DELMIA

SUSTAINABLE SUPPLY CHAINS

Optimizing Planning for Responsible Business Operations

DASSAULT SYSTEMES

Imagine a supply chain that excels in efficiency and profitability while nurturing a healthier planet

Supply chain sustainability is the process of managing environmental, social and economic impacts throughout the supply chain to ensure responsible business practices. It involves evaluating and improving every step in a company's value chain, from sourcing raw materials to manufacturing and distribution.

In today's competitive market, consumers are becoming increasingly aware of the impact their purchase decisions have on the environment. As a result, there is a growing demand for sustainable products and services. Companies that prioritize sustainability in their supply chains not only contribute towards a greener future but also gain a competitive advantage by meeting consumer demands.

Integrating sustainability into strategic planning translates into long-term economic advantages for businesses. Companies that adopt sustainability can mitigate risks in regulatory compliance and resource scarcity. From an operational point of view, sustainable practices can lead to cost savings through improved resource efficiency and waste reduction.

KEY COMPONENTS OF SUPPLY CHAIN SUSTAINABILITY

There are many areas in which companies can develop sustainability initiatives. Supply chain planning can drive targeted transformation of operational processes:

Resource Efficiency

Reducing the consumption of raw materials and energy throughout the supply chain.

Sustainable Sourcing

Procuring materials from suppliers who adhere to environmental and social standards.

Carbon Footprint Management

Monitoring and reducing greenhouse gas emissions generated by manufacturing, transportation, and logistics.

Waste Reduction

Implementing strategies to minimize waste generated during production and distribution.

Logistics Planning

Optimizing transportation and distribution to reduce environmental impact and improve efficiency.

As an overall strategy, companies can significantly impact sustainability by incorporating initiatives directly into their Integrated Business Planning process. Alignment and collaboration between financial, operational and strategic goals across the organization ensures consistent prioritization of sustainability objectives throughout the supply chain, leading to more informed decision-making, reduced environmental impact, and improved cost-efficiency.

CAPABILITIES OF SUPPLY CHAIN PLANNING SOFTWARE IN SUPPORTING SUSTAINABILITY INITIATIVES

Innovation in planning and optimization technology has led to many new capabilities that can transform how companies manage and plan their supply chains. Although these developments are universally advantageous, companies can benefit from working with trusted partners to help determine which capabilities are critical to their specific business needs.

Real-Time Data Analytics:
Provides real-time visibility into supply chain operations, allowing companies to make informed decisions quickly.

Example:

A company uses real-time data analytics to monitor fuel consumption during transportation and adjust routes to minimize carbon emissions.

Predictive Analytics:
Uses historical and real-time data to forecast future trends and demands, improving inventory management and reducing waste.

Example:

Retailers use predictive analytics to anticipate seasonal demand spikes, reducing overproduction and unsold inventory.

Scenario Planning:
Allows companies to simulate various scenarios and assess their impacts on sustainability goals, supporting better strategic decision-making.

Example:

A logistics company simulates different transportation routes and methods to identify the most environmentally friendly option.

Resource Optimization:

Increases resource usage efficiency, helping companies reduce energy consumption and raw material use.

Example:

A beverage company utilizes software to optimize its water usage in production, significantly reducing its water footprint.

Demand Sensing and Responsiveness:

Enhances the ability to rapidly respond to changes in market demand with minimal environmental impact.

Example:

A consumer electronics company leverages demand-sensing technologies to adjust its production levels dynamically, reducing excess inventory and minimizing electronic waste.
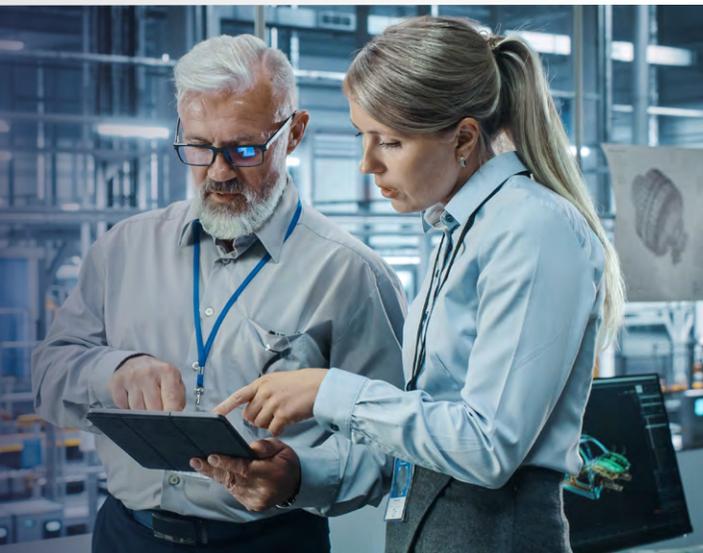
Collaborative Platforms:

Facilitates communication and collaboration between different stakeholders in the supply chain to align sustainability goals.

