

If AI Runs the Supply Chain, What is Left to Manage?

LUNCH AND LEARN

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PART 1 • THE AI-MANAGED SUPPLY CHAIN: WHAT CHANGES, WHAT DOESN'T, AND WHAT LEADERS MUST DO

If AI Runs the Supply Chain, What Is Left to Manage?

AI is rapidly taking on the work people have always done. It has not changed what we are ultimately trying to build.

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Who We Are



CHRIS GAFFNEY

Professor of the Practice
Managing Director, SCL
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SUPPLY CHAIN STRATEGY

EXPERIENCE

- 25 years at The Coca-Cola Company
- VP, Global Strategic Supply Chain
- President, National Product Supply Group
- Earlier operations roles at Frito-Lay

FOCUS AREAS

- Supply chain strategy & transformation
- Footprint design & network optimization
- Operating model & capability building
- Make/buy & shared services

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ZAID DUWAYRI

Supply Chain & Technology Advisor
25+ years in enterprise supply chain technology

AI & TECHNOLOGY
ENABLEMENT

EXPERIENCE

- EY — SC Technology Alliances Leader
- D4DT — COO & CFO
- Consignor US / nShift — GM, N. America
- Blue Yonder / JDA — Sr. Director, Sales
- Capgemini and i2 Technologies

FOCUS AREAS

- Supply chain transformation & enablement
- Strategic partnerships & tech alliances
- Enterprise supply chain technology
- AI/ML and analytics applied to supply chain
- Go-to-market strategy & practice development

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Three conversations, one argument

01

The System

What changes — and what does not?

How does AI change the way the supply chain operates?

TODAY

02

The Strategy

Where does advantage move?

If everyone can access powerful AI, what still differentiates the supply chain?

03

The Leadership

How is the system governed?

How do leaders design, govern, and remain accountable for increasingly autonomous systems?

Today's focus: returning to the purpose of supply chain before asking how AI changes its operation.



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The anxiety is real — and it is not irrational



What professionals hear

AI can forecast, model scenarios, coordinate decisions, automate tasks — and increasingly act in the physical world.



What they don't hear

Workforce messaging is far less clear. People hear what AI can do; they hear far less about what happens to them.



The leadership temptation

Some leaders are tempted to delay the transition and leave it for the next leader. The available time does not support that response.

Discussion question: *What are we ultimately trying to accomplish — before we ask what AI can or cannot do?*



“Ambiguous and silent” is not a strategy



What leaders owe the workforce

- Do the strategic work — decide augment vs. automate vs. both
- Communicate honestly, even when the answer may evolve
- Invest in capability, not just technology
- Tell employees what they can expect now



What practitioners can do now

- Become an active user — daily, not occasionally
- Ask for training; don't wait for it to arrive
- Learn the augmented version of your role
- Build capability that stays valuable across employers

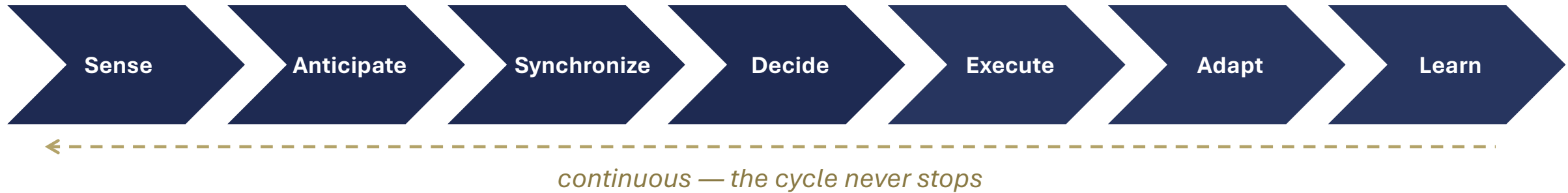
Discussion question: *Is your organization augmenting employees, automating work, or some combination — and have you said so clearly?*



DEFINE THE DESTINATION

Supply-chain utopia: the vision is not new

Forget today's technology. The ideal supply chain has always been described the same way:



