

The future of IBP decision making

Niels van Hove, December 2024



Customer engagement lead APAC



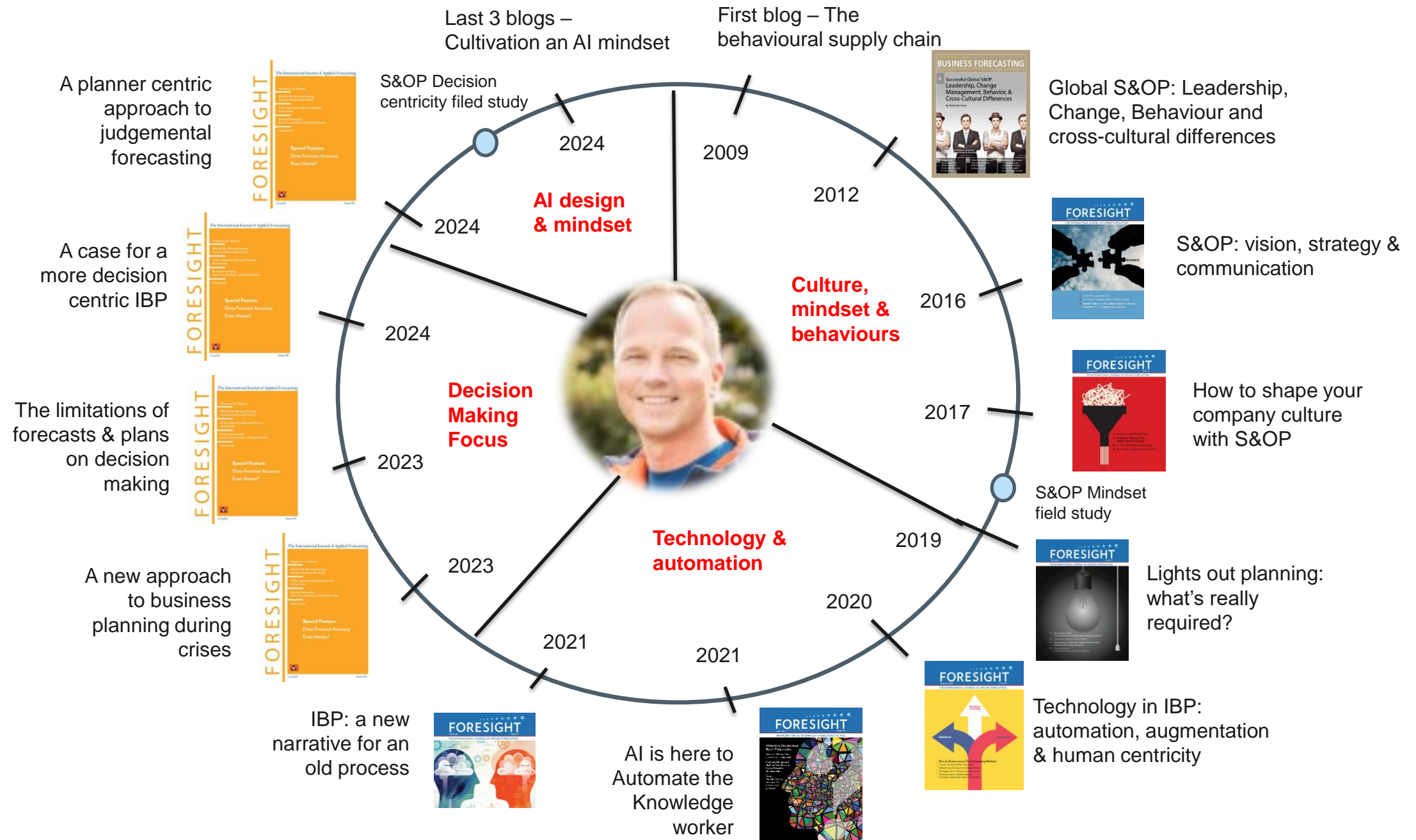
Blogging since 2009



IBP / Decision Intelligence editor

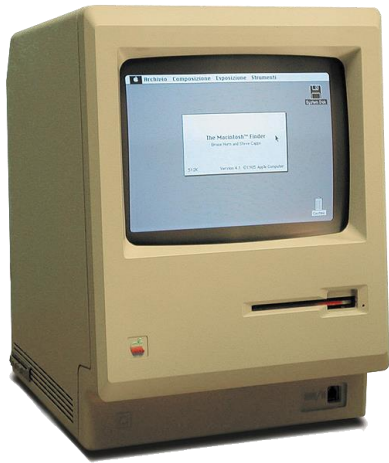


My Publishing Journey



New Technology to Support Planners has Emerged

Niels van Hove, [Foresight 2019](#), [Autonomous or "Lights Out" Supply-Chain Planning: What New Technology Is Required](#)



Apple Macintosh

Wave 1: *ERP* systems designed in the 80's

Systems of Record for master & transactional data. Insights, reports & analytics



Apple i-Mac

Wave 2: *APS* as designed in the late 90's

Systems of Record for forecast plans, probabilities, gaps, assumptions



Iphone 16

Wave 3: *Systems of Intelligence* – Now!