Example:

A fashion brand uses a collaborative platform to work with its suppliers to develop more sustainable fabric alternatives.

Virtual Twins:

Creates virtual models of supply chain components to simulate and optimize sustainable practices without physical trial and error.

Example:

A car manufacturer uses virtual twin technology to simulate the production process and identify opportunities for reducing water and energy use while minimizing waste.

The DELMIA virtual twin of the supply chain can provide specific capabilities for sustainable supply chain planning. By creating a virtual replica of the entire supply chain, DELMIA allows companies to simulate various operational strategies and their potential impacts on sustainability goals. By identifying the most sustainable practices within the virtual environment, companies can make informed decisions to optimize their real-world supply chain operations, reducing their environmental footprint while maintaining efficiency and cost-effectiveness.

CONSIDERATIONS IN IMPLEMENTING SUPPLY CHAIN PLANNING SOFTWARE FOR SUSTAINABILITY

Despite its clear advantages, companies should work with trusted solutions partners and plan appropriately for the successful transformation of their operations.

Data accuracy and integration are critical for supply chain planning software to drive sustainability effectively. The virtual twin of the supply chain needs access to accurate, real-time data from various sources. Integrating these disparate data sources into a unified system is vital to the project.

Small to medium-sized enterprises (SMEs) may find it difficult to invest in advanced planning tools that are flexible enough to adapt to their unique supply chain dynamics and sustainability goals. In most cases, the value will significantly outweigh the investment, but developing a proper business case can help detail the return on investment and provide internal justification.

Dassault Systèmes' Value Engagement methodology is a robust framework for constructing a compelling business case. By meticulously evaluating organizations' specific challenges and objectives, this strategic approach tailors solutions to exact requirements, ensuring a seamless alignment between technological advancements and business needs.

Each supply chain is unique, and many are highly complex. To plan effectively, supply chain technology must be precise enough to model fine details accurately. Accurate modeling requires comprehensive data from every node and link within the supply chain, including suppliers, manufacturers, logistics providers, and distribution centers.

The dynamic nature of supply chains introduces uncertainties and risks that can undermine planning efforts. Market volatility, geopolitical factors, and changes in consumer behavior can rapidly alter supply chain conditions, necessitating continuous adjustment and re-optimization of sustainability strategies. Supply chain planning software must be robust and agile enough to accommodate such fluctuations without compromising sustainability objectives.

Lastly, there is the issue of culture and mindset within organizations. Shifting to a sustainability-focused approach requires technological investments and a transformation in the organizational culture. Stakeholders at all levels must prioritize and commit to sustainability, which can be difficult in environments where short-term financial performance is heavily prioritized.

UNIQUE FEATURES OF DELMIA SUPPLY CHAIN PLANNING SOLUTIONS

DELMIA supply chain planning solutions distinguish themselves through a suite of advanced features specifically designed to support sustainable supply chain planning. These innovative tools enable companies to balance environmental responsibility with operational efficiency effectively:

1 Comprehensive Optimization Algorithms:

DELMIA employs sophisticated optimization algorithms that seamlessly integrate environmental factors into supply chain planning. These algorithms help identify the most resource-efficient production schedules, routes, and inventory levels, minimizing waste and reducing carbon footprints.

2 End-to-End Visibility:

DELMIA offers unparalleled end-to-end visibility across the entire supply chain. This transparency allows companies to monitor and manage sustainability metrics in real-time, from raw material sourcing to product delivery, ensuring that every aspect of the supply chain aligns with sustainability goals.

3 Advanced Simulation Capabilities:

With DELMIA, businesses can simulate various supply chain scenarios to predict and analyze their environmental impact. This feature facilitates strategic decision-making by allowing companies to evaluate the sustainability implications of different operational strategies before implementation.

4 Integrated Lifecycle Assessment Tools:

DELMIA's integrated lifecycle assessment tools provide detailed insights into products' environmental impact at every stage of their lifecycle. This integration supports design and operational decisions that favor sustainability, from material selection to end-of-life disposal.

