IDC MarketScape: Worldwide Overall Supply Chain Planning 2019 Vendor Assessment
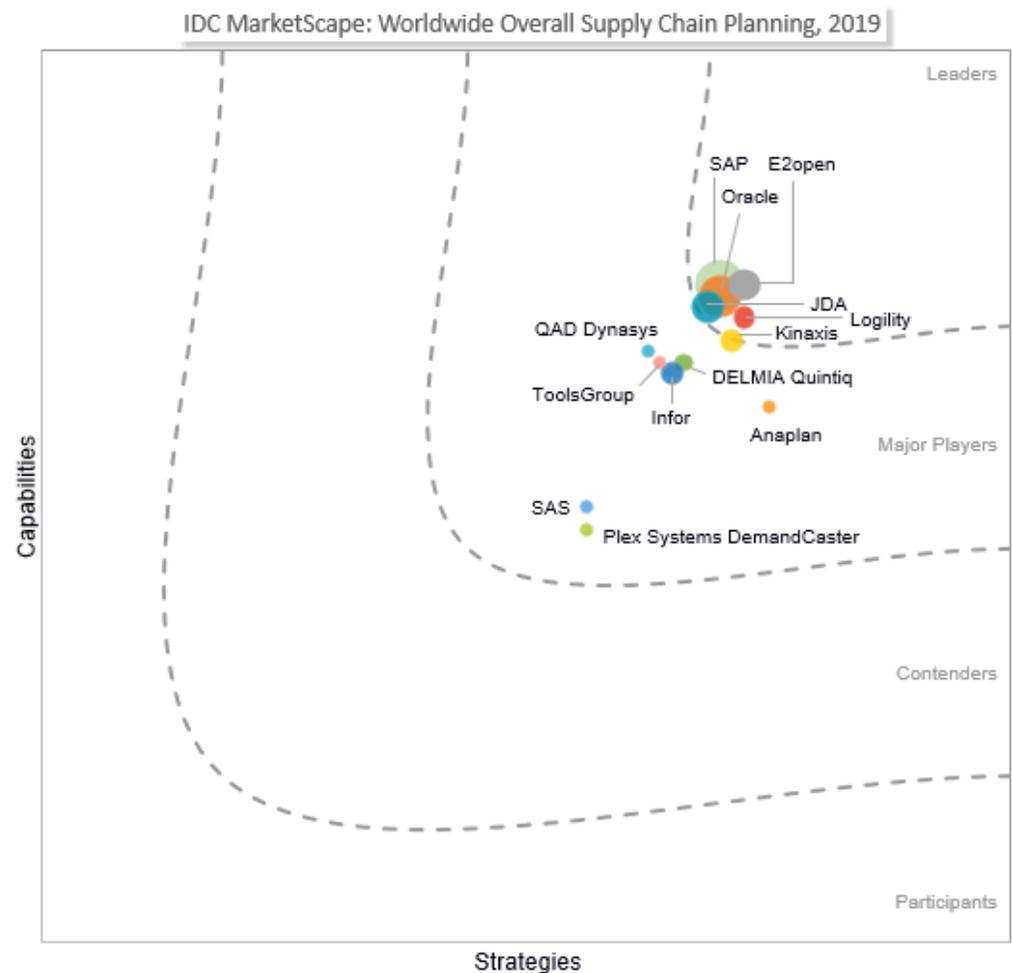
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THIS IDC MARKETSCAPE EXCERPT FEATURES PLEX SYSTEMS DEMANDCASTER

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Overall Supply Chain Planning Vendor Assessment

Source: IDC, 2020

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Overall Supply Chain Planning 2019 Vendor Assessment (Doc # US45863417). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the supply chain supply planning space and helps assess current and anticipated performance in the marketplace. Supply chain planning (SCP) has become both central and critical to the success of the thinking, digitally enabled supply chain. This study assesses the capability and business strategy of 13 key vendors with broad competencies in overall supply chain planning. This evaluation is based on a comprehensive framework and set of parameters expected to be conducive to success in providing organizations with insight into supply chain planning tools. Key findings include:

- IDC Manufacturing Insights defines supply chain planning as the broad process by which supply chain organizations anticipate demand for their products and services, ensure that the supply of components and materials is adequate to meet that demand, ensure that inventory levels at all points of the supply chain are optimized, and then develop a consensus plan that balances demand and supply through sales and operations planning (S&OP).

