

# Intelligent Supply Chain Management Accelerator

Forecast demand and optimize inventory with Azure Machine Learning and the Microsoft Power Platform



## Manage response to supply chain trends

Readiness during uncertainty and rapid change can yield opportunity



Evolving, unique needs	Fast-moving demands	Constant disruption	Accelerated tech investment	
Targeted, agile, and flexible supply chain solutions should be a #1 priority for successful organizations.	67% of organizations say meeting customer expectations is a critical force impacting supply chains.	<b>80</b> % of organizations prioritize building a responsive supply chain.	6 in 10 organizations plan to invest in technology to bolster supply chain processes, data synthesis, and analysis capabilities.	

# New supply chain pressures

Limited insight into supply and demand data challenges business success



Slow and uninformed decision making due to lack of sophisticated, scalable, and high-quality forecasting for inventory and demand.



Balancing customer satisfaction while minimizing carrying, storage, and maintenance costs.



Strained supply chains caused by unexpected but imminent events, amplifying urgency for modern solutions.



Increased technology costs and limited ROI when solutions aren't finely tuned to business needs.



**Inability to scale** without technology to enable aggregation and analysis of growing volume of supply chain data.

### Build a resilient supply chain

Future proof your business with a demand-driven, customer-centric supply chain



### Optimize inventory and demand forecasting



Leverage data in a meaningful way to meet and exceed customer expectations

The Intelligent Supply Chain Management Accelerator helps optimize inventory and demand forecasting and innovatively integrates:

Azure Machine Learning (AML) to validate, analyze, predict, optimize on data

Microsoft PowerApps to streamline cloud-based development

Microsoft Power BI for userfriendly data visualization

A distributed OSS computing framework, **Ray.io**®, for scalability



Improve decision making in evolving conditions with accurate and fast demand forecasting and inventory optimization.



Quickly bring the AI/ML business application to life within your supply chain through innovative integration of Microsoft solutions.



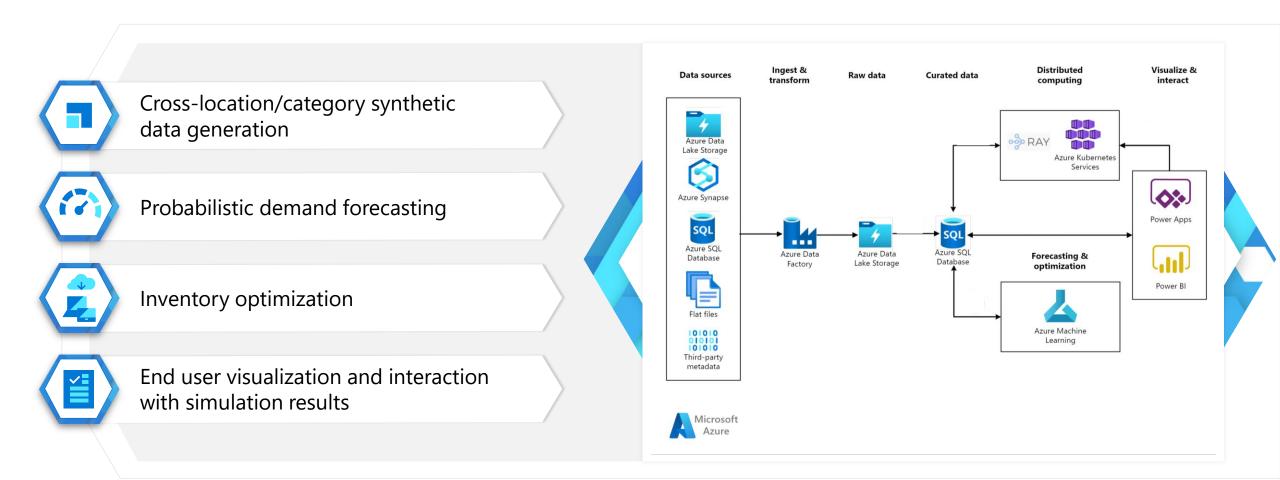
**Perform optimization simulation at scale** with new parallel computing technology.



**Boost risk prediction capabilities and scenario modeling** using multivariate probabilistic forecasting.

#### **Architecture and data flow**

Practical, scalable, and manageable solution for implementing inventory optimization architectures







# Use cases

Analyze product information across locations to assess demand levels and decrease inventory costs.

**Identify the ideal amount of inventory** to have in stock.

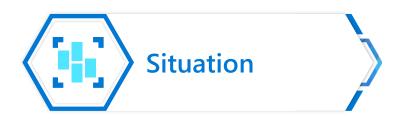
**Predict** how seasonal changes or other events might affect sales and restocking options.