5 Dynamic Risk Management:

DELMIA's dynamic risk management features identify and mitigate sustainability-related risks, such as those arising from resource scarcity or regulatory changes. This proactive approach ensures that supply chain plans remain robust and adaptable in the face of environmental uncertainties.
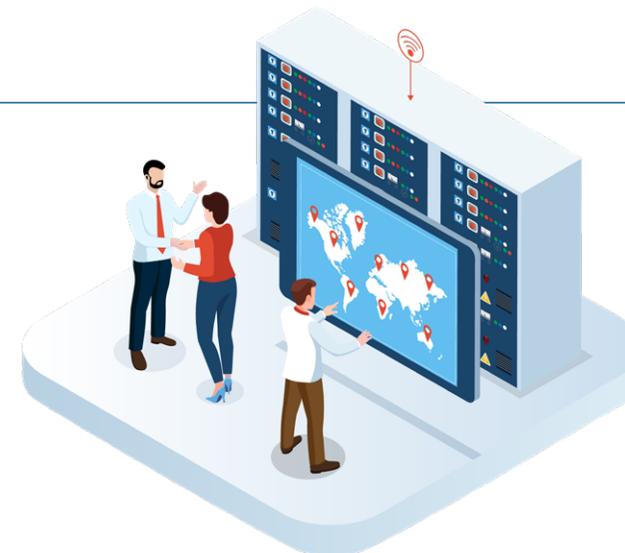
6 Supplier Collaboration and Compliance Logging:

DELMIA facilitates enhanced collaboration with suppliers through its cloud-based platform, allowing for the sharing of supplier sustainability information. This feature ensures visibility across all partners in the supply chain to established environmental standards and supports joint initiatives to improve sustainability.

These unique features of DELMIA supply chain planning solutions facilitate sustainable operations and empower companies to innovate and lead in their respective industries by demonstrating a strong commitment to environmental stewardship and responsible business practices.

REAL-WORLD BENEFITS OF IMPLEMENTING SUPPLY CHAIN PLANNING SOFTWARE

Implementing supply chain planning software yields significant real-world benefits that extend across various aspects of the supply chain. These benefits are often reflected in enhanced efficiency, cost savings, improved sustainability, and increased resilience. Below are examples of specific metrics and their typical progress:

Inventory Turnover

Advanced supply chain planning software can help companies improve inventory management, leading to increased inventory turnover rates.

Order Fulfillment Rates

Effective supply chain planning tools enhance order accuracy and fulfillment speed.

Production Cost Reduction

Supply chain planning software can significantly reduce production costs by optimizing production schedules and resource allocation.

Businesses often see an improvement of **15-25%** in inventory turnover, resulting in reduced holding costs and minimized risk of obsolescence.

Companies using such systems typically experience a **10-20%** increase in order fulfillment rates, leading to higher customer satisfaction and retention.

On average, businesses report a **10-15%** reduction in these costs through improved operational efficiencies and waste minimization.

Collaborating with DELMIA, the Altair Group has taken significant strides towards sustainability. This partnership has enabled Altair to harness DELMIA's sophisticated planning and simulation tools, optimizing production processes and significantly reducing resource consumption. The result is a marked decrease in environmental impact across their manufacturing and supply chain operations.

Lead Time

Advanced analytics and improved supply chain coordination can help reduce lead times.

Many organizations observe **20-30%** lead-time reductions, improving overall responsiveness to market demands.

Transportation Costs

The ability to plan optimal transportation routes and consolidate shipments results in lower transportation costs.

Companies frequently reduce transportation expenses by **10-15%** when leveraging supply chain planning software.

Forecast Accuracy

Improved forecasting accuracy, driven by predictive analytics, helps better demand planning.

Businesses often report an improvement of **20-30%** in forecast accuracy, translating to more precise production planning and reduced excess inventory.

Speed Group significantly enhanced its sustainability efforts through a strategic alliance with DELMIA. This collaboration empowered Speed Group with digital manufacturing and supply chain solutions to achieve unparalleled operational efficiency and eco-friendliness. Through DELMIA's innovative technologies, Speed Group optimized resource allocation and significantly reduced its carbon footprint, underscoring its commitment to environmental stewardship.

SPEED GROUP

1 **Sustainability Metrics:**
Implementing supply chain planning solutions can significantly enhance sustainability metrics.

Organizations typically see a **15-25%** reduction in carbon emissions through optimized logistics and energy-efficient production processes.

2 **Operational Resilience:**
Enhanced visibility and predictive analytics help anticipate and mitigate disruptions.

Companies report a **25-30%** improvement in operational resilience, ensuring business continuity during unforeseen events.
(Source: McKinsey - The Need for Operational Resilience)

These real-world benefits underline the critical role that supply chain planning software plays in driving operational excellence and sustainability. By leveraging these advanced tools, companies can achieve substantial enhancements across key supply chain metrics, leading to stronger competitive positioning and long-term success.

