

IDC MarketScape: Worldwide Supply Chain Planning for Distribution Industries 2024 Vendor Assessment

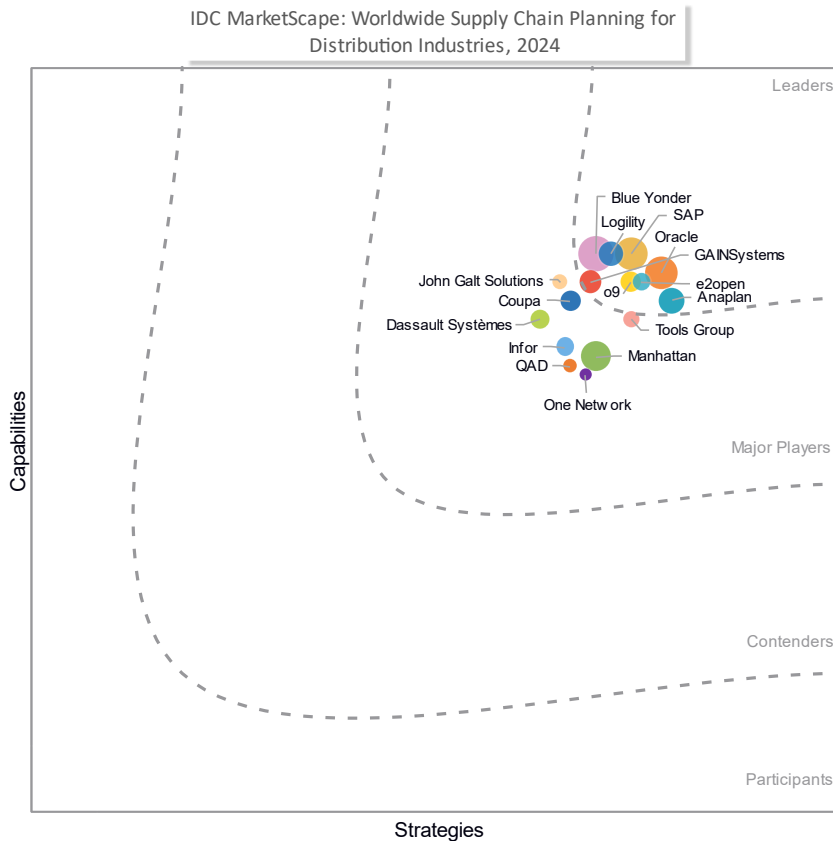
Eric Thompson

THIS IDC MARKETSCAPE EXCERPT FEATURES O9

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Supply Chain Planning for Distribution Industries Vendor Assessment



Source: IDC, 2024

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 Supply Chain Planning for Distribution Industries 2024 Vendor Assessment (Doc # US51272924). 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 planning (SCP) space of distribution industries, and it helps assess current and anticipated performance in the marketplace. Supply chain planning has become both central and critical to the success of a resilient supply chain. This study assesses the capability and business strategy of 16 key vendors with broad competencies and experience in supply chain planning for the distribution industries. 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 overall process of forecasting demand and supply, coming to a consensus plan through a sales and operations planning process while ensuring that inventory planning and optimization fidelity is maintained. Ultimately, the goal is to sense/forecast the demand for a product or service so that it can be accurately manufactured/produced and then fulfilled to the customer/consumer efficiently and effectively.
- In this document, distribution industries are inclusive of retail and wholesale distribution.
- The ever-increasing complexity in the supply chain has made planning more difficult, and the need for a competent supply chain planning system 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 planning, and IDC would not hesitate to recommend any of them in the evaluation process.

The criteria used in this IDC MarketScape (and the resulting positions in Figure 1) are across dual dimensions of strategy (i.e., future plans and where the vendor is headed)

and capability (i.e., 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 distribution companies that are considering purchasing a supply chain planning application 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 particular needs and circumstances.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The supply chain, whether you are a manufacturer, retailer, or wholesaler, is a critical function for companies to realize their business aspirations. Issues faced by supply chains over the past five years of recurring global/regional disruption have reinforced that if the supply chain doesn't work, then the business doesn't work. Indeed, modern supply chain capabilities can enable more efficient and effective business approaches to better handle challenges and disruptions and support new business models that translate directly to business performance that is tangible and measurable. In IDC's 2024 *Supply Chain Survey*, one of the more persistent and problematic gaps identified by supply chain practitioners was that a lack of digital competencies limits the ability to transition the supply chain to new business models. At IDC, we have noted in the past that the most successful businesses have transitioned the supply chain from a “cost center” to 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 now, it is also much more than that with necessary connections to product design, manufacturing, and supply chain execution. Integrated business planning (IBP) is the holistic business process that connects all the various planning functions across the supply chain, including demand planning (DP), supply planning (SP), inventory optimization, and sales and operations planning (S&OP).