Systems of Record for human cognition, decisions, actions, learning and automation

Wave 3 Will Change the Future of Knowledge Work

Niels van Hove, [Foresight 2021, Commentary: AI Is Here to Automate the Knowledge Worker](#)

From



Automating physical labor

To



Automating & Augmenting the Knowledge Worker

Automating short-term Decisions Becomes the Norm...



Most decisions in the supply chain are short term operational or executional decisions.

These (S&OE) decisions:

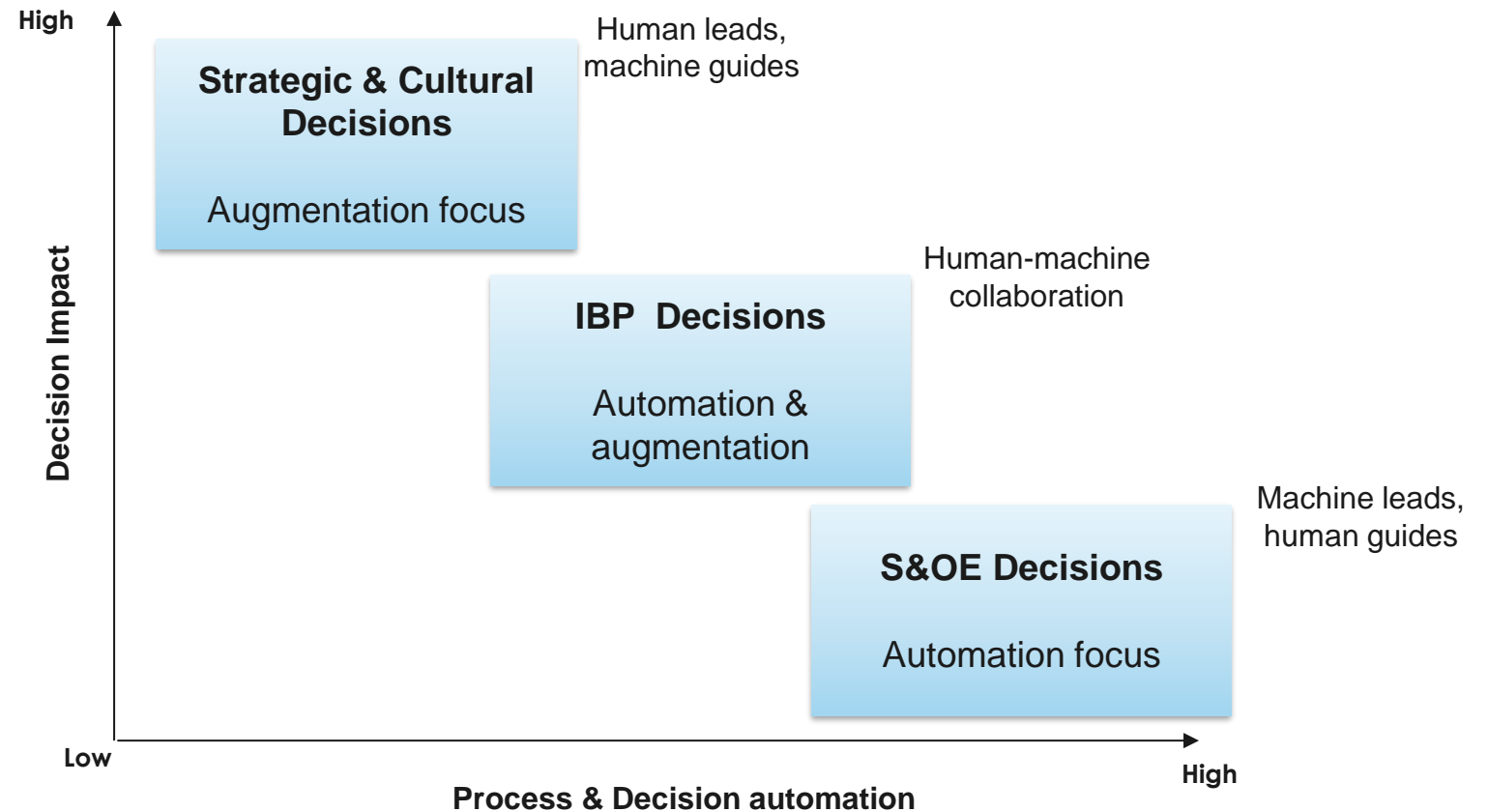
- are ***too many*** and ***too frequent*** for humans to address across a supply chain network
- are most impacted by ***disruptions***
- are often ***repetitive*** week in week out, requiring similar ***data inputs***
- can be ***digitized***, highly ***automated***, or by choice recommended to a human