...while balancing six objectives at once:

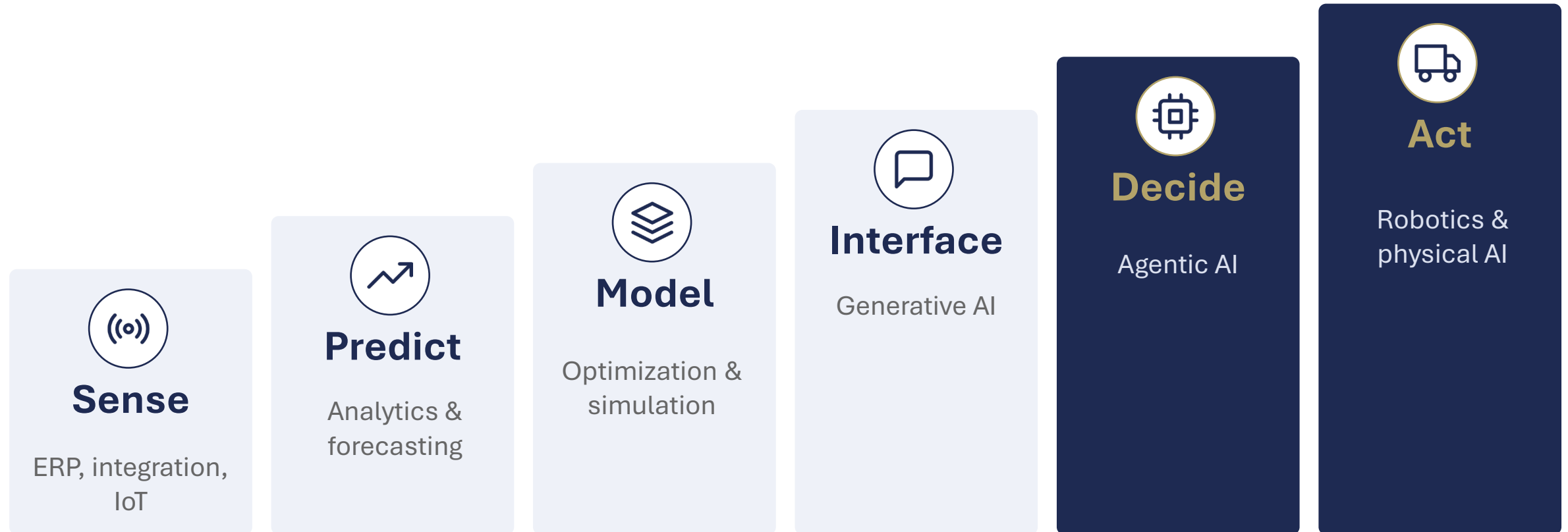


The vision is not new. The technology to approach it is. And supply chains still serve people — human needs, choices, values, and constraints stay in the system even as more decisions are automated.



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The progression: each wave attacks a different gap



Digital AI closes the gaps between sensing, understanding, and deciding. Physical AI closes the gap between deciding and executing.



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THE CORE SHIFT

Decision latency is collapsing

YESTERDAY — latency between every stage



TOMORROW — sense, understand, decide, execute, learn: near-continuous

Monday, 9:00 → Monday, 9:04

Digital AI compresses sensing → deciding. Physical AI compresses deciding → executing.

The question that shapes everything downstream: what does supply-chain management look like when decision latency approaches zero — but physical constraints do not?

