



EYEON EXPERIENCE EVENT

The container moment – GenAI in Supply Chain

Knut Alicke

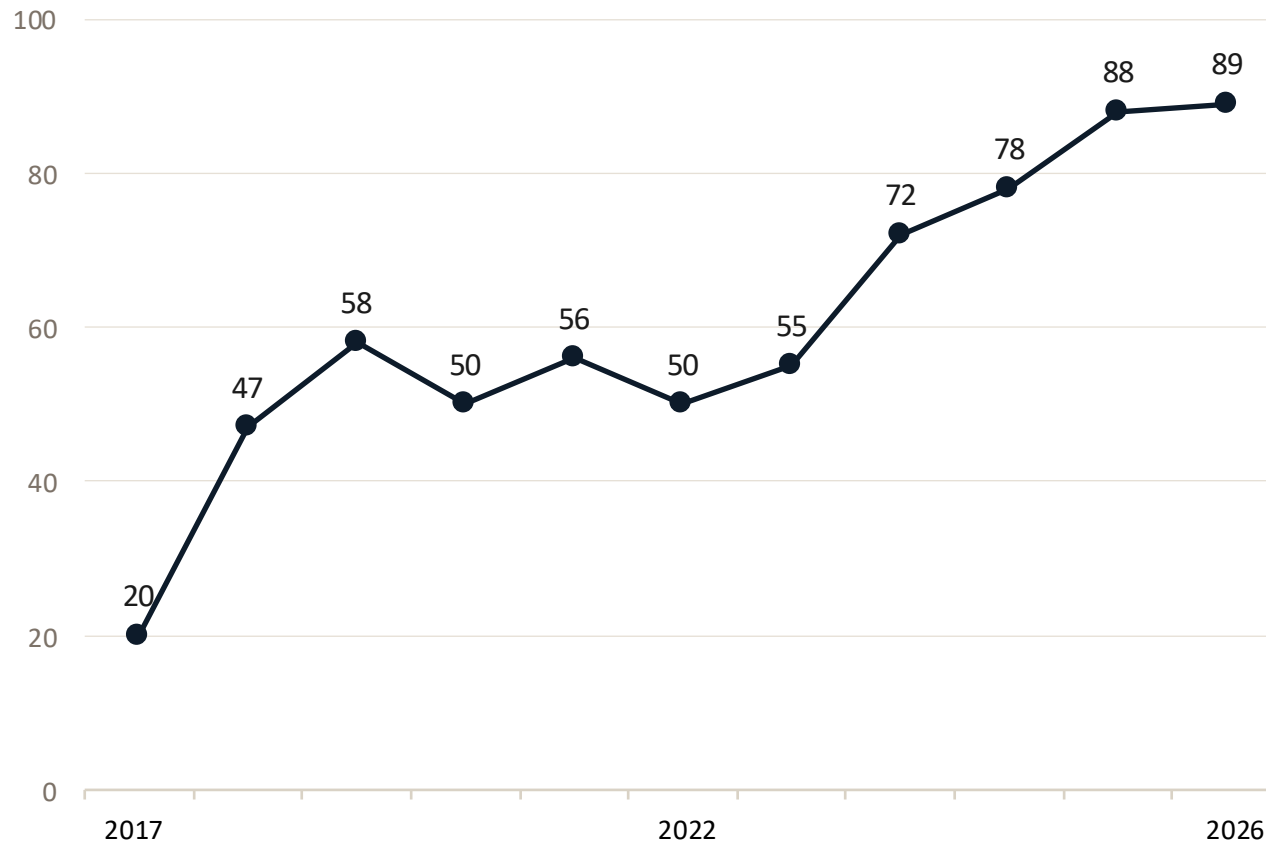




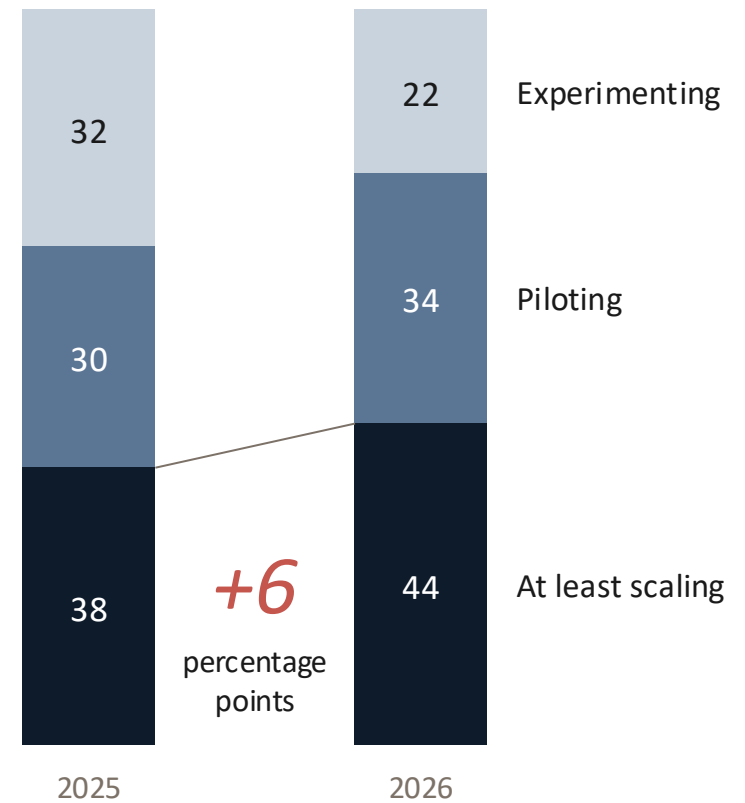
Organizations using AI are increasingly *reaching the scaling phase*.

Use of AI by respondents' organizations, % of respondents

Organizations that use AI in at least 1 business function

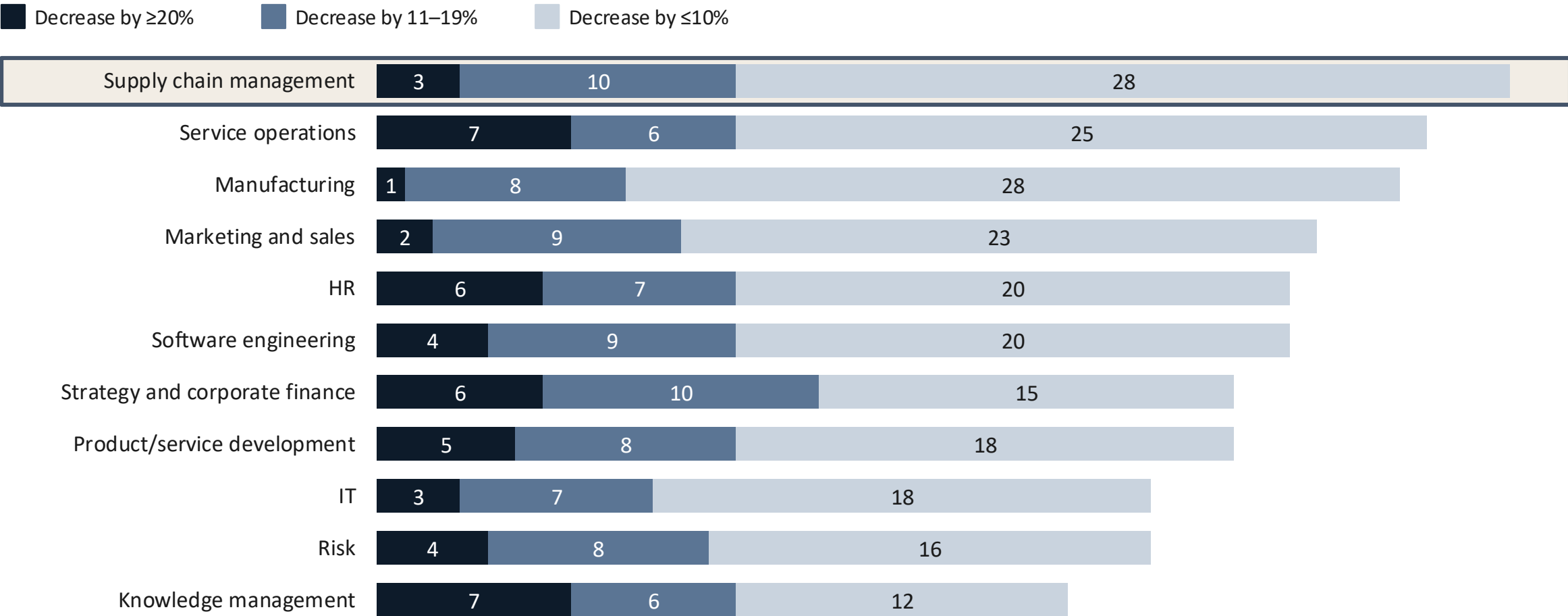


Phase of AI use among organizations using AI



Cost benefits from AI show up first in supply chain management, *ahead of service operations and manufacturing.*