- Growing complexity in the supply chain, particularly offshore sourcing, has made supply chain planning much more challenging. Combined with larger forecast error and a lack of complete insight into supply opportunities and constraints, the need for competent overall supply chain planning applications is central to the success of the broader supply chain.

- Each vendor included in this IDC MarketScape offers and has displayed demonstrable competency in the field of supply chain planning and IDC would not hesitate to recommend any of them in the evaluation process.

- The criteria used in this IDC MarketScape (and resulting position of vendors in Figure 1) are across the dual dimensions of strategy (future plans and where the vendor is headed) and capability (where the vendor is today in terms of capabilities). Each of the elements within strategy and capability is then assigned a weighting based on the relative importance of each criterion in the opinion of IDC Manufacturing Insights and feedback from client references and discussions.

- This IDC MarketScape is a starting point for manufacturers that are considering purchasing a supply chain planning application or suite, either for the first time or as a replacement for something they already own. The vendors included represent a "short list" – a way to winnow down the long list of service providers, both big and small, in the marketplace. It does not replace the due diligence that companies must then do to evaluate which vendor is the right fit for their needs and circumstances.

The supply chain, whether you are a manufacturer, retailer, wholesaler, or something else, is now a critical function for companies to realize their business aspirations. It is a competitive weapon in the modern digital economy. Advanced supply chain capabilities can enable more efficient and effective

business approaches and support new business models that translate directly to business performance that is tangible and measurable. More importantly, these capabilities transition the supply chain from one that is a "cost center" to one that is an "opportunity center."

The role of supply chain planning is critical to the overall performance of the supply chain. IDC has long evangelized the notion of a singular, integrated supply chain planning facility, which we view as central to an intelligent digital supply chain evolution, but it is also now much more than that, with necessary connections to product design, manufacturing, and supply chain execution. Integrated business planning is the holistic business process that connects all the various planning functions across the supply chain, including demand planning, supply planning, inventory optimization, and sales and operations planning.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This study covers key vendors specifically in the supply chain planning space. Indeed, there are a significant number of vendors offering SCP applications to the market, and we would judge the space to be mature. The intent with this IDC MarketScape is to focus on those that offer notable and robust capabilities. Each of the 13 vendors evaluated for this IDC MarketScape have a well-rounded scope of capabilities for supply chain planning. While there remain differences among the competitors, IDC Manufacturing Insights would feel comfortable recommending any of these companies.

The supply chain planning space has a long tail, with hundreds of companies offering capabilities; however, only a subset offers the full range of demand, supply, inventory, and S&OP. For the purposes of this overall supply chain planning study, we focused on those that we deem to be notable and robust because of the following characteristics:

- Vendors must have been included in recently published demand planning, supply planning, inventory optimization, and S&OP reports.
- Vendors must have at least 20 supply chain planning customers.
- Vendors must have customers in at least three industry segments.
- Vendor is visible. (Vendor is perceived as a key market player.)
- Vendors must have had supply chain planning capability in the marketplace for at least three years.
- Vendors must have a demonstrable track record of innovation with their supply chain planning applications or suite.

ADVICE FOR TECHNOLOGY BUYERS

Overall supply chain planning is a critical capability in the thinking, digitally enabled supply chain. The ability to pair an accurate demand forecast to a credible supply side plan while optimizing necessary inventory positions, and then agreeing to a consensus plan through S&OP, are all critical components in managing an efficient and effective supply chain organization and can be the difference between meeting or not meeting customer expectations for service and quality. As we noted at the outset of this study, supply chain planning has been around for a long time and is a generally mature application space. This does not mean, however, that progress or innovation has remained static; indeed, in the 13 vendor profiles that follow, the level of capability and innovation noted far outstrips what was available even three years ago — whether in terms of planning frequency, the use of both broad and

deep data sets, extended collaboration, or the use of new technologies such as artificial intelligence (AI) or machine learning (ML).

