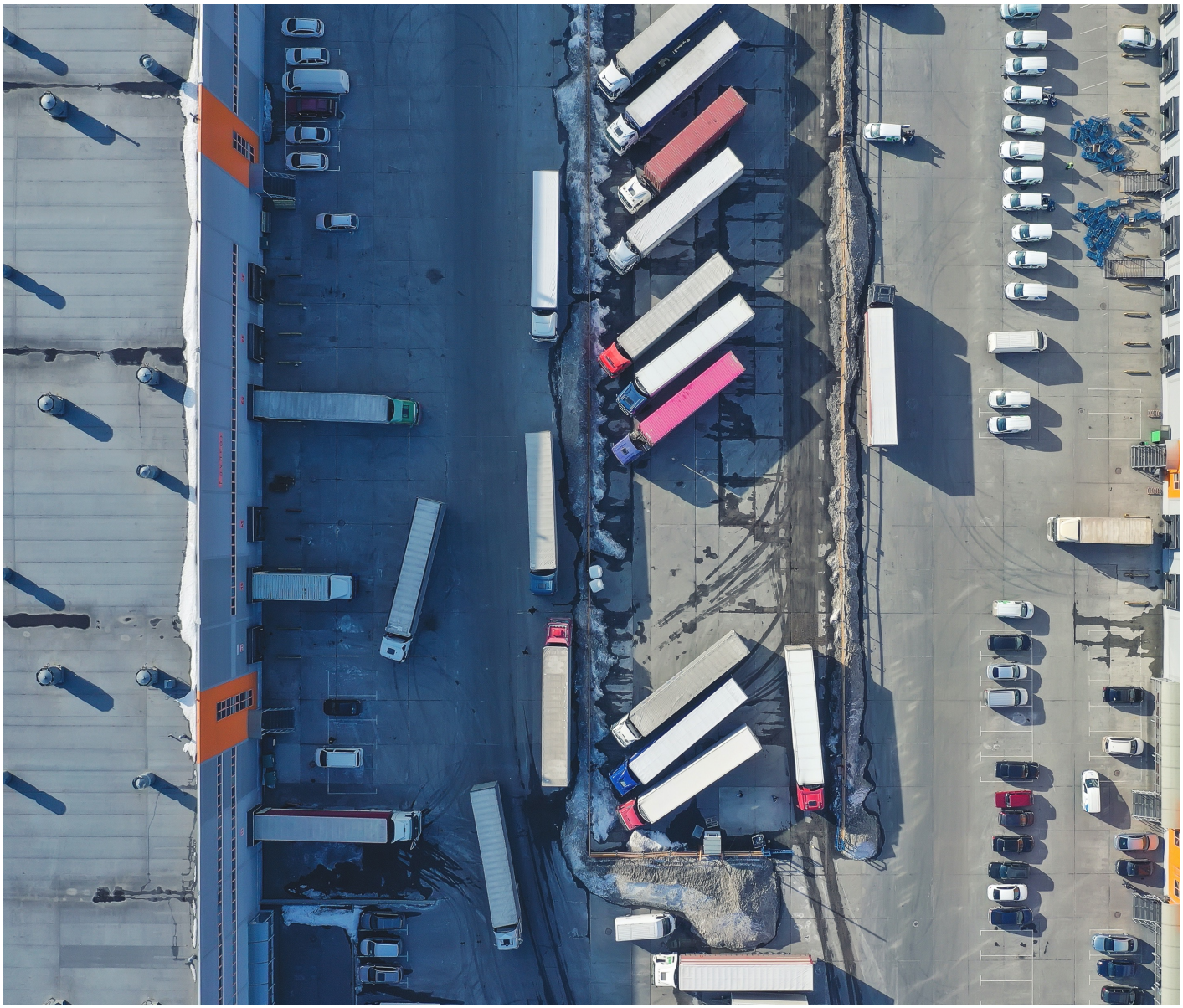
Palantir

Palantir Foundry for Supply Chain

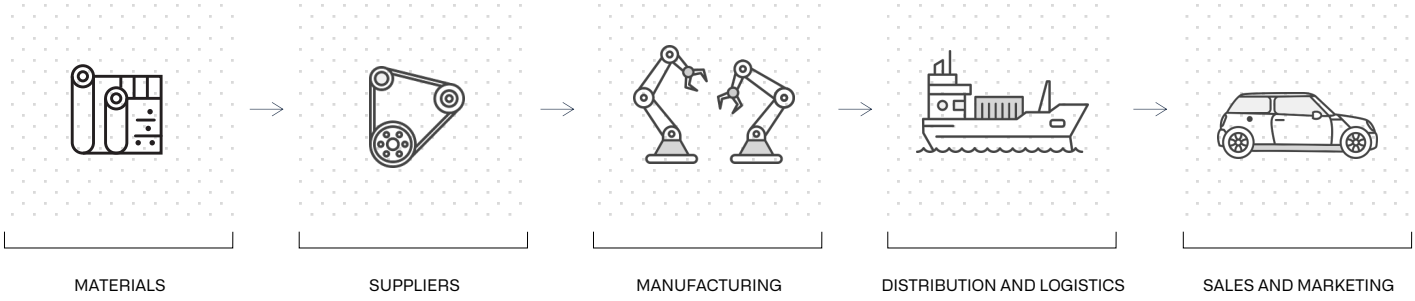


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Building Smarter Supply Chains