Forecast the prices of commodities across locations and sales channels by using historical transaction data in a retail context.

**Analyze stock variability and sales** by using historical demand data to forecast demand in future periods, across customers, and by location and sales channel.

## Enhanced inventory and supply chain demand forecasting

Integrated AI and cloud app solution boosts scalability, flexibility, and inventory optimization





**Solution** 



**Impact** 

Accurate forecasting of customer demand is essential to **optimizing inventory levels and reducing costs** for a US-based discrete manufacturing company with eight global subsidiaries.

Without these capabilities, business-critical decision making is impacted and becomes especially problematic during supply chain disruption.

To quickly address forecasting for inventory and demand, we implemented a comprehensive integrated architecture including Azure Machine Learning, a data platform, Microsoft Power Apps and Power BI, Kubernetes, and an OSS framework.

This provides **robust**, **distributed scientific-computing capability** that meets the customer's desired business need for forecasting and sensitivity analysis for hundreds of items in a few minutes.

Scalable, fast, and accurate forecasting for inventory and supply-chain demand and inventory optimization has overcome significant business challenges and is leading to optimal outcomes—including analysis of data more that 100x faster than existing solutions.

The new solution has **improved user experience** among the operations research team as well as decision makers.

### Accelerate your journey



Implement distributable supply chain forecasting and optimization solutions







Kick-off

**Proof of value** 

**Proof of concept** 

Learn more about the Intelligent Supply Chain Management Accelerator and view a demo.

Optional solution code walkthrough and prototype based on sample data for testing. A proof of concept (PoC) is built with customer's data with support of technical specialists and partners.

MVP is scaled to deployment.

30 minutes

1-3 days

2-5 weeks

### Transform your supply chain

Quickly implement distributable supply chain forecasting and optimization

Perform inventory optimization at scale using new parallel computing technology.



Leverage advanced multivariate probabilistic forecasting for multiple items.



Enable business users and analysts to easily visualize and interact with data with an innovative integration of solutions.

#### Accelerator solution details and workflow



Sophisticated methodologies for high-quality forecasts

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Analyze sales history to assess demand

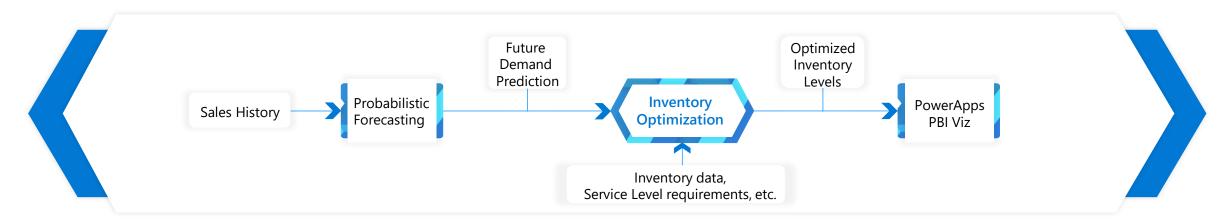
and inventory levels.

Account for uncertainties with Deep AutoRegression RNN multivariate probabilistic

forecasting.

#### **Optimize inventory**

based on inventory data, service level requirements, and other key metrics. Visualize data in business user-friendly dashboards in Power BI to analyze, interact with, and extract insights. Make informed decisions using improved demand predictions.



#### **Dashboard**

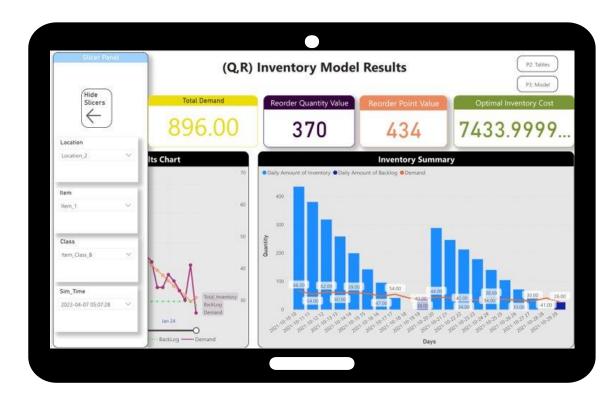
Power Apps

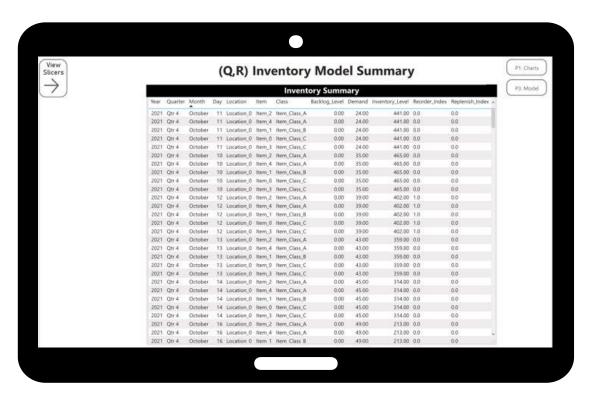




#### **Dashboard**

#### Power BI







#### **Architecture and data flow**

Practical, scalable, and manageable solution for implementing inventory optimization architectures

Azure Data Factory **ingests and transforms** related data into Azure Data Lake Storage.

