

Designing the Next-Generation Supply Chain Planning Organization

From Functional Silos to Integrated Decision Systems

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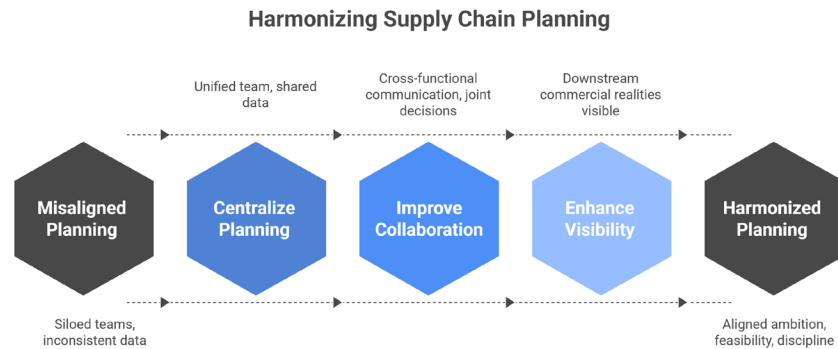
Executive Summary

Over the past decade, supply chain volatility has shifted from an episodic challenge to a permanent condition. The pandemic, geopolitical instability, inflation, labor market shifts, and climate-driven disruptions have reshaped the operational landscape. Yet many organizations continue to operate supply chain planning functions designed for a more stable era. The result is predictable: misaligned decisions, inconsistent service levels, excess inventory, and slow responses to rapid market changes. The heart of the issue is not insufficient data or weak technology—it is organizational structure, human decision-making, governance, and cross-functional coordination. This whitepaper argues that the next generation of supply chain planning organizations must be built as integrated decision systems rather than collections of disconnected functional teams. Planning can no longer sit fragmented between Sales, Finance, Operations, and regional business units. Instead, companies must design operating models that centralize analytics, clarify decision rights, elevate planning talent, and create a governance engine that synchronizes demand, supply, and financial expectations. The material presented here builds upon traditional operating-model frameworks while incorporating new research, case experience, digital advancements, and insights from the past ten years of global disruptions.

The Strategic Role of Supply Chain Planning Today

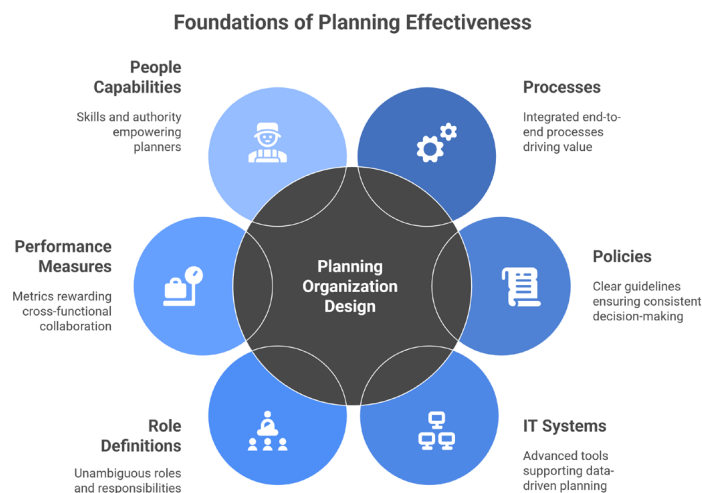
Supply chain planning has evolved far beyond forecasting or scheduling. It is the core management mechanism through which a company determines what it will sell, what it must produce, how it balances capacity constraints, how much inventory it positions, and how it responds to risk. The strategic importance of planning is evident in the performance gap between companies with mature S&OP or Integrated Business Planning (IBP) processes and those with informal or inconsistent planning practices. Organizations with strong planning governance routinely achieve higher service levels, better forecast accuracy, faster decision cycles, and meaningful reductions in working capital.