Global supply chains are under more stress than ever. The global pandemic has caused massive dislocations in supply and demand that are only now starting to normalize in some regions. Major shocks such as the Suez Canal blockage only add to the stress, while trends in trade regionalization and new environmental regulations require increasing adaptability and agility. Overlaid on top of this are the specters of inflation, labor shortages, and skyrocketing transportation costs.

The fundamental challenge that supply chains continue to face is that they are often structurally unprepared to provide the resilience that the modern global enterprise requires in the current environment. Supply chains were built up in vertical silos over many years - both organically and through M&A - meaning that both data and human processes either don't flow together or flow inefficiently between the silos. Procurement and purchasing, transportation and logistics, warehouse management, production, and many other stakeholders now make siloed decisions and store their data in siloed systems, such as multiple ERPs, TMS, warehouse management systems, Excel files on individuals' desktops, or otherwise.



Organizations have worked incredibly hard to mitigate the effects of the current environment through a variety of processes. In many industries, such as automotive, manufacturing, and CPG, entire "taskforces" were established with representatives from across the siloed functions who work around the clock to keep operations moving as much as possible. In the auto industry, these types of taskforces look to exist into the foreseeable future as they manage the semi-conductor crisis. In transportation-heavy industries such as CPG, transportation prices and difficulties securing transportation will continue to snarl supply chains. Regardless of industry or specific challenge, it's clear that the volatility of running a global business isn't going away. There must be a better way to manage it.

Palantir for Foundry Supply Chain

Palantir Foundry is a solution used by many of the world's most important institutions to manage their end-to-end supply chains. As the operating system for the modern enterprise, Foundry is uniquely suited to optimally run complex supply chains, both in the current environment and into the uncertain future.

Today, we'll introduce you to how the underlying technology and principles within Foundry enable the modern enterprise to digitalize their end-to-end supply chain in days and begin reaping measurable outcomes within weeks. And to understand the potential that Foundry holds, we'll also explore the specific workflows that can easily be deployed to solve common challenges presented by the pandemic and subsequent recovery.

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The Fundamental Challenge

Palantir Foundry addresses the fundamental challenge many supply chains face by building a digital twin of the entire supply chain, from the hand of the supplier to the hand of the customer. This digital twin is then directed at solving discrete supply chain challenges by connecting analytics and operations. It's about being not only smarter, but better.

Building the supply chain digital twin and wielding it towards common supply chain problems can be done in hours in Palantir Foundry, a process that may take years in other software. This process is completed in five simple steps.

STEP 1

Software-Defined Data Integration →

Palantir's software-defined data integration enables organizations to connect and model a semantic layer of their critical operational data to Foundry within hours. This automation requires little to no code to be written, effectively enabling an organization to wield the power of their data from day one. In the supply chain space this is critical, as many commonly used ERP systems are both hard to access and the underlying data is hard to use. These challenges, which can take organizations months or years to resolve, can be overcome on the first day of Foundry deployment.

STEP 2

Ontology →

The Foundry Ontology is a powerful data model that solves the fundamental challenges associated with siloed data across an organization. By creating the organization-wide ontology, data no longer sits in silos, only accessible to a small cohort of people, but instead allows for a holistic view, accessible to everyone (subject to access controls). This enables end-to-end supply chain connectivity.

STEP 3

Simulation →

Just as the Ontology enables data to be connected across the supply chain, Foundry's simulation capabilities enable operators to simulate a wide range of scenarios - both against a goal function - or to understand the possible impact of decisions to be taken. By running the simulation on top of the enterprise-wide ontology, operators ensure that their decisions are optimal on both a local and global scale.

STEP 4

Operations →

Foundry's Ontology and simulations thereon can easily be deployed to operational users across the supply chain. With this operational visibility and tooling, users are not just able to work smarter, they are better. Procurement can instantaneously see the impact of their decisions on end sales. Sales can deeply understand the production capabilities to meet new orders. Just as the ontology breaks down data silos and simulation solves for global optima, Foundry's operational capabilities break down organizational silos, ensuring those globally optimal outcomes are easily implemented in real time.