FUTURE INNOVATIONS IN SUSTAINABLE SUPPLY CHAIN PLANNING

Future decades will witness transformative innovations in supply chain planning software, profoundly enhancing sustainability. These advancements will be driven by rapid technological progress, evolving environmental regulations, and increased societal awareness of sustainability issues. Key areas of innovation expected to impact sustainability include:

Hyper-Intelligent Predictive Analytics:

Future supply chain planning software could leverage hyper-intelligent predictive analytics powered by quantum computing. This technology would enable unprecedented accuracy in demand forecasting, inventory management, and resource allocation, considerably minimizing waste and overproduction.

Advanced Autonomous Systems:

Autonomous, AI-powered drones and vehicles would revolutionize logistics and transportation. These systems could optimize delivery routes in real-time, reduce fuel consumption, and lower emissions, contributing to greener supply chains.

Sustainable Material Science Integration:

Seamlessly integrating innovations in material science into supply chain planning software. This integration will facilitate the use of sustainable materials throughout the lifecycle of products, from design to disposal, promoting a circular economy.

Dassault Systèmes' experience in design and engineering plays a pivotal role in integrating material science into supply chain planning. Leveraging virtual twin experiences, Dassault Systèmes enables organizations to model and analyze intricate material properties, behavior, and performance characteristics. Businesses can incorporate these insights to make informed decisions on material selection, integrity, and durability, enhancing overall supply chain efficiency and resilience.

Augmented Reality (AR) and Virtual Reality (VR):

AR and VR technologies will enable immersive and interactive supply chain visualizations and simulations. Companies will be able to create virtual environments to test and implement sustainable practices, enhancing strategic planning and execution.

Bio-Digital Twin Technology:

Bio-digital twins will extend the concept of digital twins to include biological and ecological factors. These models will help companies understand the environmental impact of their operations at a granular level and implement additional sustainable practices.

AI-Driven Ethical Supply Chains:

AI will play a critical role in ensuring ethical practices in supply chains. AI-driven audits and monitoring will enforce fair labor practices, responsible sourcing, and minimal environmental footprints, aligning with global sustainability standards.

Integrated Regenerative Agriculture Solutions:

Supply chain software will support regenerative agriculture by coordinating supply chain activities that enhance soil health, biodiversity, and ecosystem services. This will be crucial for food supply chains that restore and sustain natural resources.

Global Collaboration Platforms:

Enhanced collaboration platforms will facilitate global partnerships focused on sustainability. These platforms will support joint innovation, data sharing, and collaborative efforts to address global environmental challenges effectively.

These forthcoming innovations will empower businesses to achieve unprecedented levels of sustainability in their supply chains. By embracing these advancements, companies will reduce their environmental impact and drive competitive advantage and long-term viability in an increasingly eco-conscious market.

BEST PRACTICES FOR SELECTING TECHNOLOGY PARTNERS IN SUSTAINABLE SUPPLY CHAIN PLANNING

When selecting a technology vendor and supply chain planning software to support sustainable supply chains, it is critical to follow key best practices to ensure the chosen solution aligns with your sustainability goals. Here are some essential recommendations:

Evaluate Sustainability Credentials:
Assess the vendor's commitment to sustainability. Look for evidence of sustainable practices within the company, such as sustainability reports and public commitments to environmental goals.

Scalability and Flexibility:
Ensure the solution can scale with your business needs and adapt to evolving sustainability requirements. The software should support flexible workflows and easily integrate with other systems to accommodate future expansions or changes in sustainability strategies.

Advanced Analytics and Reporting:
Select software with robust analytics and reporting capabilities. The ability to track, analyze, and report on sustainability metrics, such as carbon emissions, is crucial for monitoring progress and making data-driven decisions.

Integration Capabilities:
The software should seamlessly integrate with your existing enterprise systems (e.g., ERP, MES, IoT devices). This integration is essential for real-time data sharing and comprehensive supply chain visibility, facilitating improved transparency and traceability.

Predictive and Prescriptive Capabilities:
Opt for solutions with strong predictive and prescriptive analytics features. These capabilities can help anticipate future demands and optimize supply chain activities for minimal environmental impact.

Customization and Configurability:
Choose a solution that allows customization and configurability to address your specific sustainability needs and goals. Tailoring the software to fit your unique requirements can drive more effective and efficient sustainable practices.

By following these best practices, organizations can make informed decisions that align with their sustainability objectives and ensure the selection of a technology vendor and supply chain planning software that supports the journey toward a sustainable future effectively.