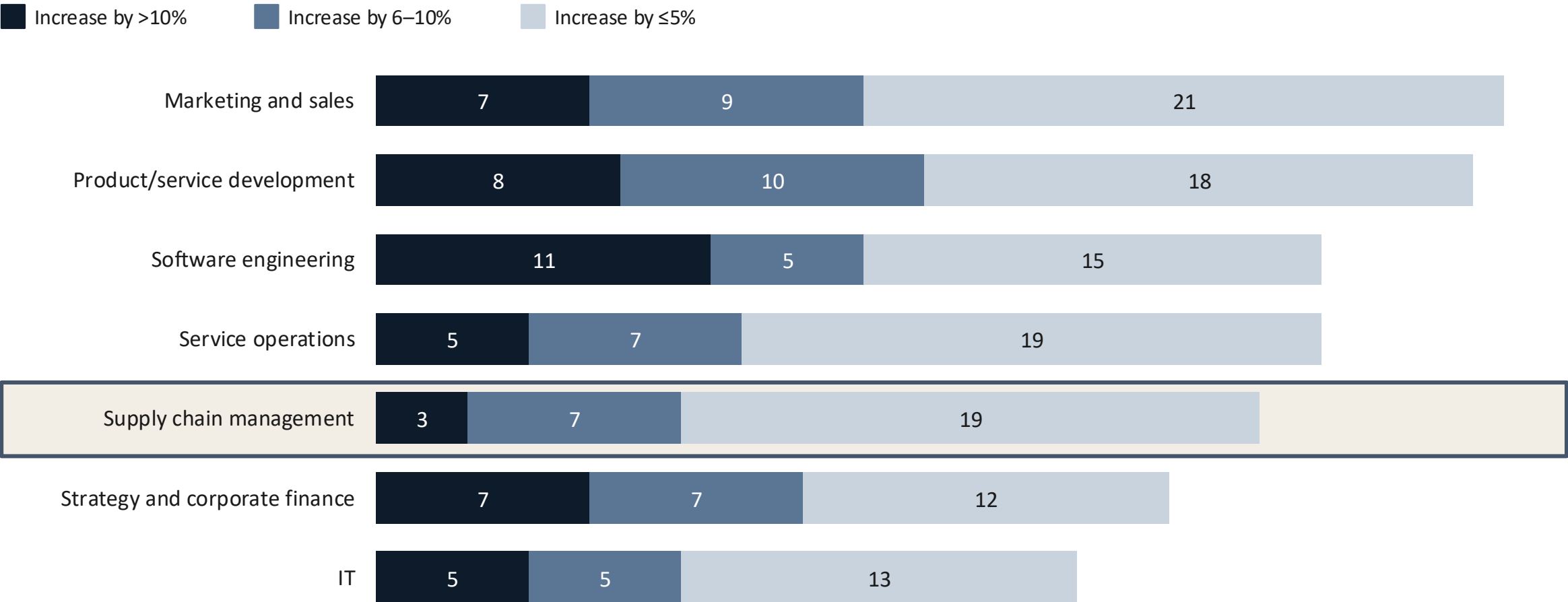
Cost change within business units from AI use, past 12 months, by function, % of respondents



Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

Revenue gains from AI show up most in marketing and sales *and in product or service development.*

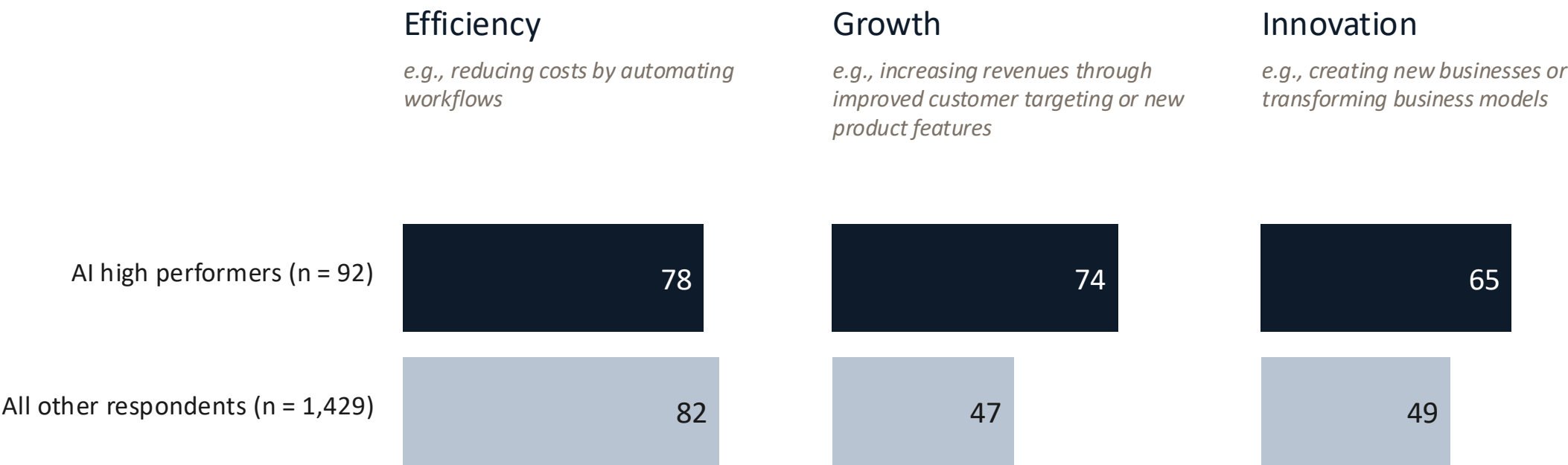
Revenue increase within business units from AI use, past 12 months, by function, % of respondents



Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

High performers set growth and innovation objectives for AI, *in addition to efficiency goals.*

Objectives of AI efforts at respondents' organizations, % of respondents



Note: **AI high performers** are respondents who reported that 5% or more of their organization's EBIT and "significant value" are attributable to the organization's use of AI

Source: McKinsey Global Survey on the state of AI, 1,719 participants at all levels, May 4–June 8, 2026

The planner

30 years tenure, great internal network, excellent business sense, committed

Still knows how to use a Fax Machine

Keeps operations running on a daily basis, hard to replace during 2 weeks of PTO





Wouldn't it be great to spend the majority of our time on value-adding tasks?