Yet despite this importance, planning remains structurally misaligned in many companies. Demand planning may report to Sales in one region and to Supply Chain in another. Financial planning may run separate forecasting processes entirely, leading to multiple 'versions of the truth.' Supply planning teams may be embedded within manufacturing plants without visibility to downstream commercial realities. As volatility increases, these misalignments become more costly. Organizations today must treat supply chain planning as a strategic capability that harmonizes commercial ambition, operational feasibility, and financial discipline. This requires rethinking where planning teams sit, how they collaborate, and how decisions are made across organizational boundaries.



An Operating-Model View of Planning Organization Design

A modern planning organization cannot be designed by focusing solely on structure. Structure is only one element of the broader operating model that supports planning effectiveness. A complete operating model includes processes, policies, IT systems, role definitions, performance measures, and people capabilities. When these elements are not aligned, changing the org chart produces little improvement. For example, centralizing demand planners without establishing a unified S&OP governance model will simply move confusion into a different reporting line. Similarly, investing in an advanced planning system without clarifying roles and decision rights often leads to powerful tools that no one uses correctly. A robust operating model begins with the end-to-end processes that drive value. Demand, supply, inventory, and portfolio planning must be deliberately integrated into the business rhythm. Decision rights must be unambiguous. Performance measures must reward cross-functional tradeoffs rather than local optimization. And planners must have the skills, authority, and tools to support these decisions. When designed cohesively, the planning operating model becomes the foundation for synchronized, data-driven, and rapid decision-making across the enterprise.



Design Principles: Centralization, Scale, and Proximity

One of the most strategic decisions in organization design concerns centralization. Companies must balance the benefits of global scale with the need for local responsiveness. Centralization allows organizations to leverage scarce expertise, apply consistent planning standards, and create unified forecasting and parameter-governance approaches. It also enables better scenario modeling, cross-market prioritization, and more efficient use of technological resources. However, an overly centralized structure risks losing the nuance of local market conditions, customer-specific insights, and region-specific constraints. The optimal design is rarely fully centralized or fully decentralized. Instead, leading companies adopt hybrid models that centralize analytics, systems, and standards in Centers of Excellence, while positioning planners close enough to commercial and operational teams to maintain contextual relevance. The right model is one in which accountability resides closest to the impact of the decision, while expertise and process ownership reside where scale can be achieved. The deeper question for executives is whether their current structure reflects the realities of their supply chain flows—or merely the political history of their organization.

Governance and Cross-Functional Alignment in S&OP / IBP

No supply chain planning organization can succeed without a strong governance engine. S&OP and IBP serve as the primary mechanisms through which commercial, operational, and financial perspectives are reconciled. However, many organizations treat S&OP as an administrative checkpoint rather than a true decision forum. Effective governance requires clear accountability at each stage of the process. Demand review must reconcile forecasting methods with market intelligence. Supply review must challenge capacity assumptions and identify constraints early. Integrated reconciliation must resolve conflicts, quantify trade-offs, and elevate only those issues requiring executive attention. Finally, the executive meeting must be a genuine decision forum, not a report-out session. When governance is weak, decisions are made offline by influential stakeholders, resulting in hidden agendas and misaligned actions. When governance is strong, S&OP becomes the organizational heartbeat that aligns planning with strategic objectives. This alignment is especially important during disruptions, when rapid decisions about allocation, prioritization, and alternative sourcing can determine whether a company protects its customers or experiences cascading supply failures.