STEP 5

AI/ML →

AI/ML-driven supply chains are often the goal for large organizations, but achieving this is difficult at best and impossible at worst. Creating a single model for a one-time insight is relatively straightforward, but continually improving the model with new data and operationalizing the model to end users is incredibly complex. Foundry solves this by capturing user decisions and leveraging the platform's model management capabilities.

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Use Case: Disruption Management

Today, Foundry is used extensively by organizations across industries to navigate the current environment. But what is the potential impact when leveraging Foundry across an enterprise value chain? Here, we present a few solutions that can be built and deployed within days or weeks to navigate the current environment.



Challenge

Disruptions occur every day. Some are short-lived and fleeting, such as a truck with a flat tire, while others are systemic and long-lasting, such as the COVID-19 pandemic or trade regionalization. Such disruptions are difficult to navigate in a timely fashion. If a supplier cannot deliver a raw material on time, how do you know what production is impacted? How do you know what sales orders will be impacted? These answers are hard to come by in a timely manner, as the data and people responsible for understanding each component are siloed throughout the organization.

Once the impact is known, an even bigger challenge presents itself: how can one resolve the disruption in a business-optimal manner?

Solutions

In Palantir Foundry, the global end-to-end supply chain is modeled at the fingertips of your organization's supply chain experts. At the click of a button, they can see the impact of a given disruption - and the solutions available to resolve the disruption. Whether that means allocating raw material to the most critical sales orders or redistributing production across the network due to a plant shutdown, users can resolve issues in minutes - confident that they've done so in a business optimal manner. Moreover, these solutions can be pushed to the edge of an organization, so people who previously would have been unable to solve a given problem, can now do so with full confidence.

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Use Case: Volative Raw Material Pricing and Inflation Cockpit



Challenge

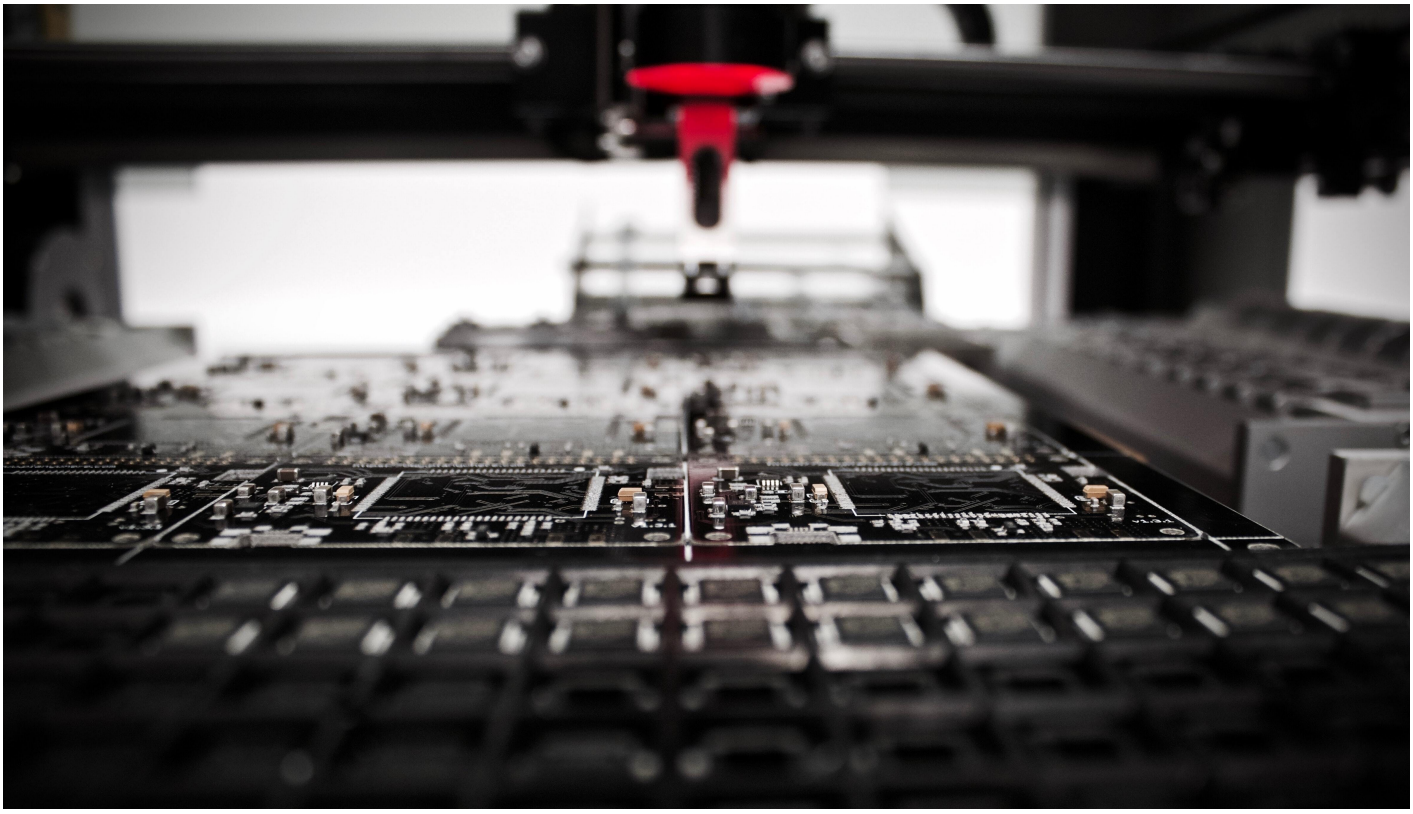
Inflation fears are real, as many manufacturers are seeing raw material prices increase on the inbound side of the supply chain. In order to protect margins, organizations are starting to think about raising prices, yet most don't have the ability to understand at a granular level how much each unit of production costs to produce. This is because costs are calculated in silos that do not lend themselves to effectively calculate the cost of production for an individual SKU or item. This is further exacerbated by the reality that it can take a long time for costs to actually propagate through a supply chain. As a result, when taking price increases on finished products, companies often do so in a blunt-instrument approach across a whole range of products without granularly thinking about each SKU separately.