Readers wishing for more depth in either demand planning, supply planning, S&OP, or inventory optimization are invited to read the following companion IDC MarketScape documents:

- *IDC MarketScape: Worldwide Supply Chain Demand Planning 2019 Vendor Assessment* (IDC #US45493217, September 2019)
- *IDC MarketScape: Worldwide Supply Chain Sales and Operations Planning 2019 Vendor Assessment* (IDC #US45598017, November 2019)
- *IDC MarketScape: Worldwide Supply Chain Inventory Optimization 2019 Vendor Assessment* (IDC #US45672017, December 2019)
- *IDC MarketScape: Worldwide Supply Chain Supply Planning 2019 Vendor Assessment* (IDC #US45740217, January 2020)

One important consideration is that supply chain organizations are faced with the choice of whether to continue with point/narrow focus applications or move to an integrated supply chain management suite. The cobbling together of myriad point solutions, even those that are best of breed, rarely results in a best-of-breed "whole" – in other words, the whole may be much less than the sum of its parts. If we accept that suite solutions are broadly the future and point solutions the past, then the journey must begin with the right strategy. This is a major factor in the acquisition of supply chain planning applications. While there may be perfectly good reasons for an organization to purchase individual components of supply chain planning, consider them as part of a broader set of capabilities. When considering supply chain planning overall, or components, it is important to be clear on the broad strategy for your supply chain but also that short-term tactical requirements may require making exceptions. Also, recognize the importance of having an interconnected, integrated supply chain and the degree to which older point applications (even if they are best of breed) may not ideally support this goal.

For manufacturers, retailers, or wholesalers looking for a supply chain planning application – either standalone components or a complete planning suite – IDC offers the following guidance:

- Take your time in evaluating vendors. The decision to engage should be backed up with due diligence to ensure that the vendor selected has the appropriate levels of experience in your area of need.
- Be clear on whether you want independent point solutions or a supply chain planning application that is part of an interconnected suite.
- Keep customization to a minimum; customized workflows and systems add a layer of complexity into the supply chain, which may be unnecessary.
- Look to vendors that have experience in your market segment and have the established application scale you require.
- Ensure that part of the evaluation considers your current set of supply chain applications in terms of how supply chain planning will integrate with those applications.
- Ensure that the vendors you consider have the existing necessary functionality as well as the future capabilities you will likely need.

VENDOR SUMMARY PROFILES

This section briefly details IDC's key observations resulting in a vendor's position in this 2019 IDC MarketScape for overall supply chain planning. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Plex Systems DemandCaster

Plex Systems DemandCaster is positioned in the Major Players category in this 2019 IDC MarketScape for worldwide overall supply chain planning.

Plex Systems is a software company headquartered in Troy, Michigan, and founded in 1995. Overall, the company was profitable in 2019, and Plex has consistently achieved double-digit revenue growth year over year for the past 10 years. Plex is a provider of ERP, MES, and IIoT applications for the manufacturing industry and supply chain planning applications for manufacturers and distributors. Plex offers demand planning, S&OP, supply planning, and inventory optimization as part of DemandCaster (DemandCaster was acquired by Plex Systems in 2016), a single application platform with multiple functionalities and services.

DemandCaster (or "Plex Systems' Advanced Supply Chain Planning" when sold to existing Plex customers or alongside other Plex solutions) is made up of core SCP, supply planning, demand planning, advanced planning, capacity planning, and integrated business planning. Inventory planning and optimization is DemandCaster's core platform, with functionality including item-level forecasting, inventory optimization, material requirement planning, container-based ordering, lot expiration, and ERP integration. Advanced planning and forecasting is an add-on module that allows customers to support a sales and operations planning process by forecasting and planning by customer, channel, or any level of demand. It includes budgeting and expanded reporting, allowing external data sources such as POS, net demand planning, and promotion planning. Distribution requirements planning is another add-on module that allows customers to plan and optimize inventory across multiple manufacturing and distribution locations, with constrained supply planning, and includes unlimited locations. All DemandCaster sales are direct.

