Smarter decisions before smarter tools

A practical series for supply chain and logistics leaders under **AI** pressure

Hatmill

Introduction

Your organisation has already invested in planning software, optimisation engines and dashboards that promise faster, better decisions. Yet in most supply chains the biggest calls on capacity, network design, service levels and investment still move slowly through meetings, spreadsheets and gutfeel.

This four part series is for COOs, CFOs, Supply Chain Directors and senior operations leaders who feel the pressure to do something with AI but recognise that the real constraint is not technology. In fact, it comes back to how decisions are framed, owned and executed today.

Hatmill

What this series covers

This series brings together four short articles, each tackling a practical dimension of the challenge:

Fix your decision-making before you buy more AI

why the mismatch between capable tools and slow decisions is costing you savings, speed and credibility and where to start.

The four building blocks of board-ready supply chain decisions

Intent, information, governance and human judgement explained in terms that resonate in the boardroom and on the warehouse floor.

From calendar meetings to continuous, event-driven decisions

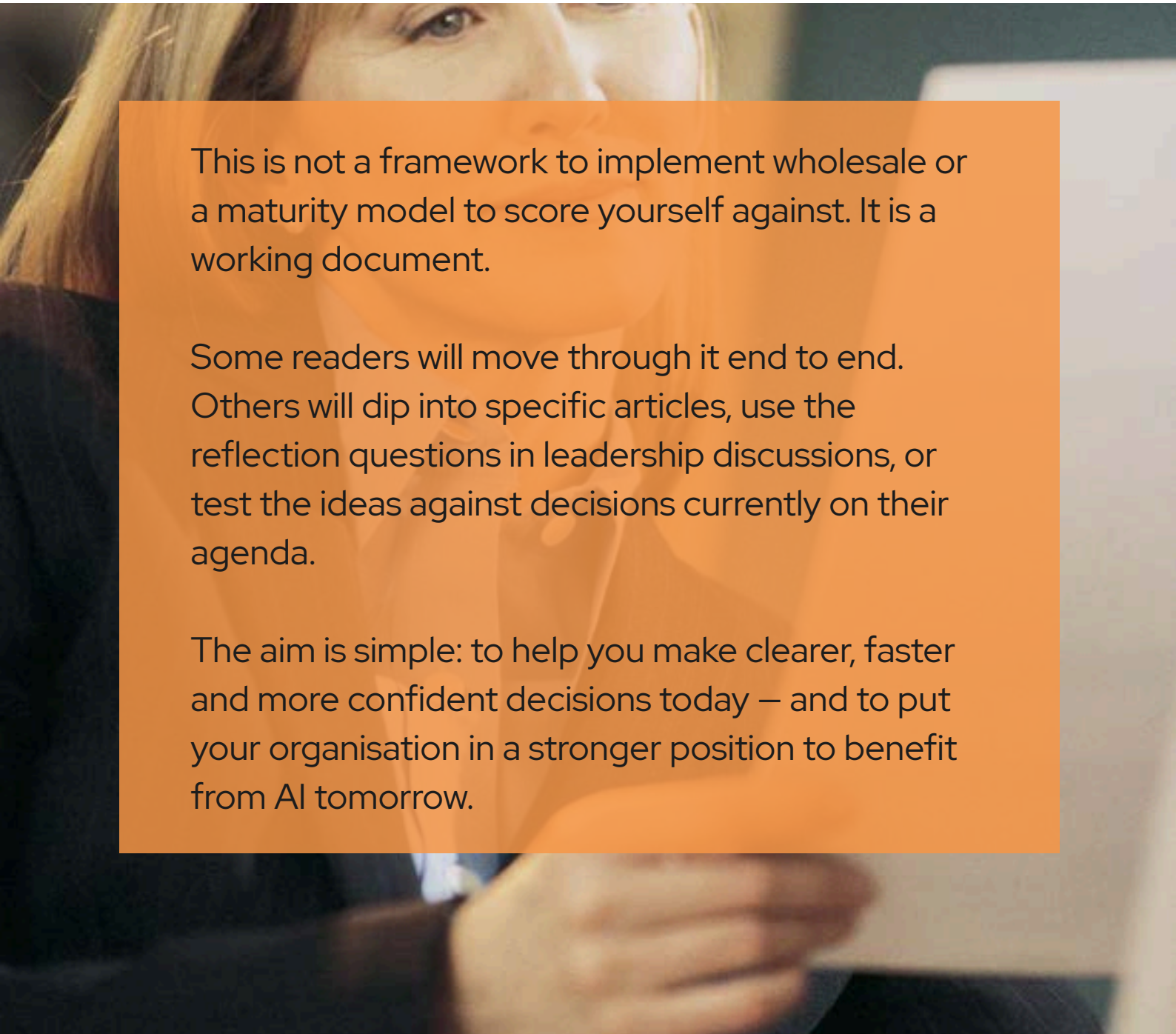
How to move beyond monthly S&OP and quarterly reviews towards real-time triggers that let your teams act when it matters.

Getting tools and experts working together in your favour

The case for combining optimisation software with internal and external expertise, rather than treating them as alternatives.

Hatmill

How to use this series



This is not a framework to implement wholesale or a maturity model to score yourself against. It is a working document.

