OPERATING MODEL & DECISIONS

The End of Planning: Why It's Time to Reclaim Control

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For decades, "planning" has been the backbone of supply chain management. It promised control, predictability, and efficiency. But in most organizations today, the term has lost its meaning.

What used to be a steering discipline has become a reporting routine. And when a function designed to control flow loses ownership, the entire operating rhythm collapses.

1. When Planning Still Meant Control

At a **major European aircraft manufacturer**, planning once held strategic weight. A single missed planning cycle could stop production lines worth millions. Dozens of interdependent layers — from component and part sequencing to final assembly — had to synchronize flawlessly. Planning was *the steering discipline*: the central nervous system coordinating engineering, production, logistics, and suppliers across countries. Even after decades of digitalization, that level of complexity is still not fully mastered.

In contrast, in the **pharmaceutical industry**, planning often still lives in the back office — too IT-centric, too system-integrator-driven, and far removed from business decisions. Planners can't even answer the most basic question: *How high are our inventories globally?* It can take weeks to consolidate, and even then definitions differ — blocked, released, available, in-transit, WIP. Meanwhile, millions in active ingredients expire, unseen in any dashboard.

That isn't planning. That's administrative reporting.

2. The Fragmentation of Ownership

Across industries, planning has been **stripped, hubbed, and outsourced**. Knowledge erodes every time it's centralized into shared services or transferred to third parties. Each function keeps its own version of control:

Sites handle local scheduling. Logistics manages flows. Commercial defines demand. "Global planning" tries to make sense of it all and reports to the COO — without the data to do so.

Tactical and operational planning run on separate tracks, and no one owns the full picture. The result: planning has become a *neutral term* — everyone's task, but no one's responsibility.

3. The Illusion of Automation

Many organizations believed they could replace this human orchestration with algorithms. They couldn't.

Automation is only as smart as the context it understands. A neural network must first learn what an apple is before it can distinguish it from a banana. Likewise, a planning algorithm must learn what a good allocation looks like, how to balance service against cost, and when to prioritize a batch or customer order. If planners can't get a valid global inventory view within hours, what exactly should the algorithm optimize?

Without consistent data definitions and governance, automation simply scales inconsistency. Automation without transparency is theatre — it creates the appearance of intelligence while the underlying system remains blind.

4. AI Is Not Intelligent – It's Trained

The recent hype around AI has amplified this misunderstanding. "Artificial intelligence" is neither artificial nor intelligent — it's the sum of its training data. It doesn't reason; it correlates. It can simulate cause and effect but not define it.

Most supply-chain AI today relies on supervised or semi-supervised learning: either you supply clear labels (what "good" looks like) or you manufacture proxy labels during pretraining — in both cases, you still need **grounded definitions** and **clean signals**.

Planning systems, trained on fragmented, delayed, or inconsistent data, simply learn to replicate chaos faster. They cannot compensate for missing ownership, broken processes, or absent decision logic. And when tactical and operational layers remain disjoint, AI becomes a mirror of organizational dysfunction, not a cure for it.

5. What Planning Really Is

At its core, planning is not about producing a plan. It's about **steering** — making coordinated decisions under uncertainty across interdependent systems. No planning, no steering. No steering, no control.

Planning defines how materials, capacities, and decisions flow through the enterprise. It's not a back-office activity; it's the **heartbeat of operations**. It connects engineering, production, logistics, and commercial functions — across different boards, KPIs, and incentives. It's inherently multidisciplinary, and it demands orchestration beyond organizational boundaries.

Treat planning as the **decision system** that sets inventory, capacity, and service trade-offs — and measures them in minutes, not weeks.

6. From Planning to Orchestration

The future role is not "Head of Global Planning." It's **Chief Orchestrator of Operations** — the capability to connect decisions, data, and execution in real time. This orchestration:

Stabilizes variability through buffers and decoupling points. **Senses and adapts** parameters dynamically. **Closes the loop** between tactical planning and operational execution. **Aligns decisions** across finance, production, and markets.

This isn't system integration. It's **decision integration** — the closed loop between events, decisions, actions, and learning. It's the fusion of human judgment, data, and feedback loops into one continuous control system.

7. Transparency as the Real Enabler

True steering starts with transparency — fast, granular, end-to-end visibility across the network. Simulation and decision support must reflect reality, not model assumptions.

From volume forecasting to POS data, from workforce scheduling on a specific line to full-truck-load optimization and CMO contracting — all of it is interconnected. Supply chains are not static optimization problems; they are living ecosystems of interdependencies stretching across the globe. No AI can master them without context.

Start with two moves: (1) **data governance for planning objects** (stock types, lead times, shelf-life), and (2) an **S&OE control tower** that feeds execution signals back into parameters. Then automate what's stable.

8. Reclaiming the Core

Automation without understanding is noise. AI without transparency is illusion. And planning without ownership is bureaucracy.

Rebuilding planning means **reclaiming it as the brain and nervous system of operations** — connected, aware, and accountable. It's time to stop treating planning as a process to be automated and

start recognizing it as the capability that holds the enterprise together.

The end of planning isn't an obituary — it's an invitation to rebuild control, clarity, and confidence across the value chain.

Planning is dead. Long live steering.