...But there Are Limits to Decision Automation

Niels van Hove, [Foresight 2020, Technology Support in Business Planning: Automation, Augmentation, and Human Centricity](#)

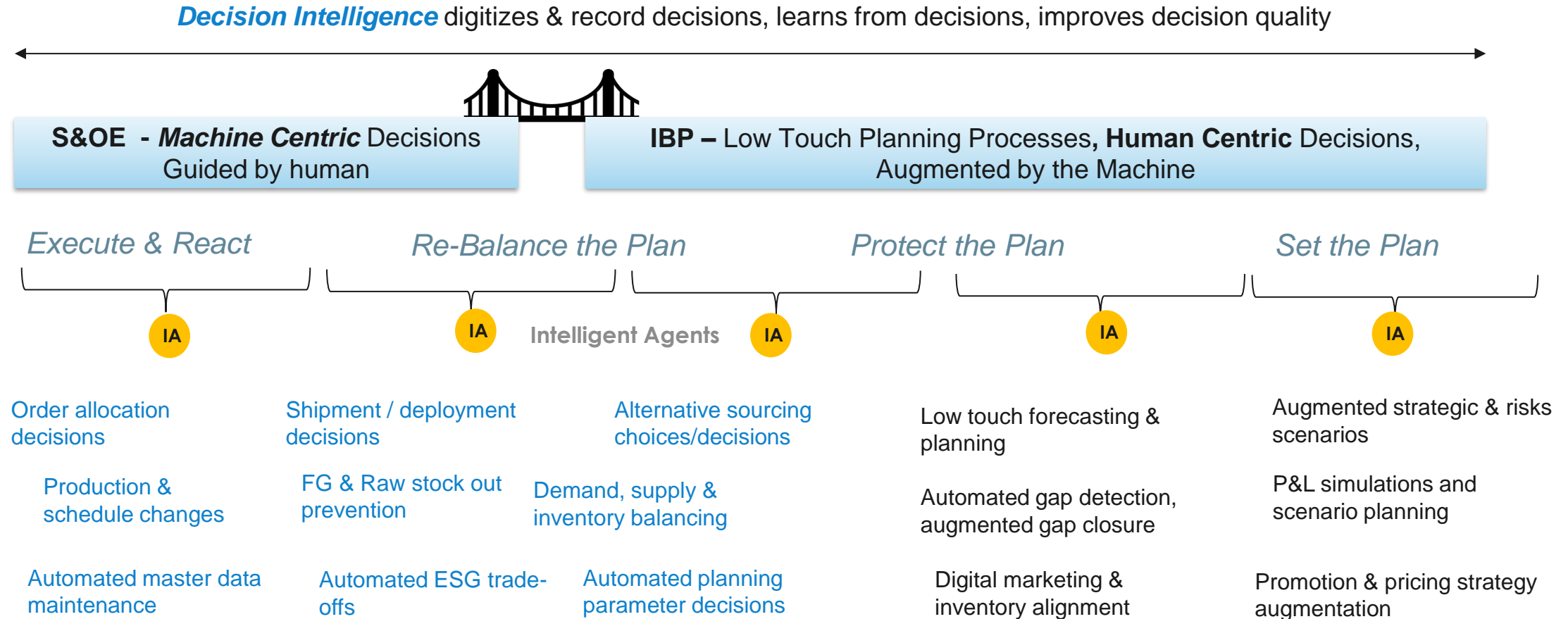
Six factors that drive decision automation, augmentation & human involvement

	S&OE
Data granularity	High
Decision frequency	High
Data generation	High
Decision impact	Low
System complexity	Low
Human centricity	Low



IBP Decisions will be Split between Human and Machine

[Foresight 2021](#), Hein Regeer, Niels van Hove, Integrated Business Planning: A New Narrative for an Old Process