DemandCaster is exclusively hosted on a private cloud and is scalable to an unlimited number of active users, and there is no theoretical limit on the number of SKUs that can be managed. One customer implementation supports over 80 users. This product is targeted at companies of $1 billion and below, though the company's median customer size is well below that. DemandCaster is classified as a middle-market product, even if it does have some big customers.

DemandCaster has been experiencing strong growth of its supply chain planning product, with revenue almost doubling from 2017 to 2018 (with approximately 90% of this growth coming from net-new customers). Keep in mind that growth is off a relatively small revenue base, but future growth expectations are for annual revenue to grow by at least 75% through 2020. The DemandCaster solution was recently updated to be more flexible, offering a highly configurable solution and a user-friendly interface. Innovations planned into the future include:

- **Predictive analytics:** Leveraging machine learning, system to consider actual performance in plans and offer changes to settings to optimize and/or correct
- **Dynamic constrained planning:** Adjust demand plan based on material and capacity availability and real-time machine data – currently a manual process

- **IoT and machine learning:** Improved forecasting with machine learning and external IoT data sources
- **DDMRP:** Include inventory sizing and placement benefits of DDMRP

Strengths

DemandCaster differentiates itself from competitors in four key areas:

- **Smart and simple:** DemandCaster has an intuitive user interface and offers guided planning and multilocation optimization.
- **End to end:** DemandCaster offers integrated demand and supply planning from forecast to execution.
- **Reliability:** DemandCaster offers 99.9% cloud availability and always current, multitenant architecture.
- **Customer care:** DemandCaster customers receive global support and proven success with measurable results. Exceptional customer support is DemandCaster's primary objective.

Challenges

Supply chain planning is a crowded and ever-changing market. One of DemandCaster's biggest challenges is establishing greater visibility outside of its current strongholds within the Plex Systems and NetSuite ecosystems. In addition, as the global supply chain market continues to evolve at a rapid pace, it is constantly evaluating new technology and working to ascertain where to invest research and development efforts.

Consider Plex Systems DemandCaster When

Midsize manufacturing organizations looking for a capable, scalable supply chain planning application environment should consider DemandCaster. Plex Systems has particular strength in discrete manufacturing and has had success there with its supply chain planning tools.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape generally represents the market share of each individual vendor within the specific market segment being assessed. The market share of each vendor was modeled using the scale of supply planning of each vendor within the specific market segment.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

IDC Manufacturing Insights defines supply chain planning (SCP) as the broad process by which supply chain organizations anticipate demand for their products and services, ensure that the supply of components and materials is adequate to meet that demand, ensure that inventory levels at all points of the supply chain are optimized, and then develop a consensus plan that balances demand and supply through a sales and operations planning process.

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Supply Chain Supply Planning 2019 Vendor Assessment* (IDC #US45740217, January 2020)
- *IDC MarketScape: Worldwide Supply Chain Inventory Optimization 2019 Vendor Assessment* (IDC #US45672017, December 2019)
- *IDC MarketScape: Worldwide Supply Chain Sales and Operations Planning 2019 Vendor Assessment* (IDC #US45598017, November 2019)
- *IDC MarketScape: Worldwide Supply Chain Demand Planning 2019 Vendor Assessment* (IDC #US45493217, September 2019)
- *IDC MaturityScape Benchmark: Digitally Enabled Thinking Supply Chain in the United States, 2019* (IDC #US44930219, March 2019)
- *IDC MarketScape: Worldwide Multi-Enterprise Supply Chain Commerce Network 2018 Vendor Assessment* (IDC #US44514117, December 2018)

Synopsis

This IDC Manufacturing Insights study uses the IDC MarketScape model to provide an assessment of a number of providers participating in the worldwide overall supply chain planning market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assesses providers relative to one another and to those factors expected to be most conducive to success in a given market during both the short term and the long term.

"Overall supply chain planning is a critical capability in the thinking, digitally enabled supply chain. The ability to pair an accurate demand forecast to a credible supply side plan while optimizing necessary inventory positions, and then agreeing to a consensus plan though S&OP, are all critical components in managing an efficient and effective supply chain organization," says Simon Ellis, Global VP for IDC Manufacturing Insights' Supply Chain Strategies Practice.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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