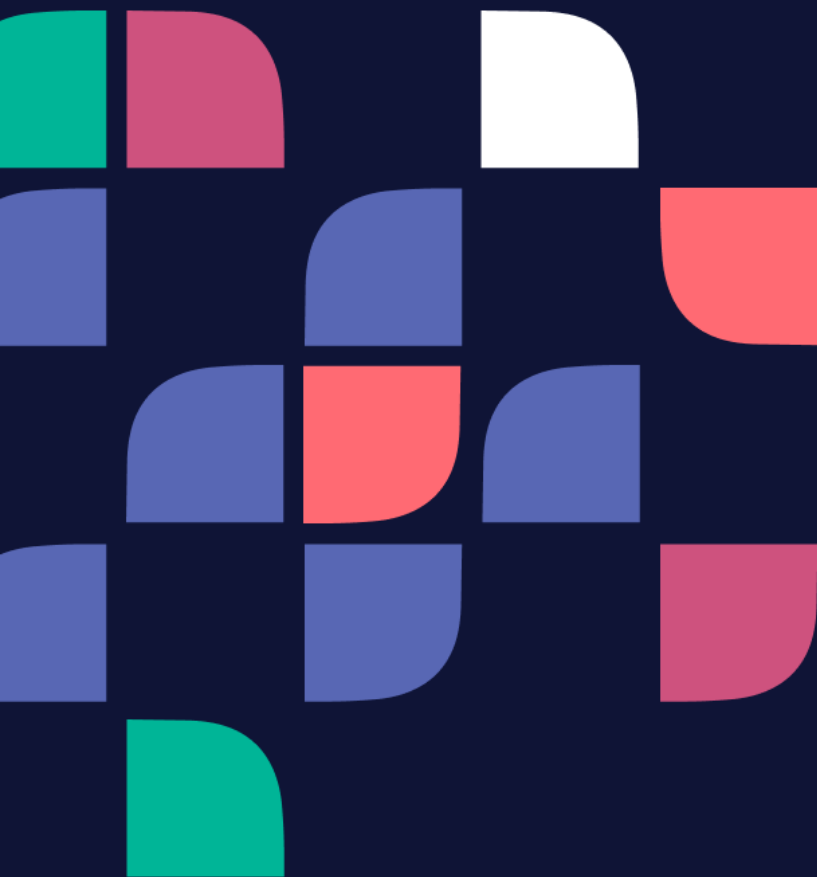


The state of supply chain planning 2026

How leading organisations are improving forecast accuracy, reducing inventory and preparing for an AI-driven future





Introduction

Supply chains have experienced more disruption, complexity and change in the last five years than in the previous two decades. Economic volatility, geopolitical uncertainty, changing customer expectations and growing pressure on working capital continue to challenge planning teams worldwide.

At the same time, Artificial Intelligence, advanced analytics and integrated planning technologies are transforming what is possible.

Yet despite significant technology investment, many organisations still face familiar challenges:

Forecasts that cannot be trusted

Excess inventory alongside service failures

Spreadsheet-driven processes

Slow decision-making

Functional silos between commercial, operations and finance teams

The purpose of this report is to understand the current state of supply chain planning and identify the capabilities that separate industry leaders from the rest of the market.

This report combines industry research, market trends and lessons learned from planning transformations across manufacturing, consumer goods, life sciences, distribution and retail organisations.

Executive summary

Our findings reveal five major themes shaping the future of supply chain planning.

Key finding #1

Forecast confidence remains a bigger challenge than forecast accuracy. Many organisations can generate forecasts. Far fewer create a single, trusted plan that sales, operations, finance and supply chain teams confidently use to make decisions.

Key finding #2

Planning maturity is now a competitive differentiator. The highest-performing organisations demonstrate:

Better cross-functional alignment

Faster decision-making

Greater visibility

More effective risk management

Key finding #3

Inventory remains the largest source of untapped value. Many organisations continue to carry excess inventory as a hedge against uncertainty. This often masks underlying planning weaknesses while tying up significant working capital.

Key finding #4

Scenario planning is becoming a core capability. Leading organisations increasingly model alternative futures before disruption occurs. The ability to evaluate "what-if" scenarios is becoming essential rather than optional.

Key finding #5

AI adoption is accelerating, but planning fundamentals still matter most.

Organisations achieving the greatest return from AI investments have established strong foundations in:

Data quality

Governance

Process maturity

Cross-functional collaboration

The current planning landscape

The challenges keeping supply chain leaders awake at night

Respondents consistently highlighted five recurring challenges:

1. Forecast volatility

Demand fluctuations continue to create uncertainty across industries. Planning teams are increasingly looking for better forecasting techniques, demand sensing technologies and AI-supported forecasting to improve responsiveness.

2. Inventory optimisation

Balancing customer service requirements against working capital objectives remains one of the most difficult planning challenges. Most organisations continue to struggle with determining:

Appropriate safety stock levels

Network inventory positioning

Service level trade-offs

3. Organisational alignment

Many businesses still operate with multiple planning cycles and competing objectives. Common examples include:

Sales pursuing growth

Operations pursuing efficiency

Finance pursuing cost control

Without integrated planning, these goals often conflict.

4. Supply chain visibility

Many organisations report having extensive data but limited visibility. The challenge is no longer the availability of information. The challenge is transforming information into actionable insight.