Human-Machine Decision Design Becomes Critical

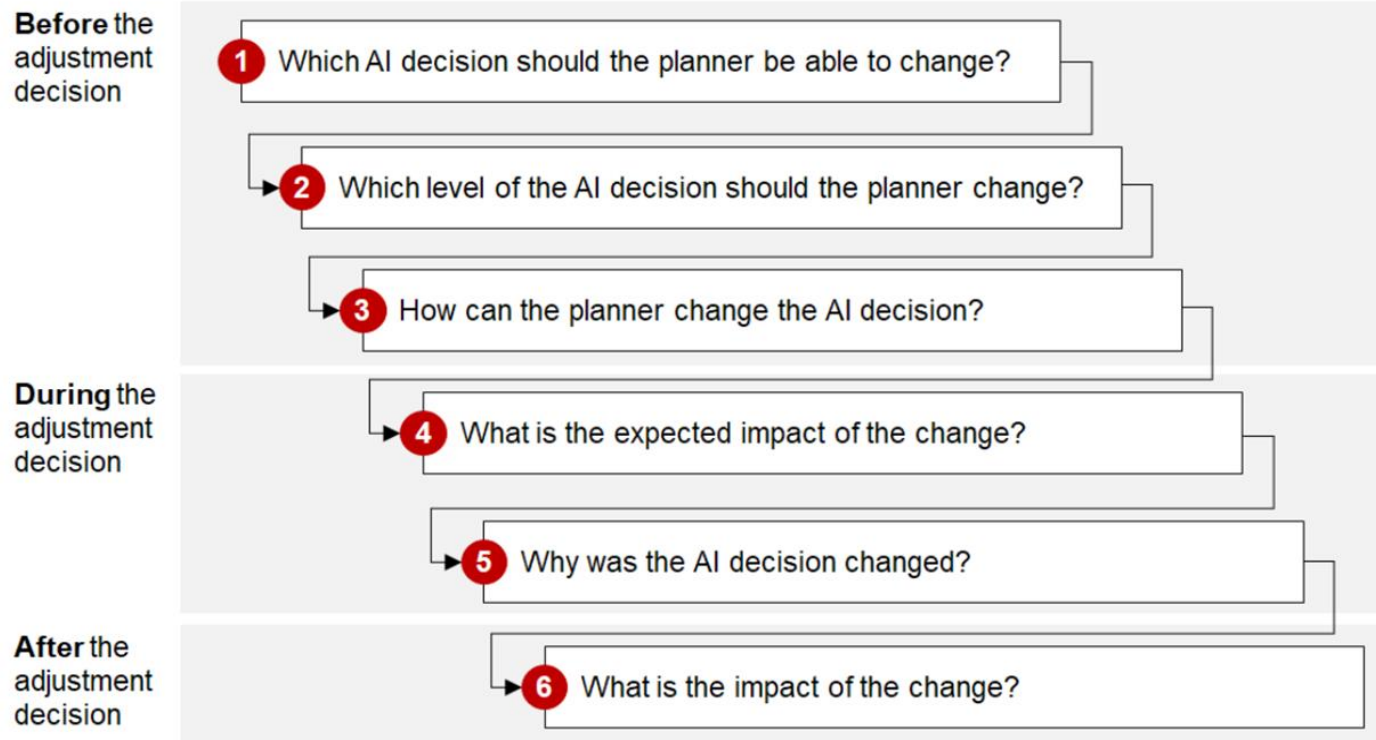
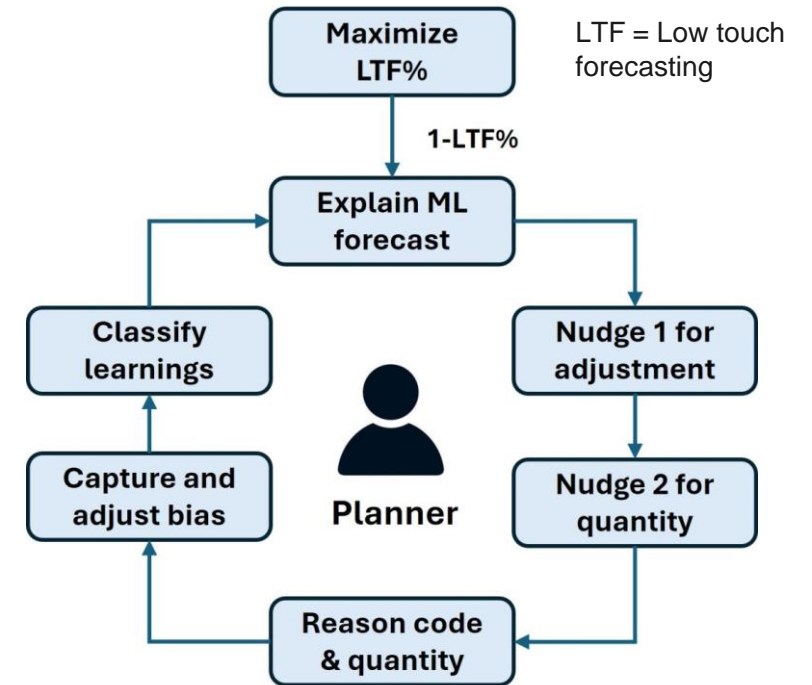