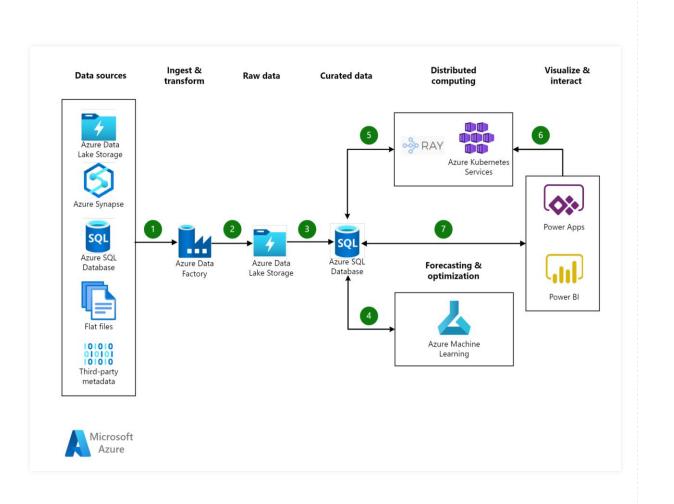
Azure Data Lake Storage stores **raw data** for further processing.

Process, validate, and analyze data with Azure Machine Learning, which uses **curated data** in Azure SQL Database to train model for advanced probabilistic **forecasting and optimization**.

Azure Kubernetes and Ray (**distributed computing** OSS framework) run parallel simulations for generating and forecasting inventory.

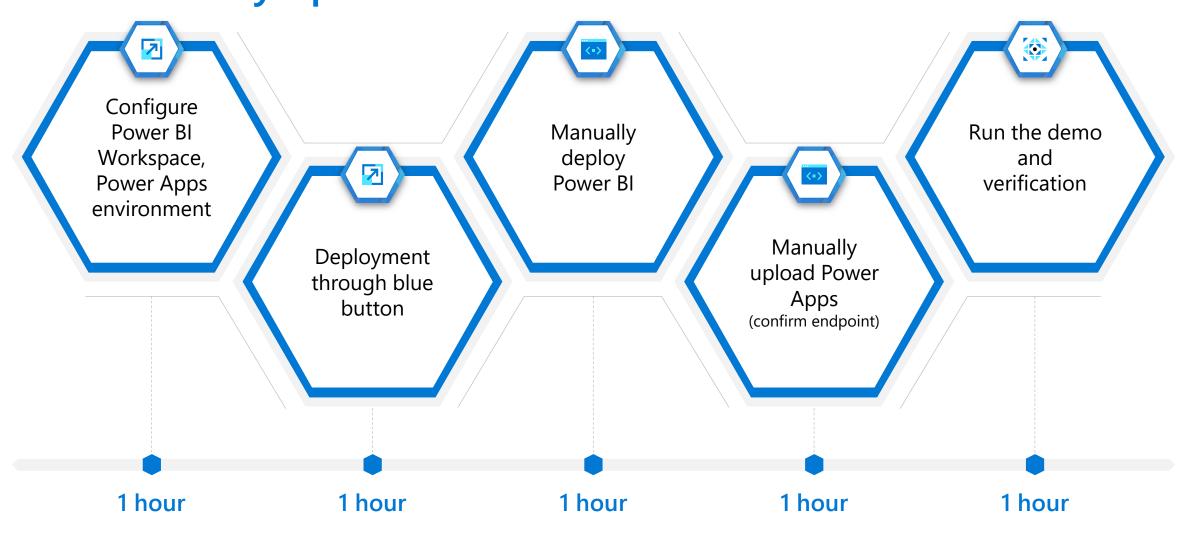
Power Apps hosts a UI for business users and analysts to submit parametric information to launch forecasting and optimization simulations.

Power BI ingests data from Azure SQL Database so users can **visualize and interact** with forecasting and optimization data.



# Next steps to Al-powered demand forecasting and inventory optimization





# Thank you