Solutions

In Palantir Foundry, users can quickly and easily allocate costs from large aggregations, such as warehousing costs or labor costs, down to the individual SKU and item level. This enables operators to quickly understand the exact cost of goods sold for each item in the network, as well as how the cost accumulated at each atomic step in the supply chain, from procurement to manufacturing to transportation. This granular understanding enables operators to deeply understand exactly how inflation impacts margin for each and every SKU. Taken in conjunction with understanding of market share, elasticity of demand, and so on, operators can make finely tuned decisions on pricing and contracting to protect margin without sacrificing market share.

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Use Case: Working Capital Management



Challenge

Working capital held in inventory is always a hot topic in supply chain, but the issue has recently become significantly more complex. As interest rates trend higher, cost of capital is increasing for many organizations. At the same time, disruption due to the pandemic, Suez Canal blockage, and others have highlighted the fragility of being unprepared for potential shortages. This leads to an untenable need to maintain inventories for operations without burning the budget on working capital.

Solutions

In Palantir Foundry, users can easily understand the tradeoffs associated with these complex decisions. In particular, users can see at a SKU, contract, plant, or even global level the expected margin impact by altering a specific inventory level.

- How does the action impact expected ability to meet forecasted sales?
- How does it impact contractual purchasing requirements?
- How does it impact production plant utilization?

By connecting the local inventory decision to the global supply chain, users understand the actual end-to-end margin and earnings impact of their decisions - creating a globally optimal solution at the click of a button.

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Real World Impact

In a real-world example, these technologies drove significant operational improvements at a global manufacturer.

As elective procedures re-approached operating volume in the rebound from the COVID-19 pandemic, a leading global medical device manufacturer found that the procedure mix at hospitals didn't resemble historical patterns. The manufacturer sought to answer two key questions:

- How can we generate new product demand forecasts that accurately reflect the new reality?
- How do we most effectively prioritize sales and marketing efforts as facilities ramp up?

Palantir partnered with the manufacturer to effectively answer these questions within weeks.

Challenge

UNDERSTANDING NEW DEMAND PATTERNS

Within two weeks, Sales Reps were capturing intelligence at the account level, using Account Ramp Up Surveys in Foundry. This demand information was made available to the entire organization, including Sales, Marketing, Product, Commercial Operations, and Finance.

IMPROVED ACCOUNT VISIBILITY

As Reps engaged with accounts, Foundry provided them with guidance from their data and public data. They received alerts of accounts due for reorder to prevent backlog and accessed dynamic weekly forecasts. The alerts could be executed or dismissed, and these actions wrote back to the organization's data asset in Foundry, where they informed forecasts land Action Plans.

DEPLOYING ACTION PLANS

Sales Managers and Business Unit Directors surfaced new commercial opportunities in Foundry, and deployed action plans across their lines of business. This improved commercial efficiency and implementation —both at the account and regional level.

Impact

- By the end of the pilot, users across Sales, Marketing, Product, Finance, and Commercial Operations in many countries were making decisions in Palantir Foundry
- Hundreds of sales opportunities were actioned by Sales Reps in their inbox
- Millions in pipeline sales opportunities were attributed to findings surfaced in Foundry

Conclusion

As the operating system for the modern enterprise, Palantir Foundry is uniquely suited to solving today's biggest challenges and preparing for tomorrow's uncertainty. To comprehensively optimize and operationalize your supply chain operations, it's time to reassess and reach across the entire system to collect diversified signals, refine global strategy, and make difficult decisions regarding prioritization and trade-offs. Palantir is positioned to be a partner that can bring that vision to life - let's build a solid foundation, together.

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