Figure 4: Six-stage framework on the design and evaluation of human-machine interaction

2022, Kai Hoberg, Christina Imdahl. How to Design Human-machine Interaction in Next-generation Supply Chain Planning



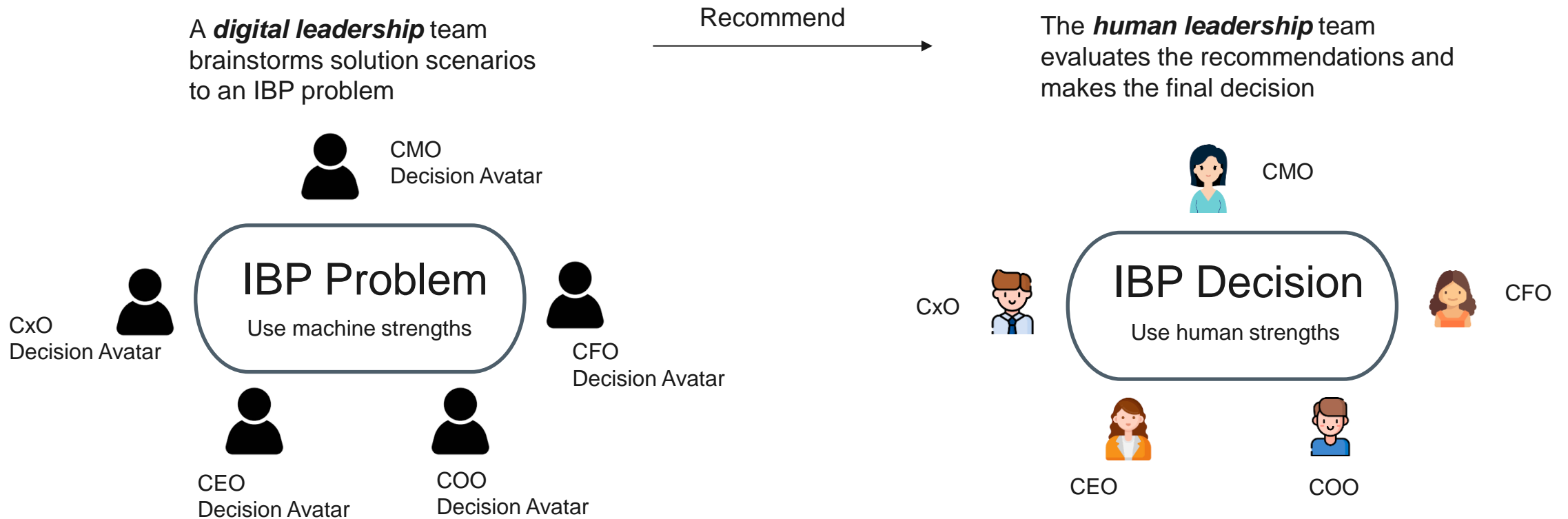
Niels van Hove, [Foresight 2024, A Planner Centric Approach to Judgmental Forecasting](#)

IBP Decision Making with LLM (in the not-so-distant future)

A **DECISION AVATAR™** is a digital 'copy' of the decision-making behaviour of an individual (Roger Moser, 2017). With LLM's, decision avatar's have become a reality.