Planning activity: Indexed

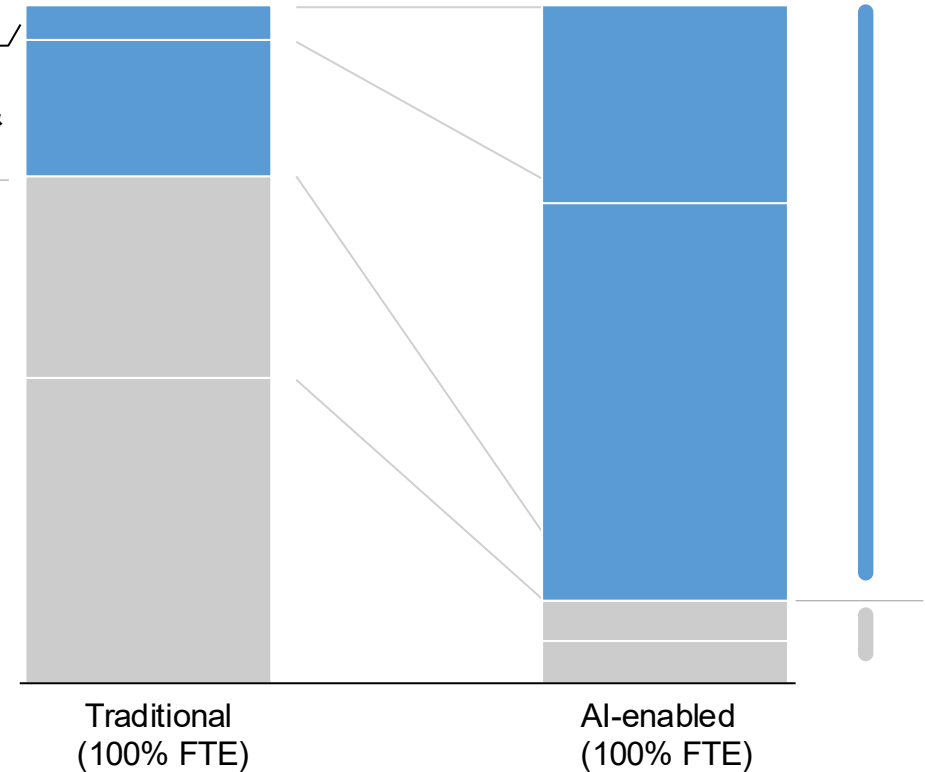
Exception management

Customer interaction
Collaboration & coordination

Routine tasks

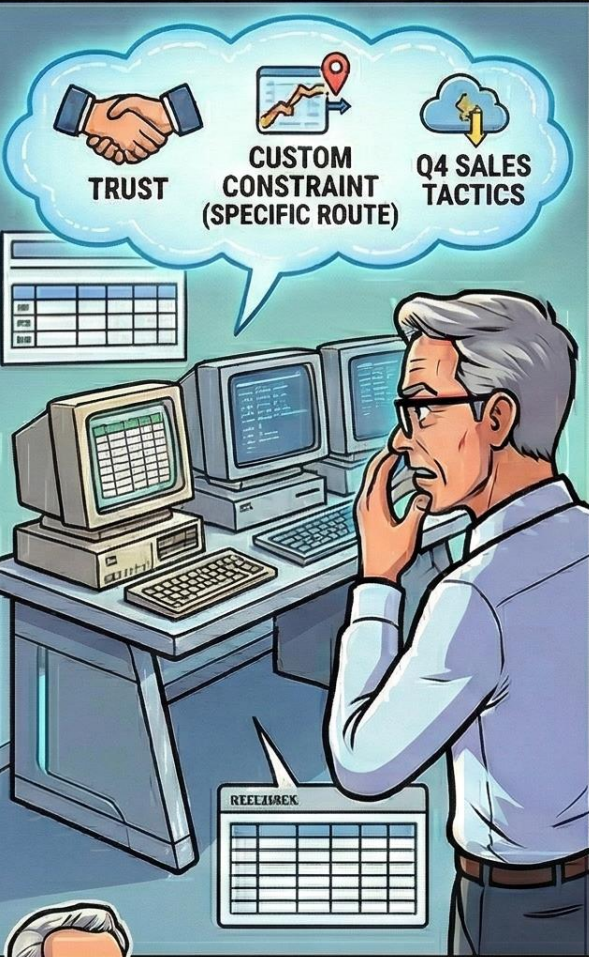
Reporting

Manual inputs & calculations



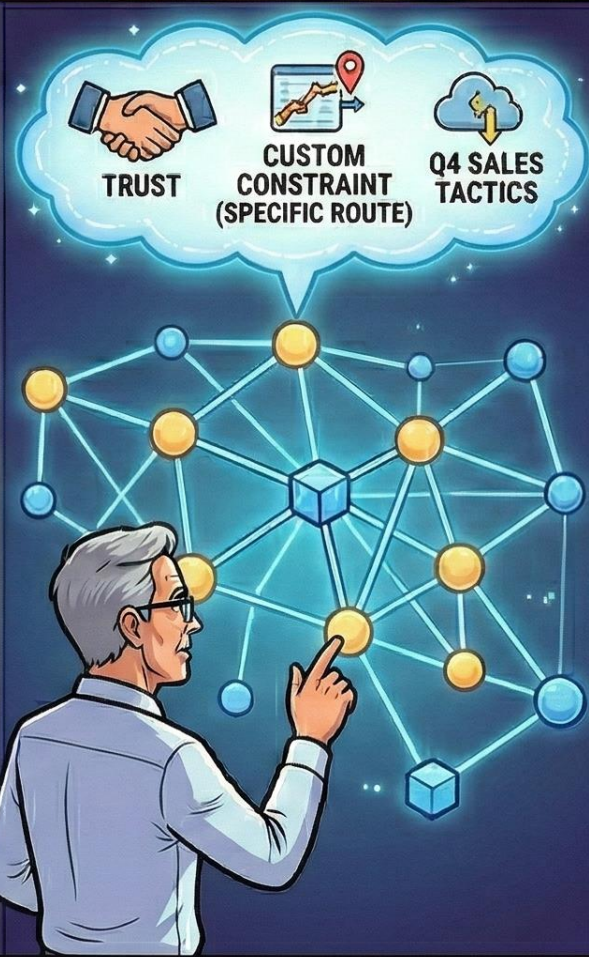
THREE GENERATIONS OF PLANNING SYSTEMS, THREE GENERATIONS OF THE SAME GAP

STEP 1: GENERATION 1: PROCEDURAL (Spreadsheets)



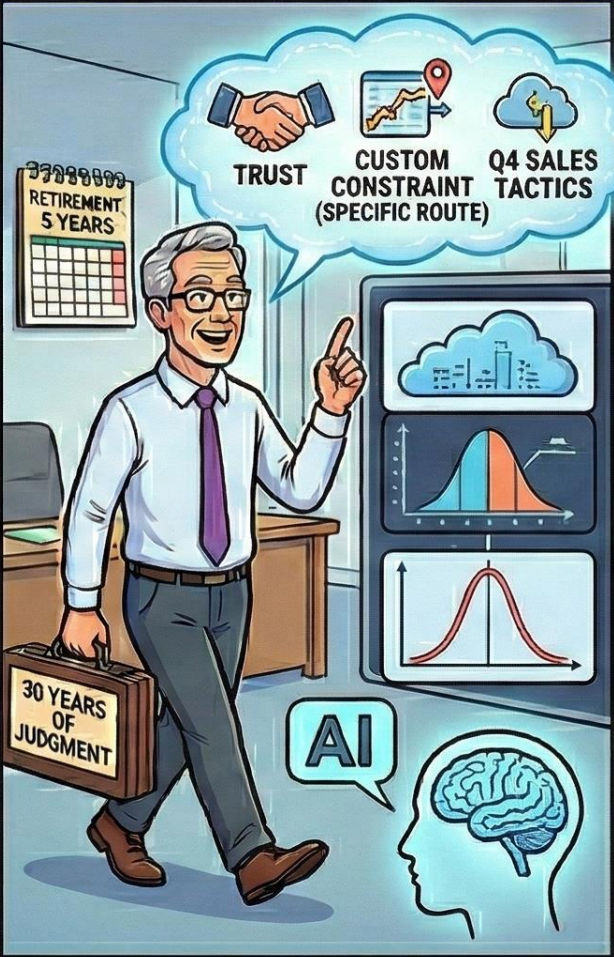
**GENERATION 1:
PROCEDURAL
(Spreadsheets)**

STEP 2: GENERATION 2: GRAPH-BASED (APS)



**GENERATION 2:
GRAPH-BASED (APS)**

STEP 3: GENERATION 3: PROBABILISTIC (AI/ML)