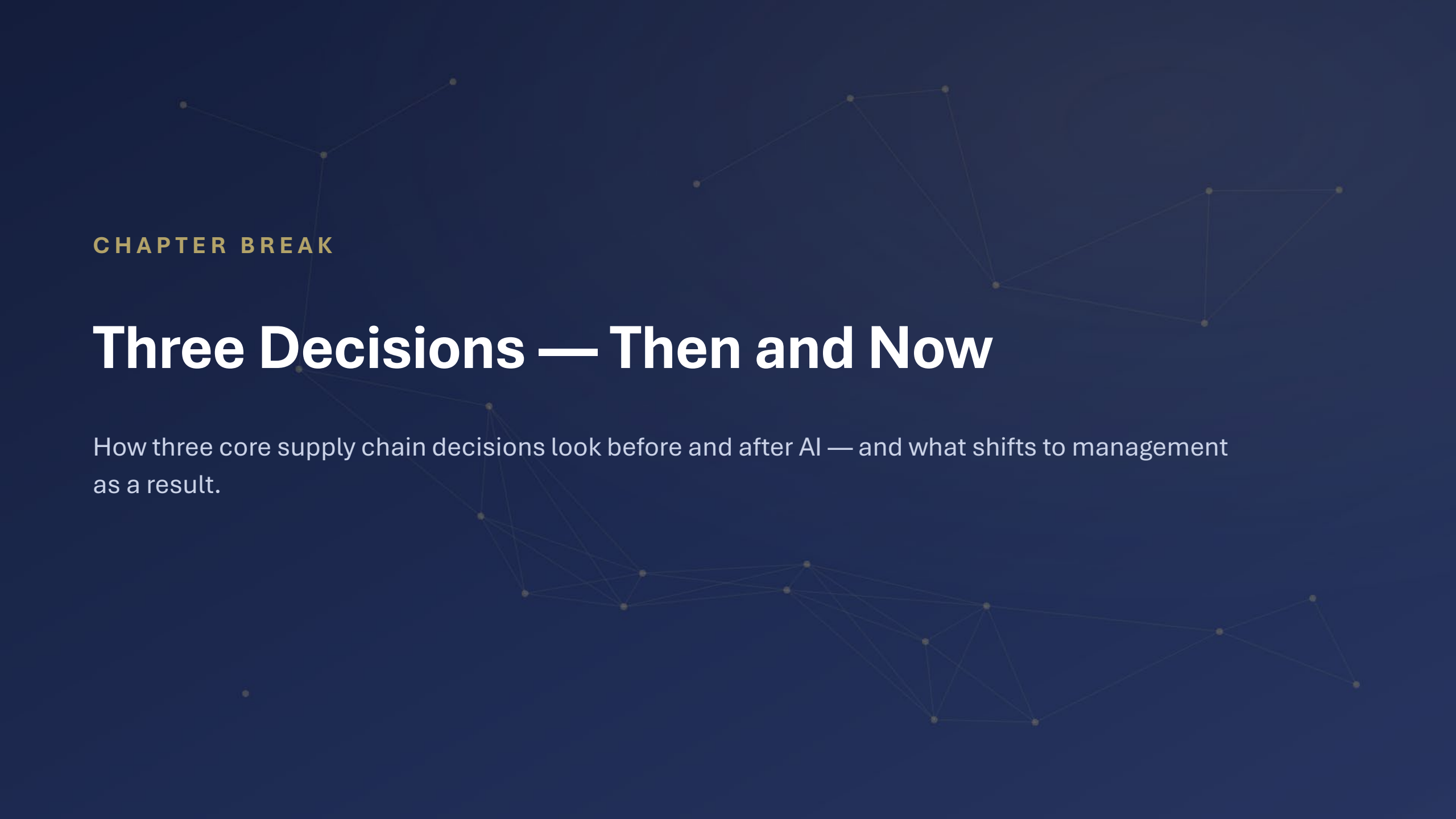


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Three layers: what endures, what shifts

	ENDURES	SHIFTS
INTELLIGENCE SYSTEM Humans, data, models, agents, optimization, automation	The need to sense, interpret, decide, and learn	The largest disruption: from mostly human work to mixed human-machine systems
MANAGEMENT SYSTEM Planning, policies, processes, metrics, decision rights, governance	Coordination, tradeoffs, accountability	Routines built around information latency get redesigned
PHYSICAL SYSTEM Suppliers, plants, capacity, inventory, warehouses, transportation, customers	Purpose, physics, time, capacity, geography, cash	Execution gets faster and more adaptive — but constraints remain

Core argument: AI is rapidly reshaping the intelligence system — and therefore the management system. It has not repealed the physical system's purpose, constraints, economics, or responsibilities.