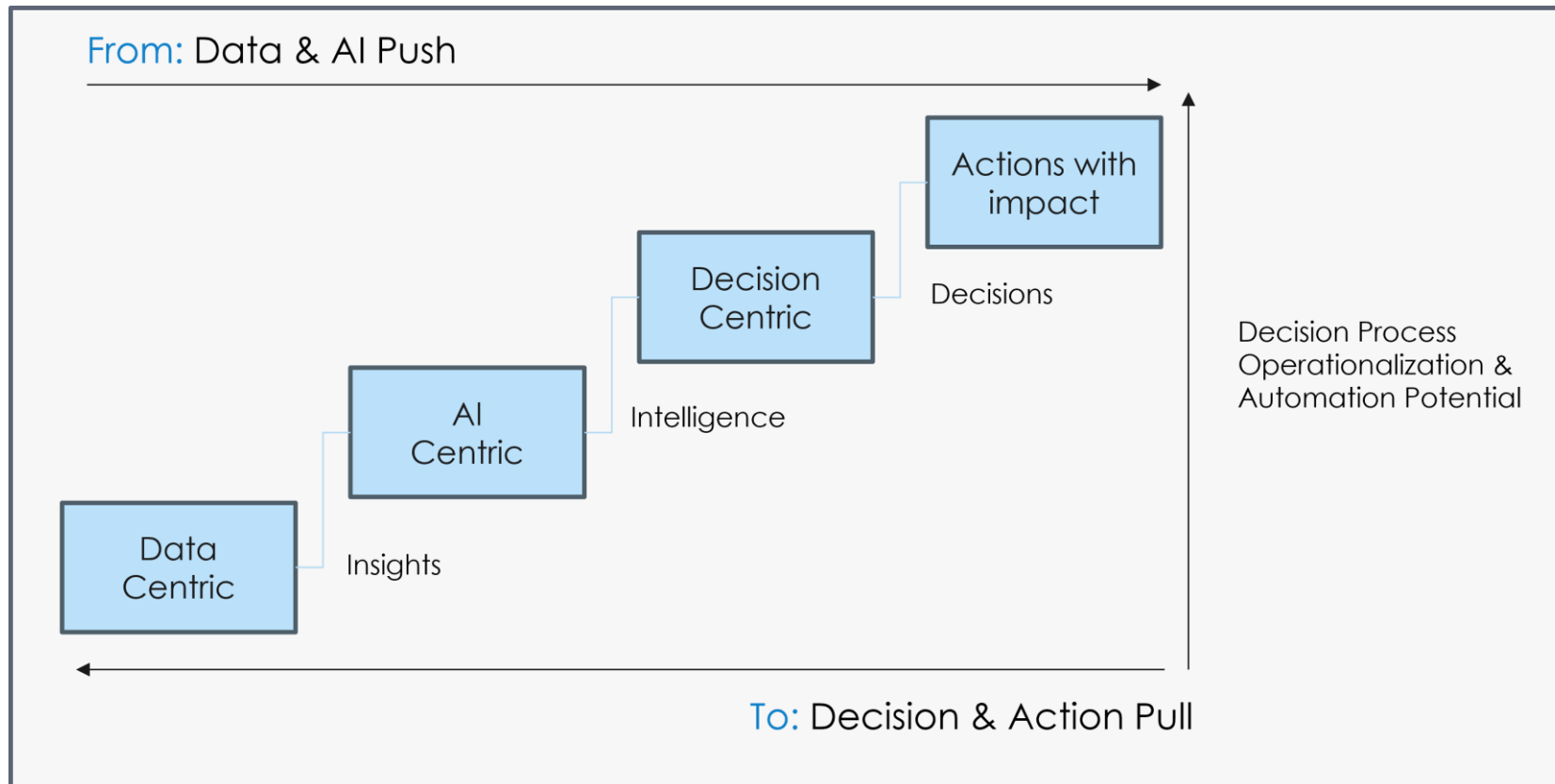


[Digital Niels: my knowledge avatar](#)



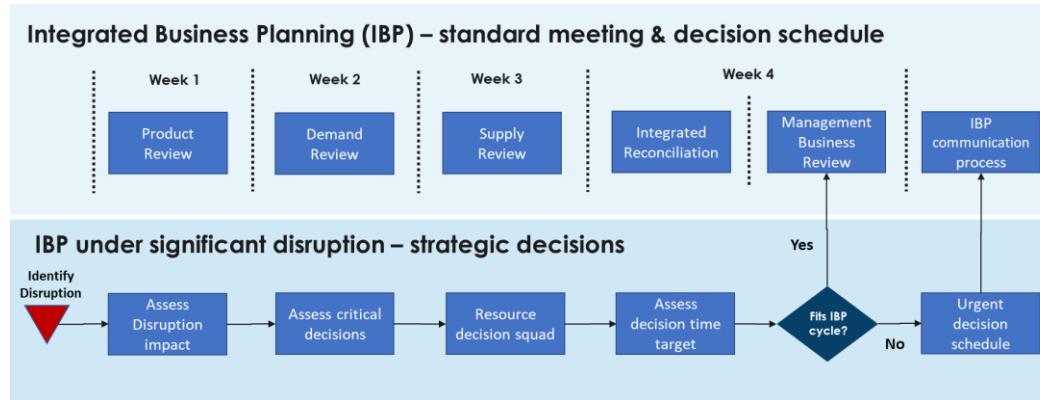
First, we Need to Shift Our Thinking

“Data, technology, and AI must ***take a back seat*** to diligent understanding of ***the decisions*** that they support” *Dr. Lorien Pratt, Decision Intelligence co-inventor*



IBP Must Become More Decision Centric

1. Increase Decision Frequency – IBP on demand



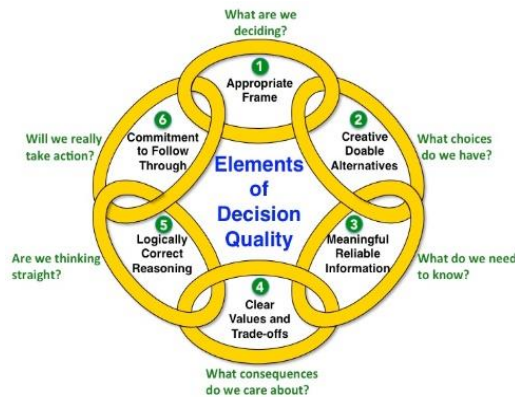
Niels van Hove, [Foresight 2023](#), A new approach to Business Planning during crisis