**GENERATION 3:
PROBABILISTIC (AI/ML)**

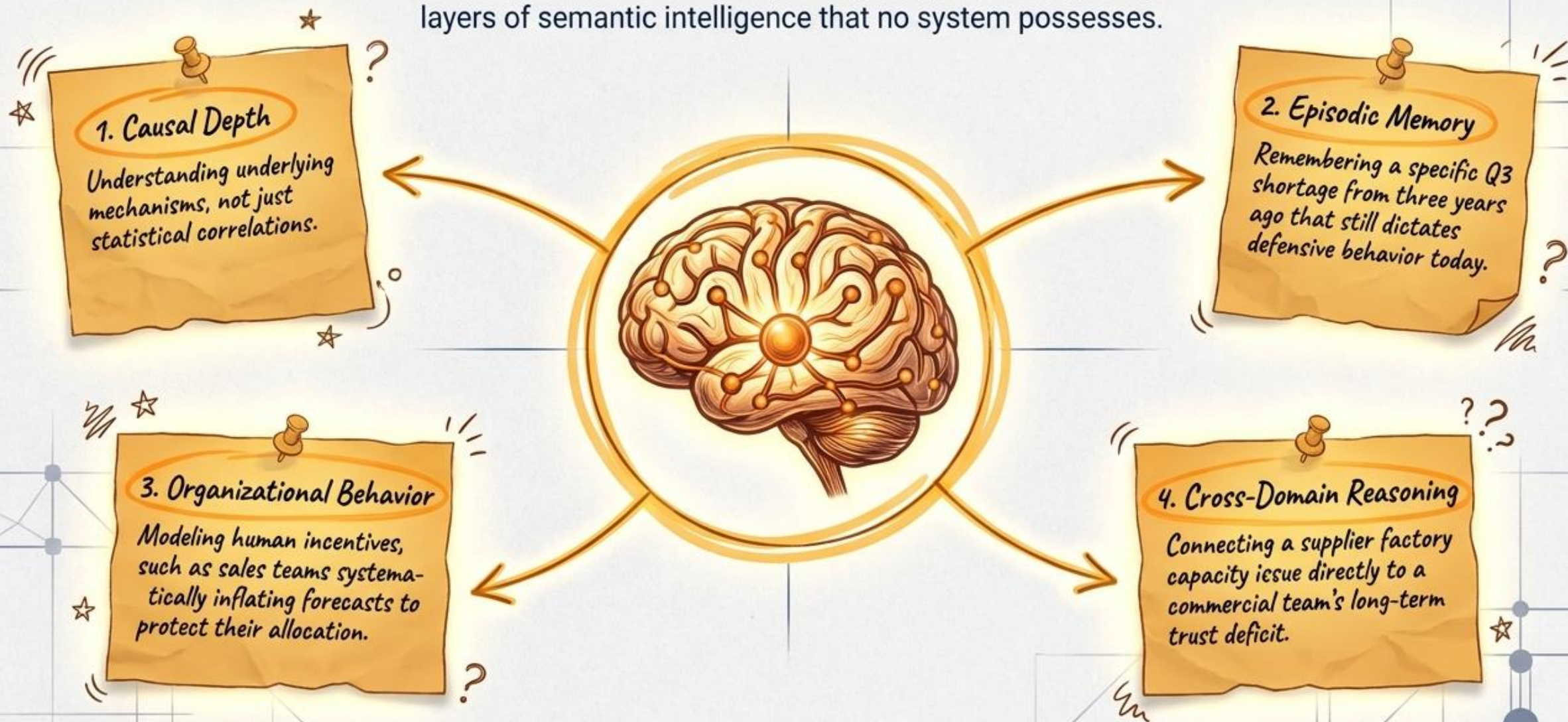
THE GAP



The most important knowledge knowledge is always "outside."

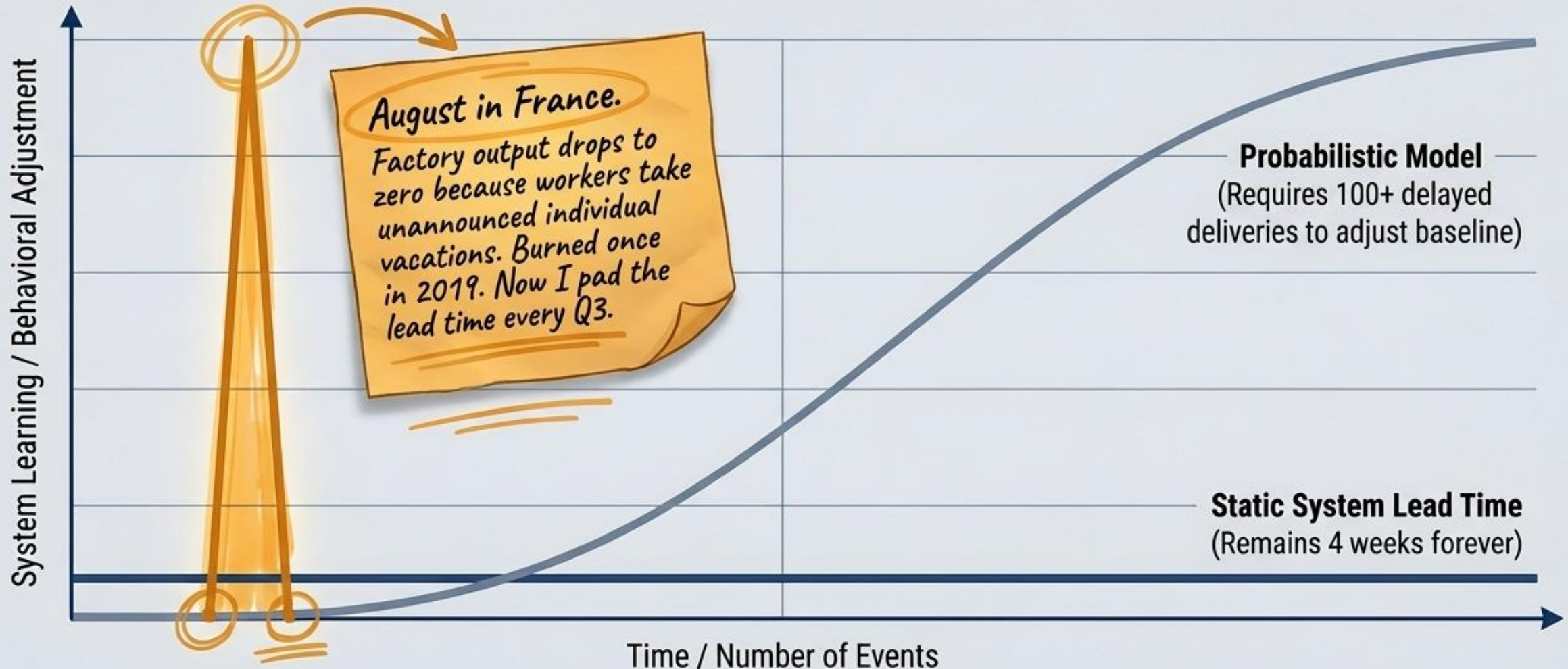
Inside the Planner's Head

When a planner reviews an exception queue, they are applying four layers of semantic intelligence that no system possesses.



The “August in France” Anomaly

Statistical models require vast historical data to predict a delay. An experienced planner needs to be burned **once** by a regional vacation to learn the exact causal trigger.