An abstract geometric pattern consisting of numerous small dots connected by thin, light-colored lines, forming a complex network of triangles and polygons across the dark blue background.

CHAPTER BREAK

Three Decisions — Then and Now

How three core supply chain decisions look before and after AI — and what shifts to management as a result.



Demand & inventory

TODAY

Forecast → planner review → inventory decision → replenishment action. A human touches every step.

AI-SHAPED FUTURE

Continuous demand sensing spots the change, calculates inventory implications, evaluates supply alternatives, and adjusts replenishment automatically — within defined constraints.

THE MANAGEMENT SHIFT

The planner moves from making every replenishment decision to defining policy, challenging assumptions, managing exceptions, and improving the decision system itself.

Discussion question: *Which replenishment choices can be autonomous — and what conditions require a person to intervene?*





Supplier disruption & responsibility

TODAY

A team detects the failure, identifies alternates, rebuilds production and transportation plans, and negotiates customer impacts — a chain of functional decisions.

AI-SHAPED FUTURE

The system detects the disruption, evaluates alternate suppliers, recalculates production and transport, assesses customer impact, and recommends or executes allocation.

THE MANAGEMENT SHIFT

Management defines the values and guardrails the system must apply across cost, service, resilience — and responsibility.

Discussion question: *The lowest-cost alternate has questionable labor practices. The problem is no longer computational — it is what the company told the system to value.*



Physical execution & safety

TODAY

Supervisors respond to congestion or an equipment outage by changing waves, shifting labor, rerouting equipment, and adjusting dock activity through manual coordination.

AI-SHAPED FUTURE

Sensors detect the constraint; an agent re-optimizes order release, routes autonomous equipment, reallocates labor, and revises dock appointments — inside safety and service guardrails.

THE MANAGEMENT SHIFT

Leaders design operating policies, decide which actions may be autonomous, preserve a human safety stop, monitor performance — and own the outcome when digital decisions produce physical consequences.

Discussion question: *Where should autonomy stop when safety, labor, customer priority, or site context conflicts with the calculated optimum — e.g., an emergency order pushing toward labor and overtime limits?*

Decisions within the system vs. decisions about the system

AI DECIDES WITHIN THE SYSTEM

- How much, when, where
- Which supplier, which route
- Which order, which constraint to optimize

MANAGEMENT OWNS DECISIONS ABOUT THE SYSTEM

- Objectives and risk tolerance
- Delegated authority and boundaries
- Constraints — and when the system itself must change

For 30 years, supply chain judgment came from making thousands of decisions. When the machine makes those decisions, humans must stay in the loop — understanding how decisions are made is what enables better decision-system design.

ANSWERING THE TITLE QUESTION

What management now manages



Design

Objectives, tradeoffs, architecture — what is the system optimizing, and how do the pieces fit while preserving optionality?



Delegate

Boundaries, autonomy, decision rights — what may the machine decide and execute, and when must a human enter?



Govern

Exceptions, accountability, ethical constraints — who breaks ties, and who owns the outcome when an autonomous decision is wrong?



Learn

Performance, unintended consequences, changing assumptions — is the system improving, or amplifying bad practice?

MANAGE THE DECISION SYSTEM

The center of gravity moves upward: *from managing individual decisions to managing the decision system itself.*

CLOSE · AND A BRIDGE TO PART 2

“You cannot govern a decision you do not understand.”

The destination remains. The operating model and the intelligence layer are changing fast.

The talent question

If fewer people build judgment by making thousands of routine decisions, how will the next generation learn to govern autonomous systems?

Next: Part 2

If powerful AI is commercially available to every competitor — where does supply-chain advantage live?

Join the conversation

Send us the decisions, examples, and questions you want this series to examine.

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Register by Sept 10

Generative AI Application for Supply Chain Professionals

Oct 19, 2026 – Oct 21, 2026 | Georgia Tech Savannah Campus

Supply Chain Optimization and Prescriptive Analytics

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