2% of managers apply regular best practices when making decisions
Erik Larson, HBR, 2017

Opportunity:

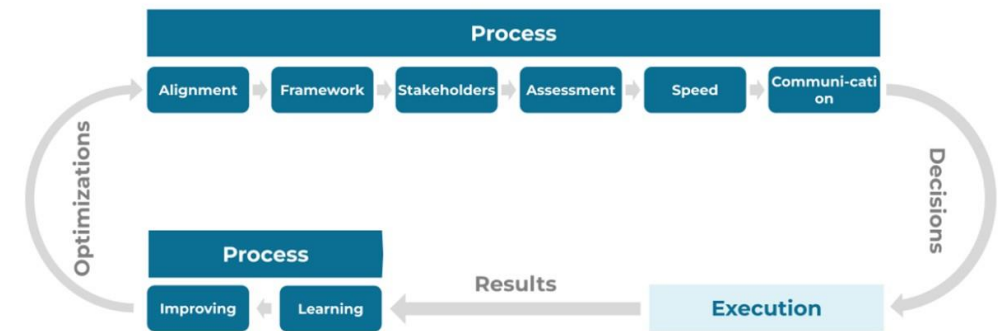
- Decide **twice** as fast
- In **half** the meetings
- Increased **engagement**
- Reduced IBP decision **bias**