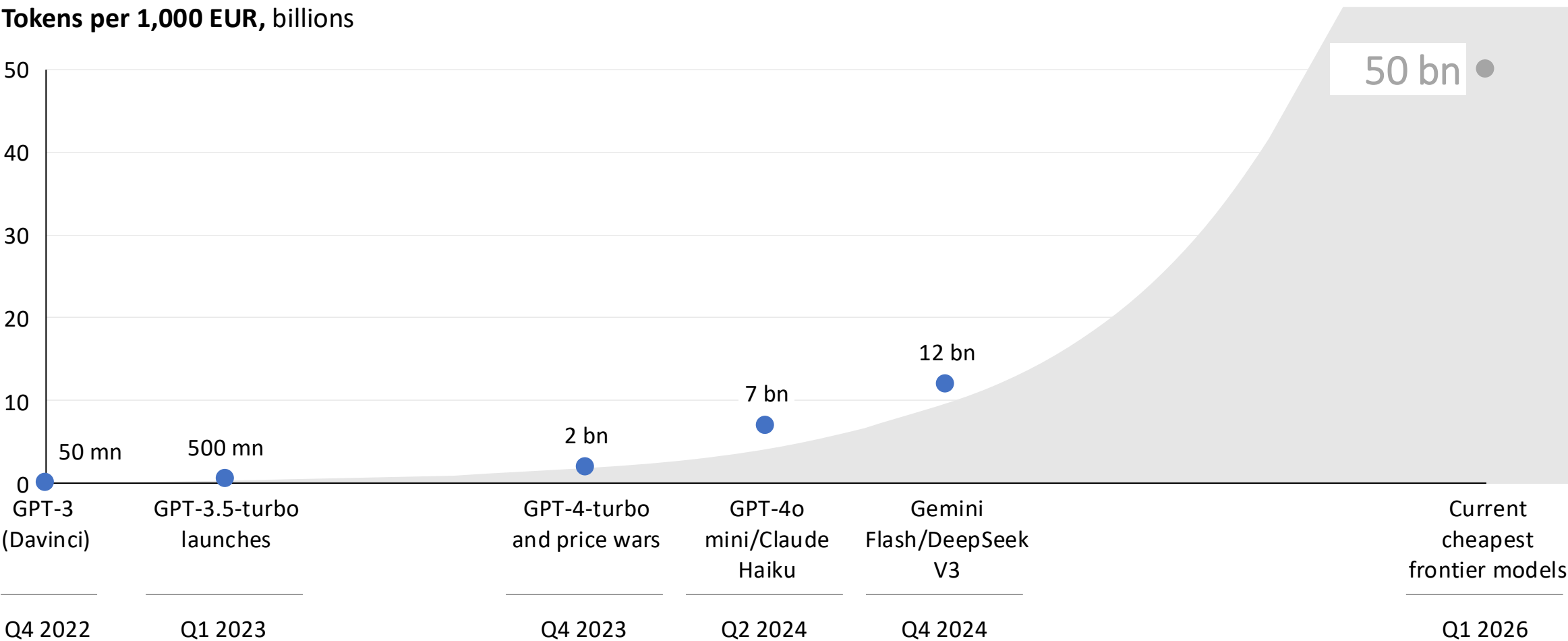
1950s: SHIPPING CONTAINER



AI and GenAI will disrupt the way we operate

... similar to the invention of the container and the internet

Tokens per 1,000 EUR — same money, exponentially more AI



A **token** is the currency of LLMs – could be a word or a part of a word the LLM uses to read and process
Example: Analyzing 3 years historical demand of 10.000 SKUs would be approx. 15 Mio tokens (3 EUR)

3 generations of AI reshaping how operations actually works

Traditional AI

Predicts & optimises



Machine Learning. Answers a specific question.



Example: Your demand forecast model tells you what will happen.



Limitation: Reactive. Narrow. Can't adapt without reprogramming.

Generative AI

ChatGPT era — generates on request



Produces text, analysis, code in response to your prompt.



Example: You paste a contract into ChatGPT and ask “what are the risks?”



Limitation: Still reactive. It answers. It doesn't act.

Agentic AI

Acts autonomously towards a goal



Receives a goal. Plans steps. Executes them. Uses your systems.



Example: “Review all Q3 supplier contracts, flag anomalies, draft renegotiation briefs. Done. Overnight.”



Requires: governance — clear decision rights and approval gates.

“ChatGPT is the analyst you brief every morning. Agentic AI is the team member who already read the brief and is waiting for your sign-off — before you've had breakfast.”

A new digital colleague joining ...

Onboarding

Mentor Role (“Meister”)

Reverse Mentoring

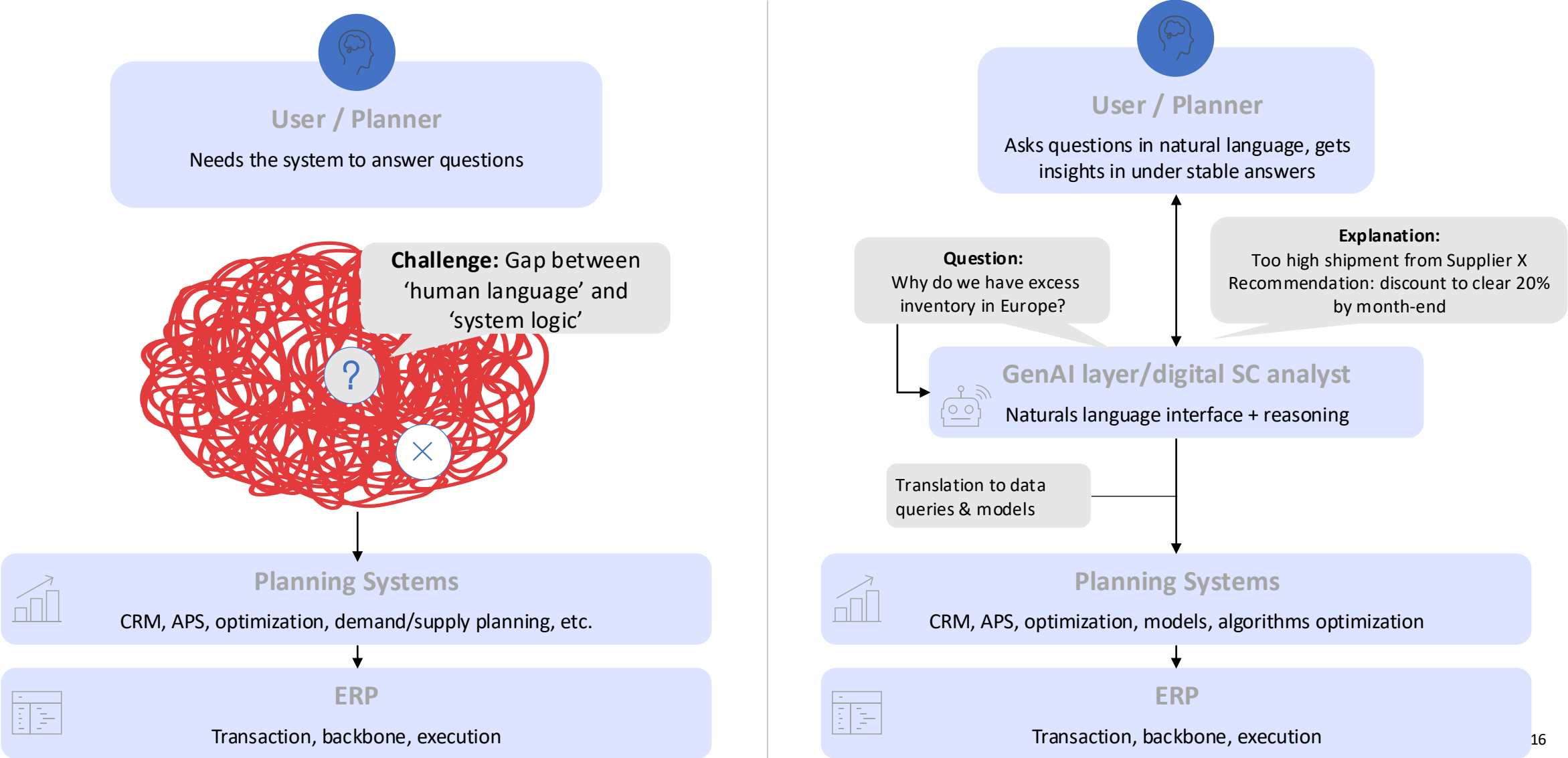
First tasks, interaction
and feedback

Standardization / Documentation



Source: Picture created by ChatGPT4 with nearly no errors

GenAI will serve as the interface between planner and the complex algorithm (that no one understood before) – thus opening the black box



How I vibe coded an E2E planning app in 30h

- Full functionality of a planning system, with natural language input and scenario calculation in a modern and clear user interface
- **Crucial:** Deep business / expert knowledge to guide and challenge the model
- **Important:** This is still an MVP and requires industrial scaling (which might be another 50h)

Implication for your IT implementation

- Planning software provides the bare minimum
- Vibe code the specifics and have GenAI creating the specs documents to significantly speed up implementation time
- Challenge your software partner to enable vibe coding on top of the core system



Bring vibe coding to operations – amazing impact, feedback and excitement

Solving own challenges

- Dynamic safety stock simulation
- Viscosity optimization
- COGS simulation
- Initial stocking for NPI

Source: <https://lnkd.in/p/e5HT4Mxr>



TRUST WAS THE CONSEQUENCE

What a multi-agent S&OP simulation taught us about the one thing every transformation tries to build—and almost none manage to keep.