5. Planning skills

As supply chains become more digital, planners increasingly require capabilities beyond traditional forecasting and inventory management. Skills in analytics, scenario modelling and AI-assisted planning are becoming critical.

Benchmark: Supply chain planning maturity

Level 1: Reactive

Characteristics:

- Spreadsheet-dependent planning
- Limited cross-functional collaboration
- Highly manual processes
- Poor visibility

Typical Outcomes:

- Frequent stock-outs
- Excess inventory
- Slow response to disruption

Level 2: Managed

Characteristics:

- Defined planning processes
- Basic demand planning capability
- Departmental reporting structures

Typical Outcomes:

Improved consistency
Better planning discipline
Limited optimisation capability

Level 3: Integrated

Characteristics:

Established S&OP process
Shared planning data
Aligned functional decision-making

Typical Outcomes:

Better service performance
Improved inventory control
More effective executive governance

Level 4: Optimised

Characteristics:

End-to-end planning visibility
Integrated business planning
Advanced analytics

Typical Outcomes:

Faster decisions
Improved profitability
Enhanced resilience

Level 5: Intelligent

Characteristics:

AI-enabled planning
Advanced scenario modelling
Automated planning workflows
Exception-based planning

Typical Outcomes:

Rapid adaptation to change

High planning productivity

Improved competitive advantage

The Rise of AI in supply chain planning

Artificial Intelligence has rapidly become one of the most discussed topics within supply chain planning. Modern planning platforms are increasingly embedding capabilities such as:

AI-assisted forecasting

Demand sensing

Automated anomaly detection

Inventory optimisation

Exception management

Planning recommendations

SAP continues to expand AI-powered capabilities within SAP Integrated Business Planning, particularly around forecasting, simulation and planning productivity. However, successful adoption is being driven by practical business outcomes rather than technology alone.

The strongest performers are focusing on:

Improving forecast quality

Reducing manual effort

Accelerating decision-making

Enhancing planner productivity

Before pursuing full automation.

Agentic AI: Opportunity or hype?

A new generation of Agentic AI technologies is attracting significant attention across the supply chain sector. These technologies aim to move beyond analytics and recommendations towards supporting and orchestrating planning activities.

Industry analysts suggest the opportunity is significant, but many organisations remain at the early stages of adoption. Gartner notes that current solutions are often focused on recommendations and workflow support rather than fully autonomous planning, and advises businesses to prioritise proven use cases and strong governance foundations.

For most organisations, the immediate opportunity lies in:

Planning productivity

Workflow automation

Faster exception management

}Improved decision support

Rather than autonomous supply chains.

The new planning priorities

Based on market trends and customer demand, five priorities are emerging.

Priority 1: Improve forecast accuracy

Top-performing organisations are investing in:

Demand sensing

Statistical forecasting

AI-assisted forecasting

Demand collaboration

Priority 2: Release working capital

Focus areas include:

Inventory optimisation

Network stock positioning

Service-level management

Obsolescence reduction

Priority 3: Increase supply chain resilience

Investment is growing in:

Scenario planning

Risk modelling

Supplier resilience

Network optimisation

Priority 4: Accelerate decision-making

Leaders are simplifying planning processes and creating greater visibility across functions.

Priority 5: Build intelligent planning capabilities

Organisations are actively evaluating how AI and emerging agentic technologies can support planners and improve productivity.

What best-in-class organisations do differently



Chris Curtis, Digital Supply Chain Planning Lead at TCT gives you the six behaviours he sees consistently in the strongest planning organisations.

They create one version of the truth

A shared plan forms the basis of decision-making.

They measure what matters

Metrics focus on outcomes rather than activity.

They align functions around shared objectives

Sales, operations, supply chain and finance collaborate effectively.

They plan for multiple futures

Scenario modelling becomes a continuous capability.

They trust their data

Governance and visibility support confidence in decisions.

They treat planning as a strategic capability

Planning becomes a source of competitive advantage rather than an operational necessity.

Recommendations for 2027

Organisations looking to improve planning performance should prioritise:

Next 90 days

- Assess planning maturity
- Evaluate forecasting performance
- Identify inventory opportunities
- Review planning governance

Next 12 months

- Strengthen S&OP or IBP processes
- Improve planning data quality
- Introduce scenario planning capability
- Reduce spreadsheet dependency

Next 24 months

- Expand AI-enabled planning
- Introduce intelligent automation
- Create end-to-end visibility
- Build an intelligent planning operating model

Conclusion

The future of supply chain planning will belong to organisations that successfully combine people, processes, data and technology into a connected planning environment. While AI and agentic technologies will undoubtedly reshape the planning landscape, the organisations creating the greatest value are those getting the fundamentals right first.

- Forecast accuracy
- Inventory optimisation
- Scenario planning

Cross-functional alignment

Trusted decision-making

These remain the foundations of planning excellence. The technology may evolve rapidly, but the organisations that win will be those that can consistently turn planning insight into business performance.

About TCT

TCT helps organisations unlock greater value from supply chain planning through connected processes, systems, people and data.

Our expertise spans:

SAP IBP Implementation & Transformation

Demand Planning & Forecasting

Inventory Optimisation

Supply & Capacity Planning

S&OP & Integrated Business Planning

Scenario Planning

Intelligent Supply Chain Planning

Complimentary planning maturity review

Want to understand how your organisation compares? **Book a Planning Maturity Review with a TCT expert and receive a tailored roadmap for improving supply chain planning performance.**

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