STEPS TO ACHIEVING SUSTAINABILITY

Achieving optimal sustainability requires a commitment to transformation. Companies benefit greatly during this process, especially as advanced technologies enable more sophisticated optimization and synchronization across the organization:

1   **Assess Current Processes**
- Identify areas for improvement in terms of waste, energy consumption, and environmental impact

2   **Create and Deploy the Virtual Twin**
- Design and plan sustainable plants, warehouses, and distribution centers with model-based analysis
- Simulate operations to optimize processes and show where to save waste and energy

3   **Optimize the Supply Chain**
- Optimize and experiment with "what-if?" scenarios to explore new network strategies and operational models

4   **Continuously Improve**
- Monitor and evaluate the impact of plans on sustainability goals and use advanced analytics to ensure ongoing improvements

5   **Plan across the Entire Product Lifecycle**
- Incorporate sustainability considerations from the earliest stages of ideation through to the end-of-life to minimize environmental impact while maximizing product value

CONCLUSION

The imperative for companies to transform their supply chain operations towards sustainability has never been stronger. Businesses must adopt innovative tools and strategies to remain competitive and responsible. This transformation is essential for mitigating environmental impact and enhancing brand reputation in an increasingly eco-conscious market.

DELMIA, with its cutting-edge technology and commitment to sustainability, has partnered with many companies across industries in their transformation journey. Our advanced supply chain planning software integrates state-of-the-art predictive analytics, autonomous systems, and robust reporting capabilities to ensure your operations are efficient, transparent and compliant.

DELMIA helps companies create a sustainable future by leveraging our expertise to foster resilient and sustainable supply chains, achieve environmental stewardship and sustain growth.

Our **3D**EXPERIENCE® platform powers our brand applications, serving 12 industries, and provides a rich portfolio of industry solution experiences.

Dassault Systèmes, the **3D**EXPERIENCE Company, is a catalyst for human progress. We provide business and people with collaborative virtual environments to imagine sustainable innovations. By creating virtual twin experiences of the real world with our **3D**EXPERIENCE platform and applications, our customers can redefine the creation, production and life-cycle-management processes of their offer and thus have a meaningful impact to make the world more sustainable. The beauty of the Experience Economy is that it is a human-centered economy for the benefit of all –consumers, patients and citizens.

Dassault Systèmes brings value to more than 300,000 customers of all sizes, in all industries, in more than 150 countries. For more information, visit **www.3ds.com**.
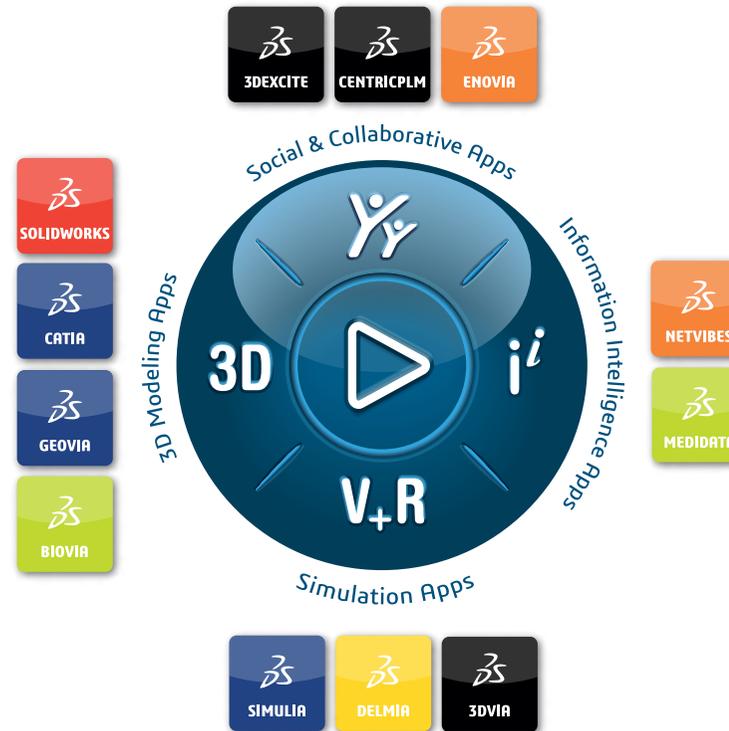
Europe/Middle East/Africa
Dassault Systèmes
10, rue Marcel Dassault
CS 40501
78946 Vélizy-Villacoublay Cedex
France

Asia-Pacific
Dassault Systèmes
17F, Foxconn Building,
No. 1366, Lujiazui Ring Road
Pilot Free Trade Zone, Shanghai 200120
China

Americas
Dassault Systèmes
175 Wyman Street
Waltham, Massachusetts
02451-1223
USA