Knut Aliche
and Ida Hedman

THE S&OP MEETING WE SELL — AND THE ONE WE SIT IN

Same five functions. Two completely different rooms.

THE FICTION

(The Textbook Meeting)



THE REALITY

(The Video Call)

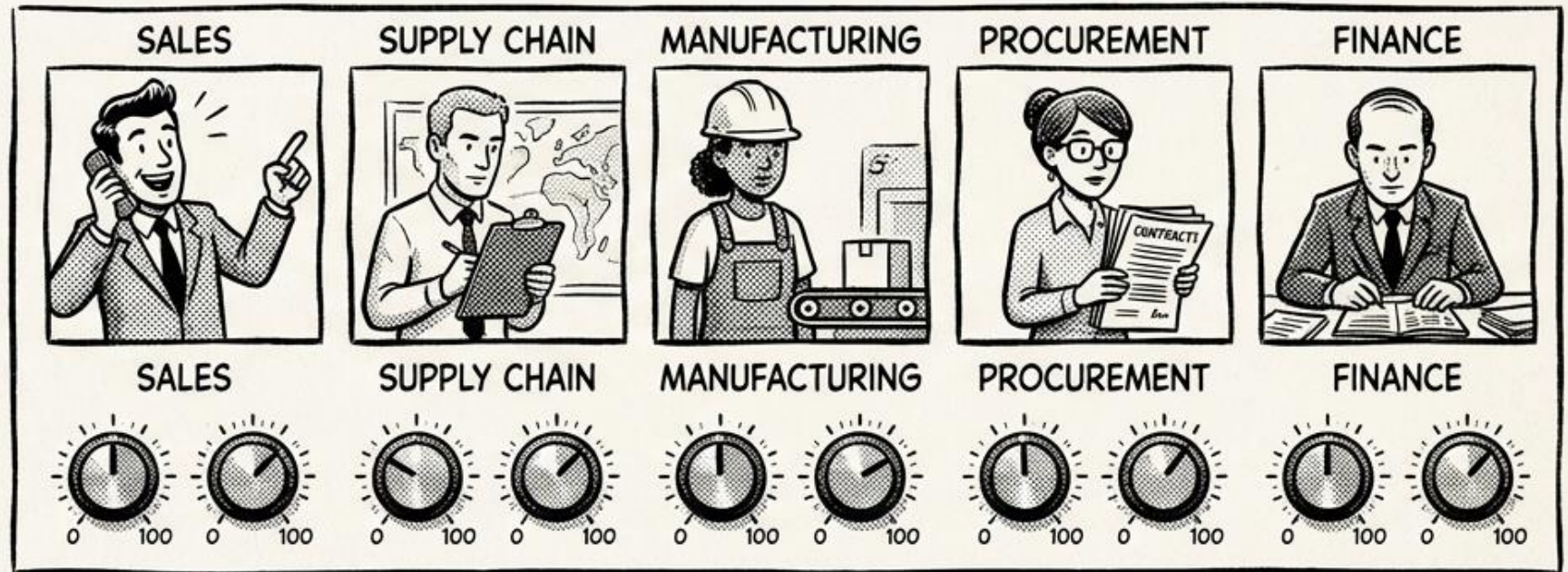


BETWEEN THE TWO ROOMS SITS ONE THING: TRUST — AND IT FOLLOWS THE INCENTIVES, NOT THE AGENDA.

Leveraging the S&OP app for a realistic simulation of real behavior – every function acting as an individual agent

Every agent has only two behavioral settings:

1. **Locality (Incentives):** Whose objective do they optimize?
(0 = End-to-End Company KPI, 100 = Own Functional KPI).
2. **Trust (Belief):** Do they believe the numbers they are handed?
(0 = Full Paranoia/Discounting, 100 = Full Faith).



Gemini Notebook

- **Aligned** – everyone end-to-end, everyone trusting (locality 0, trust 100). The textbook.
- **Every function for itself** – everyone local, everyone distrustful (100/0). War of all against all.
- **Honest but selfish** – everyone local, everyone trusting (100/100). Good faith on bad incentives.
- **Aligned but paranoid** – everyone end-to-end; nobody trusts a number (0/0). Good incentives, bad memories.
- **Sales games, SCM compensates** – inflating Sales against a skeptical planner, the classic pairing.
- **Realistic mix** of trust and locality

 S&OP Simulation

Five functional agents run a full S&OP meeting. Set each agent's **Locality** (0 = optimize the end-to-end chain, 100 = pure local KPI) and **Trust** (0 = games / distrusts others, 100 = takes signals at face value), pick a shock, and run — the consensus feeds the **real planning engine** and is scored on EBITDA.

PRESET SCENARIO

- Aligned org
- Every function for itself
- Honest but selfish
- Aligned but paranoid
- Sales games, SCM compensates
- Realistic mixed

SHOCK

No shock — incentives only

RELEASE DECISION

 Manufacturing owns



dynamic trust



agent dialogue

▶ Run Process

▶▶ All org presets · this shock

▶▶ All shocks · these dials

All org presets sweeps every org setup against the shock you picked. **All shocks** sweeps every shock against your current dials. Both numbers-only → comparison table.

Bullwhip risk: **54 (high)** E2E alignment: **40%**

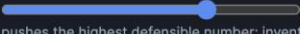
No external disruption — demand, supply and costs all sit at plan. Any dysfunction you see comes purely from the agents' Locality and Trust dials. — **teaches:** baseline dysfunction from the dials alone

Demand always starts from the **statistical baseline forecast**; the dials and the shock move it from there. Manual edits in the Forecast tab don't feed this simulation, so every scenario is scored against the same neutral base case.



Sales

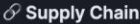
revenue attainment · market share · customer satisfaction

Locality  **70**

pushes the highest defensible number; inventory is someone else's problem

Trust  **40**

pads the forecast a little as a hedge

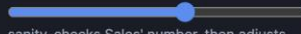


Supply Chain

OTIF · total supply-chain cost · inventory turns

Locality  **30**

honest end-to-end integrator, balancing service vs working capital

Trust  **60**

sanity-checks Sales' number, then adjusts



Manufacturing

OEE · utilization · unit cost

Locality  **65**

trades some utilization for service

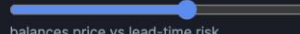
Trust  **55**

smooths the demand plan



Procurement

purchase price variance · supplier OTD · total cost of ownership

Locality  **60**

balances price vs lead-time risk

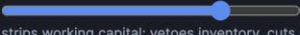
Trust  **45**

buffers selectively



Finance

working capital · cash flow · gross margin · days of coverage

Locality  **75**

strips working capital: vetoes inventory, cuts stock for optics

Trust  **40**

challenges, then funds

- ✔ Convene
- ›
- ✔ Demand
- ›
- ✔ Supply
- ›
- ✔ Finance
- ›
- ✔ Reconcile

✔ Meeting complete

FORECAST DRIFT

+12.3%

consensus vs baseline

BACKLOG

€1.43M

8,833 units

PEAK UTILIZATION

132%

fill 87% · avg 70.9%

MFG OVER-BUILD

23,316 u

pushed to inventory

MFG UNIT COST

€10.49

std €12.32

EBITDA

€2.25M

gross margin 55.18%

WORKING CAPITAL

€608k

51.33 days cover

PPV

€177k

purchase price variance

ESCALATION

YES

3 gaps

Inside a single cycle: No disruption, no bad luck. Just local incentives at work.

