



How to Derive Optimal Value from a Control Tower

NETWORK-BASED CONTROL TOWERS FOR A NETWORKED WORLD

It seems as if everyone has their own concept of a control tower today. This tech brief looks at the major forces influencing the supply chain today, and what a control tower needs to meet the demands of today's fast moving global supply chains.

WHAT IS A SUPPLY CHAIN CONTROL TOWER?

The need for control towers became apparent as globalization, outsourcing and specialization increased. As more businesses became involved in the making, moving and selling of goods, the more complicated the supply chain became, and the more urgent the need to provide a global view of the supply chain.

Control towers originally arose to provide visibility across trading partners. They connect disparate IT systems so that trading partners not in direct control of inventory, orders, shipments, etc., can still see what is going on and respond to problems.

Today that is not sufficient. More advanced control towers now provide integrated planning and execution, aided by intelligent agents, that plan optimize, execute and automate operations across trading partners and across the entire network. With real-time transaction data combined with new technologies like artificial intelligence (AI), these control towers deliver unmatched value.

NEW FORCES DRIVING NETWORK CONTROL TOWERS

Consumer Behavior – Today's consumers have exceptionally high expectations, they expect shopping to find what they want quickly, and have it delivered in a day or two. They expect personalized service, easy returns, through any channel they choose.

Business Forces – Combined with changing consumer habits and global competition, businesses have to be more customer-focused than ever. They need to be omnichannel to be where the consumer is, be hyper agile, and exploit the latest technologies and trends to compete effectively.

Technological Innovations – The cloud, mobility and smart devices have changed the way businesses and customers interact. New technologies such as IoT, big data, predictive

analytics, 3D printing, Blockchain, AI, and multi-party business networks are starting to change the way businesses interact and serve the consumer.

These forces have combined to create new possibilities and ways of managing the supply chain, and have impacted the way control towers are designed and operate.

REQUIREMENTS OF AN EFFECTIVE CONTROL TOWER

From supply to market, the supply chain has got longer and more complicated. In order to deliver value in this environment, a control tower solution must acknowledge and accommodate this complexity and these forces, and leverage these new technologies in order to be effective. Enterprise-centric systems coupled together cannot provide a single version of the truth and a seamless flow of network data to support modern control towers. Nor are visibility, alerts and decision-support sufficient to run an efficient and consumer-driven supply chain and see optimal value.

A control tower should unite all trading partners in a real-time ecosystem, monitor, manage and orchestrate the end-to-end supply chain, from points of demand to points of supply. It should continually optimize the network, while monitoring, identifying and fixing potential problems, before they disrupt the supply chain.

At core an effective control tower should:

- Be built on a multi-party data model that supports a single version of the truth on a multi-party network;
- Connect all parties seamlessly yet have robust permissions framework to protect all parties' confidential data;
- Be consumer-driven to drive maximum efficiencies and minimal waste;
- Use real-time transactional data to remove latency, sync supply to demand and help reduce inventory;
- Unite planning and execution so that planning is based on real-world execution data, and execution is driven by realistic plans;
- Exploit the latest technologies such as artificial intelligence and blockchain to optimize and secure the supply chain;
- Be adaptable and extensible, yet supported by the vendor.

BENEFITS OF NETWORK CONTROL TOWERS

The results of network-based control towers are unmatched. According to Nucleus Research's The Real Value of Networks, networks deliver:

- Up to 90% reduction in shortages and stock outs
- Up to 75% reduction in expediting costs
- Over 100% increase in inventory turns
- Up to 100% increase in on-time shipments

Multi-party, real-time networks are the ideal basis for a control tower, because they incorporate real-time data with a single version of the truth for all business partners, providing clean and current data to drive the supply network.

THE ONE NETWORK CONTROL TOWER

Only One Network's Control Tower is built from the ground up with the latest technology to meet the demands of today's supply chains. One Network's control tower supports all stages of the control tower value journey, providing visibility, alerts, decision-support, and intelligent agents.

Benefits of One Network's Control Tower

- Embraces and/or replace execution systems (if and when it makes sense);
- Provides Real-time transactional visibility;
- Uses predictive analytics and projected issues;
- Uses prescriptive intelligent agents to optimize the network and run the supply chain autonomously;
- Features cascading Living Dashboards to provide role-relevant monitoring for all levels of the enterprise (operational, regional and financial).

If you are considering a control tower, take a close look at network-based control towers, and request a demo of Nucleus Research's leader in the control Tower Value Matrix, the **One Network Control Tower**.

For more information on how a control tower solution can help your company, contact us at:

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