This document covers key vendors offering supply chain planning applications and capabilities in support of distribution industries. IDC has noted that while many vendors offer a breadth of supply chain planning capabilities, there are nuances and specific requirements within industries. Thus we have evaluated a group of select vendors with planning solutions in this industry. Indeed, there are numerous vendors offering supply chain planning to this market, and we would judge the space to be

generally mature. This does not mean that there is no innovation but rather that the foundational capabilities necessary for a competent supply chain planning tool are now table stakes. Each of the 16 vendors in this document meet this requirement and the following criteria for inclusion:

- Vendors must have a global presence with engagements in at least two major geographic regions.
- Vendors must have a breadth of supply chain planning offerings (e.g., demand planning, supply planning, S&OP, and inventory optimization) with a clear focus on and engagements in distribution industries.
- Vendors must have been offering supply chain planning tools for at least five years.
- Vendors must have at least 10 referenceable client engagements.

Although overall revenue is not an inclusion/exclusion criterion, it is a component of evaluation as a measure of the ability for a vendor to scale. The supply chain planning application space has a long tail with hundreds of companies offering capabilities. For the purposes of this document, we have focused on those that we deem to be notable within the categories of Leaders or Major Players.

ADVICE FOR TECHNOLOGY BUYERS

Holistic supply chain planning is a critical capability in the resilient supply chain. The ability to pair an accurate demand forecast to a credible supply-side plan, optimize necessary inventory positions, and then agree to a consensus plan through S&OP are critical in managing an efficient and effective supply chain organization in distribution industries and can be the difference between meeting and failing to meet customer expectations for service and quality. As we noted previously, 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 16 vendor profiles discussed in this document, the level of capability and innovation far outstrips what was available even two 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 generative AI [GenAI]) or machine learning (ML).

For broader industry coverage of supply chain planning, see the following companion IDC MarketScape documents:

- *IDC MarketScape: Worldwide Supply Chain Planning for Process Industries 2024 Vendor Assessment* (IDC #US51273023, forthcoming)

- *IDC MarketScape: Worldwide Supply Chain Planning for Discrete Industries 2024 Vendor Assessment* (IDC #US51272724, forthcoming)
- *IDC MarketScape: Worldwide Supply Chain Planning for Life Sciences Industries 2024 Vendor Assessment* (forthcoming)
- *IDC MarketScape: Worldwide Supply Chain Planning for Spare Parts/MRO 2024 Vendor Assessment* (forthcoming)
- *IDC MarketScape: Worldwide Holistic Supply Chain Planning 2024 Vendor Assessment* (forthcoming)

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 (SCM) platform. 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 platforms are broadly the future and point solutions are the past, then the journey must begin with the right strategy. This is a major factor in the acquisition of a supply chain planning application. While there may be perfectly good reasons for an organization to purchase demand planning only or supply planning only, the more common reality is that supply chain planning is acquired as a broader set of capabilities.

For distribution companies looking for a supply chain planning application platform, 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.
- **Balance short-term needs with longer-term requirements.** Do you want independent point solutions or a demand planning application that is part of an interconnected platform?
- **Look to vendors that have experience in your market segment and have the established application scale you require.** While much of supply chain planning may be common across industries, there are specific capabilities that align with industry differences. Furthermore, a vendor’s knowledge and/or experience in a specific industry can mean more quickly assessing challenges or seizing on opportunities.

Ensure that part of the evaluation considers your current set of supply chain applications in terms of how new planning tools will integrate with those applications. This will be less relevant if you intend to move to a single platform, though connections to tools such as ERP and MES are still important.

Ensure that the vendors you consider have both the existing necessary functionality and the future capabilities you will likely need. Although it has always been the IDC view that you should evaluate any application based on what it can deliver today, all the vendors publish development roadmaps that are useful guideposts for subsequent/expanded capabilities.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. 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.

o9

o9 is positioned in the Leaders category in this 2024 IDC MarketScape for worldwide supply chain planning for distribution industries.

o9 is a global software firm that offers solutions across supply chain planning (e.g., IBP, DP, SP, and inventory), retail planning, and revenue and P&L management. Founded in 2009, o9 is headquartered in Dallas, Texas, with over 2,800 employees. The large majority of those employees are focused on roughly 200 supply chain planning clients. o9's supply chain planning client base is representative of all industries, with a large concentration in the process, distribution, and discrete industries, followed by the life sciences and MRO/spare parts industries.