Demand



Supply



Finance



Reconciliation



STAGE 1 · DEMAND REVIEW

Consensus demand 68,437 units · drift +12.3% vs statistical baseline

Sales

Look, I'm proposing 71,740 units because we're seeing strong signals in the market and I need to make sure we can fulfill every order that comes in—missing sales because we're short on inventory is the last thing we want. Yes, it's about 18% above the statistical baseline, but given our recent customer engagement and pipeline activity, I'd rather have a little extra cushion than leave money on the table. We've got annual revenue targets to hit, and under-forecasting in Q1 sets us back for the entire year.

Supply Chain

Sales, I appreciate the optimism, but jumping from a 61K baseline to 71K—that's a 17% leap—feels aggressive given our 30% historical MAPE and the fact that your forecasts have run 10% high before. I'm proposing we meet in the middle at 68,436 units, which still gives us 12% growth over baseline but keeps our safety stock reasonable and protects our inventory turns. At 95% OTIF targets, I need buffer I can actually defend to Finance, not a moonshot that leaves us either swimming in excess stock or scrambling for expedited freight.

Facilitator

Consensus demand set at 68,436 units (+12.3% vs the statistical baseline of 60,952). Sales opened at 71,740 (+17.7%); Supply Chain's challenge brought it to consensus.

STAGE 2 · SUPPLY REVIEW

Backlog €1.43M · peak util 132% · fill 87% · 5 components short

Manufacturing

Looking at these numbers, I have to push back on this plan. We're hitting 132% resource utilization at peak — that's completely unsustainable and puts our entire operation at risk of breakdowns and quality issues. Yes, our fill rate is only at 87%, but I'd rather stabilize at 95-100% utilization and carry some strategic prebuild inventory than burn out our equipment and workforce chasing every demand spike. We need Sales and Marketing to commit to a smoother forecast, or we'll end up with even worse service when our lines go down.

Procurement

Look, we've got 5 components short right now and I'm seeing 8,833 units in backlog—that's a real problem. I've been balancing cost and lead time, not chasing rock-bottom prices from distant suppliers, but I'm still building in selective buffer stock because I don't fully trust every supplier's delivery promises. We need to decide: do I expedite these shortage components at premium cost, or do we accept the delay and push out some customer deliveries? I can get us material faster, but Finance isn't going to love the price variance hit.

Supply Chain

Looking at our supply position, I need to flag some serious concerns. We're showing 132% peak utilization and we're short on 5 component types, which tells me the demand plan Sales just presented isn't fully executable without significant risk to our OTIF performance. Our backlog sitting at 1.4 million euros suggests we're already stretched, and I'm skeptical we can absorb the aggressive forecast they've put forward without either blowing up lead times or carrying excessive safety stock that kills our inventory turns.

STAGE 3 · FINANCE REVIEW

EBITDA €2.25M · working capital €608k · 51.33 days cover

Finance

Look, I appreciate that we're seeing strong demand signals, but a 12% drift is pushing us way beyond our 3% tolerance and I'm concerned about what that does to our working capital position. We're already sitting at 51 days of inventory coverage, which is higher than I'm comfortable with, and if we fund this unchecked we'll be locking up even more cash in stock that might not move as planned. I'll approve funding for the core plan, but I need Supply Chain to commit to tighter inventory controls and I want Sales to provide weekly demand validation for the next quarter before we go all-in on this expansion. Show me the gross margin holds at 55% and we can revisit additional funding in 30 days.

STAGE 4 · RECONCILIATION

Facilitator

3 unresolved gaps after two rounds — escalating to the executive S&OP.

⬆️ ESCALATED TO EXECUTIVE S&OP

Executive decision required: commit working capital (~EUR 607,928) and capacity to recover EUR 1,434,238 of backlogged demand and the disputed upside, OR hold to a leaner plan and accept the service / revenue risk.

The agents interact in plain language to justify their decisions ...

Demand Review. The statistical baseline says 60,952 units. Sales increases to 71,740 – 17.7% above it:

Sales agent: *“I’m seeing **strong customer interest** and our **pipeline is solid** – I’m **confident** we can **push 71,740 units this cycle**. Yes, it’s above the statistical baseline, but that baseline doesn’t capture the momentum we’re building... I’d rather aim high and capture every sale than leave revenue on the table.”*

Supply Chain agent: *“Sales came in at 71,740 units, but with their **consistent +10% bias**, I’m **not buying the full number**... I’m **comfortable committing** to 68,436 units for consensus, which is still **12% above baseline** and gets us to our OTIF target without bloating inventory further.”*

Supply Review. Manufacturing has quietly built additional 23,316 units ahead of demand – spread across products in proportion to demand.

Manufacturing: *“We’re **running at 132% peak utilization**, which is completely unsustainable... I’ve already **smoothed** some of the **demand volatility** to protect our lines.”* The additional build leads to higher requirements of components

Procurement: *“We’ve got **five components short** and that’s translating directly into 8,833 units of finished-goods backlog... for these bottleneck parts we should consider **expedited orders even at an 80% air freight premium**. We are already €299,000 into expedite costs on this plan.”*

Finance Review. Finance sees a demand plan it never believed and a balance sheet absorbing the consequences:

Finance: *“**This demand drift of +12.3% is way above my 3% funding tolerance**... I need Supply Chain and Sales to justify why we can’t meet this demand with leaner stock levels before I approve any plan that bloats our working capital further.”*

Reconciliation. Three gaps remain open – the demand inflation, the capacity overload, the funding dispute. The facilitator escalates:

Facilitator: *“Three unresolved gaps after two rounds – escalating to the executive S&OP. Executive decision required: commit working capital (~€608k) and capacity to recover €1.43 million of backlogged demand and the disputed upside, or hold to a leaner plan and accept the service and revenue risk.”*

The controversial result – a realistic mix of trust and locality delivers bad results for the company – but own local numbers look great

THE COMPANY SCORECARD

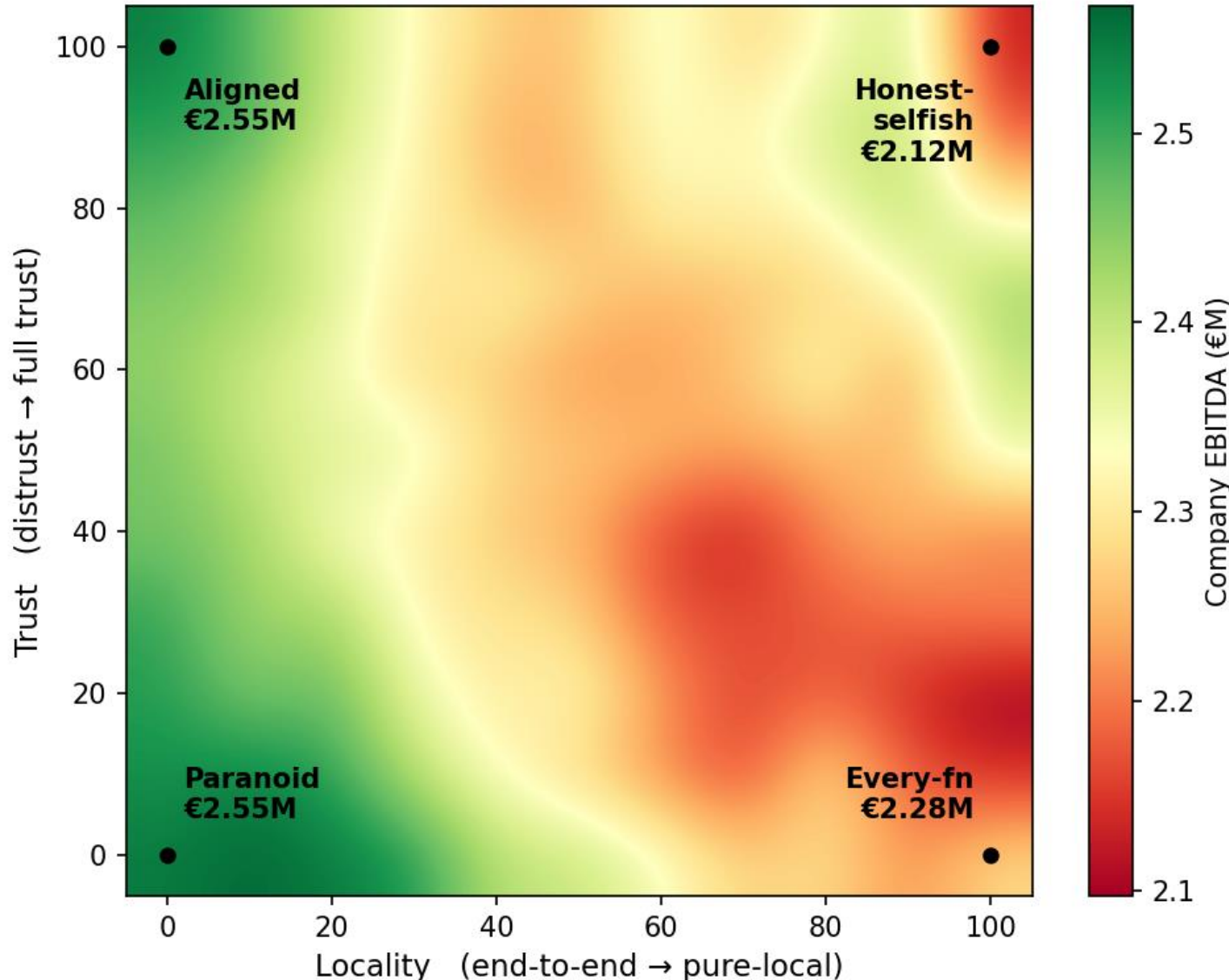
	ALIGNED	REALISTIC
Consensus vs baseline	0.0%	+12.3%
Service level	91%	87%
Peak utilisation	107%	132%
Build ahead of demand	0	23,316
EBITDA	€2.55M	€2.25M
Meeting outcome	resolved	escalated