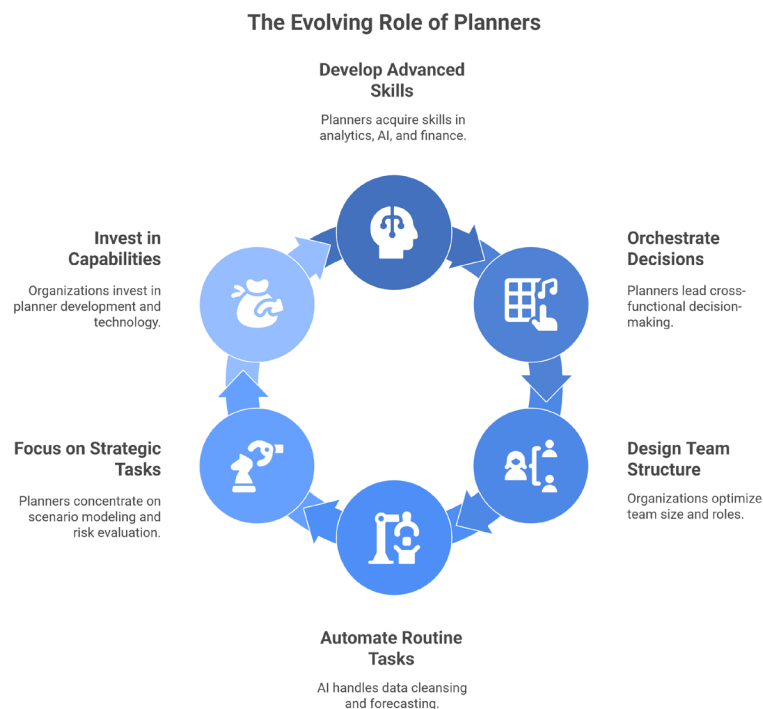
Where Demand Planning Lives: A Structural Debate

One of the most enduring questions in planning organization design is where demand planning should report. Different companies adopt different models: some place demand planning under Sales or Marketing to be closer to the customer, while others place it in Supply Chain to ensure analytical rigor and alignment with supply planning. Finance-led models also exist, particularly in organizations where financial forecasting drives business rhythms. Every structure has benefits and risks. Commercial-led demand planning may build strong relationships with customers but may also introduce bias toward overly optimistic forecasts. Supply chain-led planning enhances consistency and analytical discipline but risks disconnecting the planners from the commercial nuances that influence demand. The most effective organizations adopt hybrid models in which

demand planners report into Supply Chain but are deeply embedded with Sales and Marketing. This creates accountability for forecasting performance while ensuring a continuous flow of market intelligence. In practice, the success of any model depends less on the reporting line and more on the clarity of roles, the quality of interactions, and the maturity of the S&OP governance model that binds the functions together.

Roles, Capabilities, and Sizing the Planning Team

As planning becomes more sophisticated, the skills required of planners have evolved dramatically. Gone are the days when planners spent the majority of their time manipulating spreadsheets. Today, planners must understand advanced analytics, machine learning–driven forecasting, and integrated planning systems. They must also understand the financial implications of their decisions, communicate effectively with cross-functional leaders, and navigate the behavioral elements of organizational alignment. Planners are not merely model builders—they are decision orchestrators. Designing a planning team requires careful consideration of headcount, capability mix, span of control, and role differentiation. The number of planners needed depends on network complexity, SKU proliferation, demand volatility, and the degree of automation in the planning workflow. As artificial intelligence continues to automate routine tasks such as data cleansing, parameter updates, and statistical forecasting, human planners will shift toward scenario modeling, risk evaluation, and influence-based decision leadership. The organizations that win in the future will be those that invest early in these capabilities and proactively shape the evolving role of the planner.



Technology, Analytics, and the Rise of Planning Centers of Excellence

Digital transformation has fundamentally altered the planning landscape. Modern planning organizations now rely on integrated planning platforms, machine learning–based forecasting, digital twins, and data lakes that unify demand, supply, financial, and external data. However, technology alone does not create value. The structure of the organization, the governance model, and the capability of the workforce determine whether these tools improve decision-making or simply generate more complex reports. Centers of Excellence have become a dominant organizational pattern. These teams centralize advanced analytics, system architecture, forecasting science, and scenario modeling. They maintain standards, develop planning policies, support regional planning teams, and serve as the custodians of the company’s planning intellectual capital. A well-designed CoE ensures that the entire organization benefits from consistent models, shared best practices, and rapid deployment of new digital tools. Without such a structure, planning technology investments often fail to scale, leaving pockets of advanced capability surrounded by legacy practices.

