supplier adoption of the technology, find a solution that's easy to use and doesn't charge additional supplier fees.*
- ✓ **Engage key partners** in joint demand forecasting, inventory planning, and contingency planning sessions.
- ✓ **Align goals and performance metrics**, like on-time delivery, sustainability targets, etc., to ensure all parties work toward common objectives.

Optimized

Sustainability

- ✓ **Conduct a sustainability audit** to evaluate the environmental impact of the business's current practices, identifying areas such as carbon emissions, waste, and resource use.
- ✓ **Support more sustainable sourcing** by incorporating sustainability as a criterion in supplier bids. *Tip: Look for sourcing technology that supports customization of event templates and flexible bidding, like the option for alternative materials or tiered pricing.*
- ✓ **Seek supplier risk, performance, and maturity evaluation data** to drive strategic purchasing and supplier relationship management decisions.
- ✓ **Use a digital twin to test** changing transportation lanes, nodes, and modes to lower emissions. *Tip: The largest proportion of an organization's emissions (90%) come from the supply chain, so focusing on reducing scope 3 emissions via sourcing and transportation is key.*
- ✓ **Minimize excess or wasted inventory** with advanced analytics that combine inventory management information, production schedules, and distribution networks.

AI Adoption

- ✓ **Identify specific areas where AI can drive efficiencies**, such as demand forecasting, inventory optimization, and predictive maintenance.
- ✓ **Ensure data quality and accessibility** by implementing a centralized platform that supports data management and AI applications. *Tip: External AI solutions use confidential business information. Choose a technology partner with strict privacy policies that adhere to all legal requirements, such as HIPPA, FedRAMP Moderate, Soc 1, Soc 2, etc.*
- ✓ **Automate routine tasks**, like order processing, inventory tracking, and data entry, to improve efficiency and free employees to focus on higher-value work and skills training.
- ✓ **Find a technology partner** that offers dedicated support for digital twin training. *Tip: Use AI to identify the best scenarios to run, help employees sort through millions of combinations, and quickly identify the most significant cost drivers in the supply chain.*

How Coupa can help

The world's most innovative companies trust Coupa Supply Chain Design & Planning to build adaptive supply chains. By combining a powerful digital twin, integrated scenario planning, and a centralized AI platform, supply chain teams have the tools and data they need to translate strategy into tactical supply chain decisions. With a large community network consisting of direct suppliers and experience with modeling thousands of end-to-end supply chains, supply chain teams always have reliable, actionable insights and perspectives. Plus, Coupa offers dedicated, continuous support from a team of supply chain experts, empowering companies to learn and stay up to date on the latest technological advancements in the industry.

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