EACH FUNCTION'S OWN KPI

	ALIGNED	REALISTIC	
Sales, attainment	80.6%	85.7%	<i>better</i>
Supply Chain, turns	7.0	7.1	<i>better</i>
Manufacturing, util.	52%	71%	<i>better</i>
Manufacturing, cost	€12.33	€10.49	<i>better</i>
Procurement, PPV	€124k	€177k	<i>worse</i>
Finance, margin	55.3%	55.2%	<i>flat</i>

A “regular” setup – evaluating the parameters shows very different impact on EBITDA

Org culture → EBITDA (121 configs, all functions set uniformly · no disruption)



Expanding the experiment

- Trust and locality move from 0..100% in steps of 10
- 121 scenarios tested against EBITDA

Results

- The more local the worse for the overall company
- Pure E2E beats distrust

We made the situations realistic and dynamic – demand shock, supply shortage, tender etc – and analysed the different trust / locality settings against it

Trust is a consequence, not a parameter

Wherever a company starts, within ten cycles it settles at the trust its incentives actually pay for.

Finance is happy as Supply Chain did the cutting.

The planner haircuts Sales' inflated forecast, so the number reaches Finance already cleaned up.

The shock ends; the bill keeps running.

Service recovers in a few cycles, but burned trust takes much longer to heal

The sceptical planner is the unsung hero, and pays for it.

Absorbing that inflation every cycle, Supply Chain ends with the lowest trust in the building.

You can't pre-buy trust insurance.

Standing distrust pays against demand turmoil but taxes every calm day; let trust adapt and you rarely need the policy.



The Cure: 7 Measures in the Order That Works

1. Align incentives first & fully. Tie scorecards to end-to-end outcomes (e.g., total executed cost, not just inventory line).

3. Build E2E understanding. Show local vs. company scorecards side-by-side in meetings.

7. Pre-decide decision rights. Know who wins when Manufacturing meets Finance.



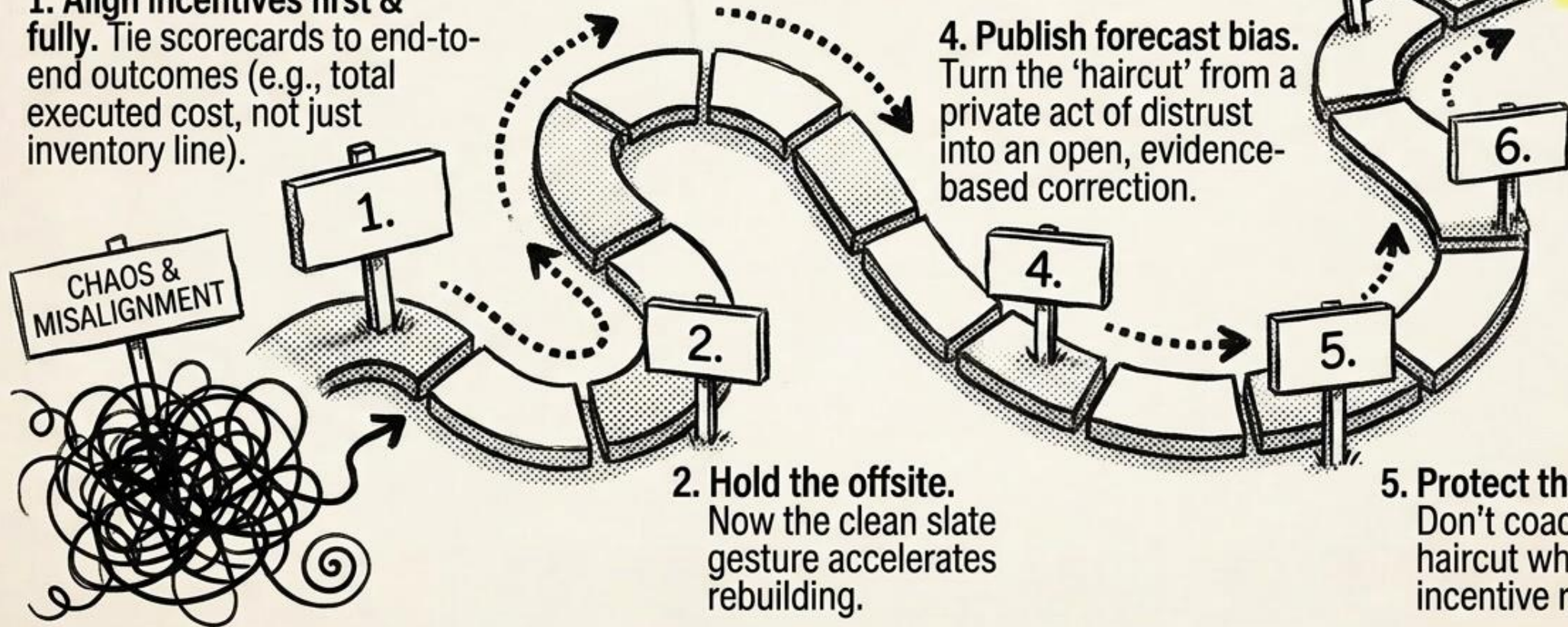
ORDERLY & ALIGNED OPERATIONS

4. Publish forecast bias. Turn the 'haircut' from a private act of distrust into an open, evidence-based correction.

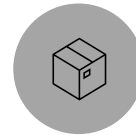
6. Budget rebuild time. Expect relational recovery to take quarters, not weeks.

5. Protect the skeptic. Don't coach away the haircut while the inflation incentive remains.

2. Hold the offsite. Now the clean slate gesture accelerates rebuilding.



Bringing it home ...



AI is today's container moment



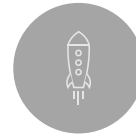
Foster curiosity (org/people)



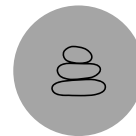
Impact back – not tech-forward



Strong capabilities on all levels



Start with small pilot, scale fast



Towards a new tech stack –
standard + vibe coded



AI as the new digital colleague



**You cannot overtake
fifteen cars when it's
sunny weather, but
you can when it is
raining**

– Ayrton Senna

Formula 1 world champion '88, '90, '91

Thank you!

Further readings on Substack

The planner was the system

<https://knutalicke.substack.com/p/the-planner-was-the-system>

How I vibe coded an S&OP app in 30 h

<https://knutalicke.substack.com/p/how-i-vibe-coded-an-s-and-op-app>

Trust was the consequence

<https://knutalicke.substack.com/p/trust-was-the-consequence>

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Stay in touch