Outsourcing Supply Chain Planning: Risks and Realities

The question of whether supply chain planning can be outsourced is increasingly relevant as companies grapple with talent shortages and rising complexity. Some organizations have outsourced forecasting analytics or parameter maintenance to specialized service providers. Others have expanded outsourcing to include aspects of production scheduling or logistics planning. While outsourcing can provide scale, cost advantages, and access to specialized capabilities, it also carries significant risks. Planning decisions are deeply intertwined with customer relationships, product strategy, and financial outcomes. Outsourcing core planning activities can dilute strategic control, weaken S&OP discipline, and create hidden dependencies. The most successful organizations maintain ownership of strategic planning, S&OP governance, and scenario decisions, while selectively outsourcing transactional tasks or highly specialized analytics. The key is designing clear governance, transparent performance contracts, and integration mechanisms that prevent planning from becoming a black box.

A Practical Roadmap for Redesigning the Planning Organization

Redesigning a planning organization is a complex undertaking that must be approached methodically. The first step is a comprehensive diagnostic that maps the current planning processes, decision rights, data flows, systems, and capabilities. Leaders must quantify performance gaps and identify the root causes of planning breakdowns. From there, the organization can design a target operating model grounded in the six foundational elements: structure, process, systems, roles, performance measures, and capabilities. This design must clarify which activities should be centralized, where Planning Centers of Excellence will reside, how governance will function, and how planners will collaborate across regions and functions. Once the target model is defined, organizations should pilot the new design in a high-impact area to test assumptions, refine workflows, and build internal momentum. Successful pilots create tangible improvements in forecast accuracy, inventory efficiency, responsiveness, and decision speed. The final stage is scaling the new operating model across the business while investing in

change management, capability building, and continuous improvement. A well-executed roadmap transforms planning from a fragmented activity into a strategic enterprise-wide capability.



Conclusion

The future of supply chain planning is not defined by software or data alone. It is defined by the ability of an organization to align people, processes, governance, and technology into a unified decision system. Companies that continue to rely on fragmented structures, inconsistent practices, and outdated planning roles will struggle to compete in a world where volatility is the norm. In contrast, companies that design modern planning organizations built around integrated decision-making, cross-functional governance, Centers of Excellence, and digitally enabled capabilities will position themselves for resilience, agility, and sustained competitive advantage. The time to transform the planning organization is now—not after the next disruption exposes critical vulnerabilities. Forward-looking companies recognize that planning is no longer a support function. It is a strategic asset that drives growth, profitability, and customer satisfaction. The organizations that lead the next decade will be those that invest in building planning systems designed not just for efficiency, but for adaptability, speed, and strategic alignment.

About the Authors



Ash Ateshkadi, PhD, is the Managing Partner of Triumph Advisory Group, where he brings more than two decades of experience advising corporations and private equity firms on operational performance, organizational transformation, and enterprise value creation. Known for building high-performing consulting practices and guiding complex transformations across industries, Ash integrates deep technical expertise with a practical understanding of how organizations function under pressure. His background leading operations-focused Centers of Excellence, shaping M&A integration strategies, and developing intellectual capital on performance improvement enables him to approach organizational design with a rigorous, systems-oriented perspective. At Triumph, he applies this multidisciplinary foundation to help clients redesign operating models, strengthen leadership alignment, and build resilient organizations capable of sustaining high performance in rapidly evolving markets.



Miriana Vitullo is a Research Associate at Triumph Advisory Group, where she applies her background in psychology to help organizations understand the human factors behind performance, change, and workplace behavior. Her academic work in cognitive science and behavioral research at Triumph gives her a unique lens into how people learn, adapt, and respond to new systems and organizational pressures. At Triumph, she brings this insight to projects involving organizational design, talent effectiveness, and change management, translating behavioral evidence into practical strategies that improve how teams function and how organizations implement transformation.

About Triumph Advisory Group

Triumph Advisory Group helps organizations navigate complex operational, structural, and cultural challenges across industries. Our team specializes in organizational design, training and capability building, talent management, and large-scale change management. We partner with leaders to redesign operating models, strengthen cross-functional alignment, develop future-ready skills, and accelerate adoption of new systems and processes. Through our strategy, operations, and transactions expertise, we support clients in building resilient, high-performing organizations capable of thriving in rapidly changing environments.

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