While o9 is a relatively newer entry — new being a relative term as the company is nearing two decades now — it has shown a penchant for delivering innovative solutions.

o9 offers the following within supply chain planning:

- Digital Brain Platform, which integrates all components while offering a composable (building block) approach (This includes all aspects of the subsequent bulleted points.)
- IBP including S&OE, IBP simulations, financial planning and budgeting, and long-range strategic planning
- Demand Planning including collaborative planning and AI/ML
- Supply Planning including segmentation, MRP, ATP, production scheduling, logistics scheduling, and supplier collaboration
- Inventory planning and optimization

- Data and knowledge (involving master data, knowledge management, and user support)

Strengths

With its composable and integrated approach, o9 offers clients flexibility in the level of partnership with o9 Solutions. Clients can take a building block approach or pursue full end-to-end integrated solutions. As a new player, o9 has focused on innovation while building a client base of roughly 200 supply chain planning clients. o9 delivers a combination of classic tools, AI/ML models, user knowledge support, and integration tools for both internal and external solutions.

o9's key strengths include:

- End-to-end connected platform offering a single data model
- Composability/extensibility
- Platform enabling connected, automated scenario modeling
- Cloud deployment with hyperscalers and big data infrastructure to handle complex models
- Demand sensing and analytics solutions

Offerings Specific to Distribution Industries

While o9 offers many features and functions across industries, there are some differentiators offered in distribution industries such as:

- Solutions supporting vertically integrated value chain management and end-to-end workflows
- Industry-specific solvers
- Seasonality and volatility insights at multiple levels of granularity
- Control towers and S&OE solutions including visibility and collaboration
- Integration across IT landscape
- Creating multiple models such as yield/quality, tank planning, local and global regulations, push/pull tools, campaigns, and other industry specifics

Challenges

o9 finds that some clients struggle with transformations if the business case isn't clear or if stakeholders and sponsors aren't aligned. Some clients differ in maturity levels, impacting the success of digital transformations. Other challenges have included data and integration, especially if the client data environment, project governance, and/or change management are poor. To address these areas — what the company considers

to be common challenges — o9 has worked internally and with partners to deliver support for transitions.

Consider o9 When

With o9's flexibility in offering both end-to-end and composable menu options, some clients may appreciate selecting a right-fit or a quick time-to-value approach with o9. In addition, solutions leveraging AI/ML and offering scenario modeling and the integration of multiple aspects of planning and specific industry solutions may be appealing to distribution industries clients.

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 menu of services 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 represents the market share of each individual vendor within the specific market segment being assessed.

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 planning space of distribution industries, and it helps assess current and anticipated performance in the marketplace. Supply chain planning has become both central and critical to the success of a resilient supply chain. This study assesses the capability and business strategy of 16 key vendors with broad competencies and experience in supply chain planning for the distribution industries. 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.

Each of the 16 vendors evaluated for this IDC MarketScape have a well-rounded scope of capabilities related to supply chain planning. The vendors ended up in the Leaders or Major Players segments because of their ability to meet the core requirements of having both broad functional expertise and a significant customer base within distribution industries. While there remain differences among the competitors, IDC Manufacturing Insights would feel comfortable recommending any of these companies.

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 point of the supply chain are optimized, and then develop a consensus plan that balances demand and supply through a sales and operations planning process.

In this study, distribution industries are inclusive of retail and wholesale distribution.

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Supply Chain Planning for Life Sciences Industries 2024 Vendor Assessment* (forthcoming)
- *IDC MarketScape: Worldwide Supply Chain Planning for Sapre Parts/MRO 2024 Vendor Assessment* (forthcoming)

- *IDC MarketScape: Worldwide Holistic Supply Chain Planning 2024 Vendor Assessment* (forthcoming)
- *2024 IDC's Manufacturing Supply Chain Survey Findings and Implications* (forthcoming)
- *IDC MarketScape: Worldwide Supply Chain Planning for Process Industries 2024 Vendor Assessment* (IDC #US51273023, forthcoming)
- *IDC MarketScape: Worldwide Supply Chain Planning for Discrete Industries 2024 Vendor Assessment* (IDC #US51272724, forthcoming)
- *IDC MaturityScape: Digital Supply Chain Resiliency 2.0* (IDC #US52017324, May 2024)
- *IDC FutureScape: Worldwide Supply Chain 2024 Predictions* (IDC #US50873823, October 2023)
- *Resilient Supply Chain Paradigm Shift: From Unconstrained to Constrained* (IDC #US48326218, November 2021)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of 16 providers participating in the worldwide supply chain planning market for distribution industries. 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.

“Supply chain planning is a critical capability in a resilient distribution industry supply chain. The ability to plan demand and supply, while optimizing inventory positions, and then agreeing to a consensus plan through S&OP are all critical components in managing an efficient and effective supply chain,” says Eric Thompson, Research Director, Worldwide Supply Chain Planning.

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. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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