2. Integrate Decision Quality



Source: Stanford University Decisions and Ethics Center

3. Apply Decision Frameworks & Learning

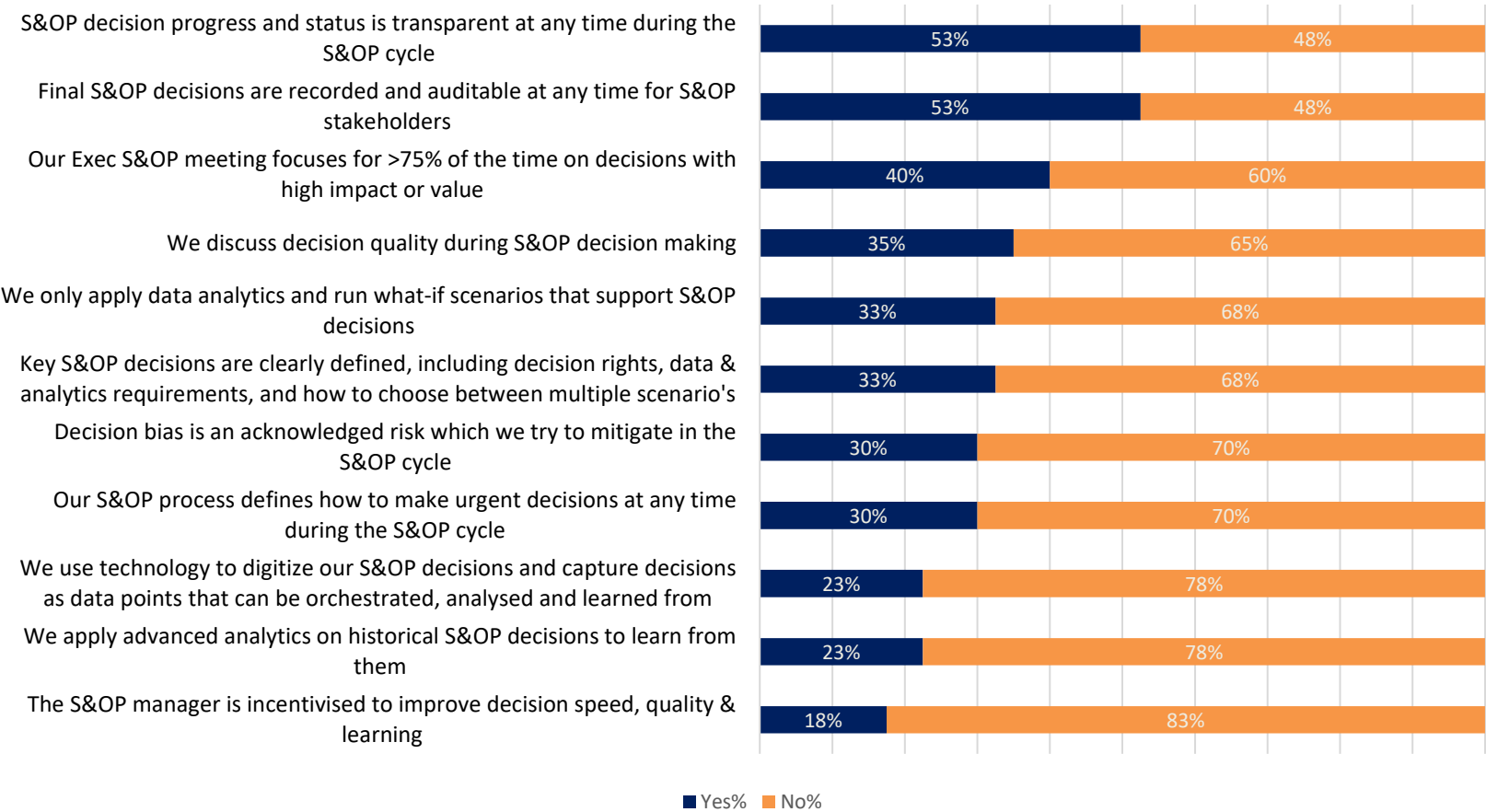


Source: Cloverpop Decision IQ Benchmark Survey, 2023.

Niels van Hove, [Foresight 2024](#), A Case for a More Decision Centric IBP

Decision Centricity Field Study (1/2)

In my field study, over **50%** of survey participants score low levels of decision centricity.
5% score high levels of decision centricity



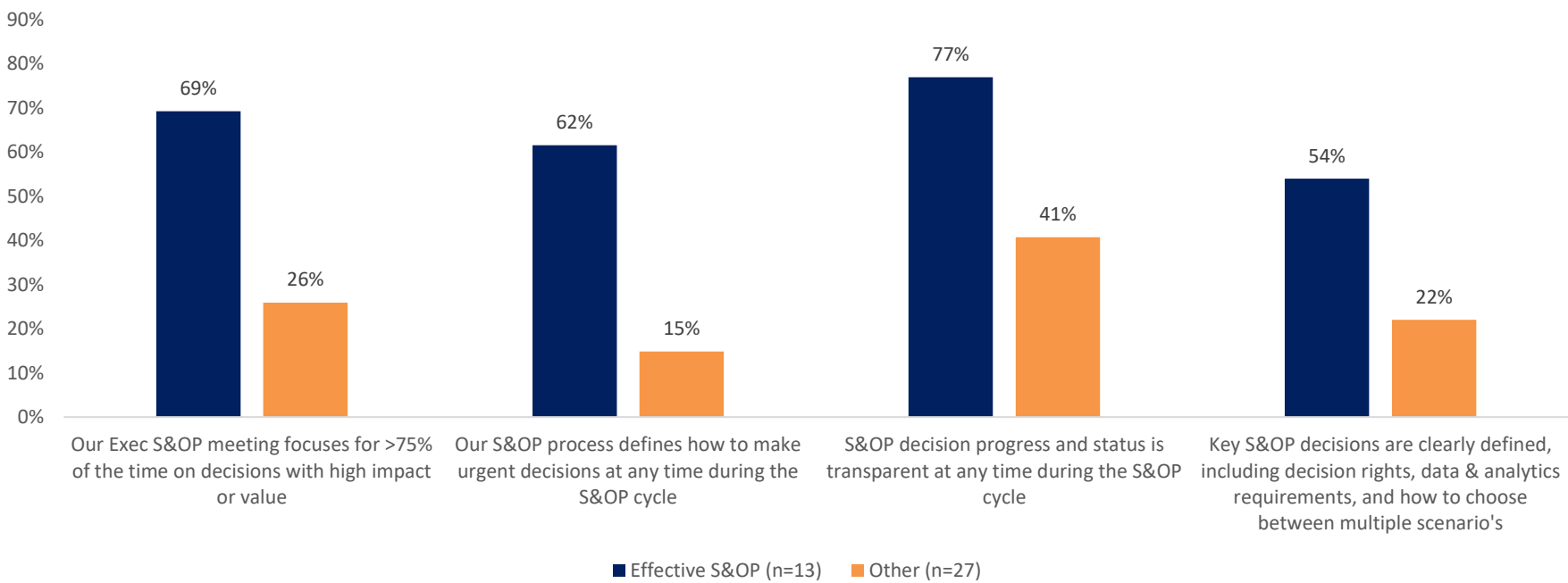
Questions (11) answered with yes (n=40) [Source: S&OP decision centricity survey 2024](#)



[Decision Centric IBP checklist](#)

Decision Centricity Field Study (2/2)

Four Decision Centric differentiators stand-out in more mature S&OP/IBP processes



Questions (11) answered with Yes (n=40) [Source: S&OP decision centrality survey 2024](#)



Decision Centric IBP checklist