Some readers will move through it end to end. Others will dip into specific articles, use the reflection questions in leadership discussions, or test the ideas against decisions currently on their agenda.

The aim is simple: to help you make clearer, faster and more confident decisions today – and to put your organisation in a stronger position to benefit from AI tomorrow.

Fix decision-making before AI

Smarter decisions before smarter tools: A practical series for supply chain and logistics leaders under AI pressure

Hatmill

Core argument

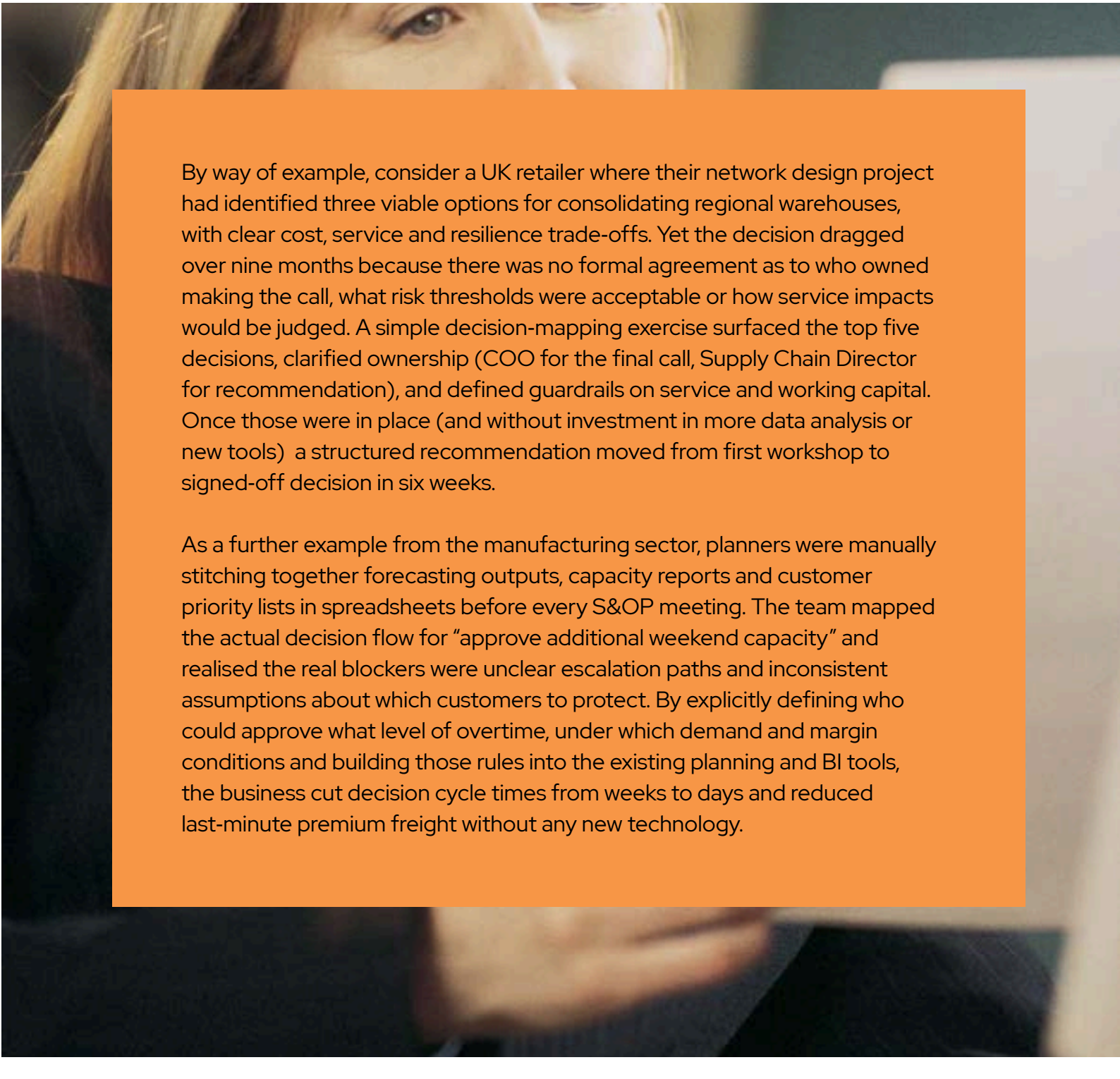
Senior operations leaders are under pressure to do something with AI, but the real constraint is often slow, meeting heavy, personality driven decisions.

Across warehouses, transport, forecasting and wider operations, your teams already sit on powerful tools and data, yet major calls on capacity, investments, network design and service levels still default to the way we've always done it. This creates a growing mismatch between what your systems can do and how decisions are actually taken on the ground, which shows up as missed savings, slower responses, inconsistent customer promises and avoidable operational risk.

The organisations that will cope best with the next wave of technology, including AI, are those that get their decision fundamentals right now and deliberately design their way of working so more advanced tools can slot in later instead of disrupting everything. The most important move is not to rush into isolated AI projects, but to reset how strategic decisions are framed, owned and executed today. For supply chain and logistics leaders, that means identifying the decisions that matter most for value and risk, mapping how they are actually taken, testing where tools are underused and redesigning those decision flows so people and systems each do what they are best at.

Hatmill

What this looks like in practice

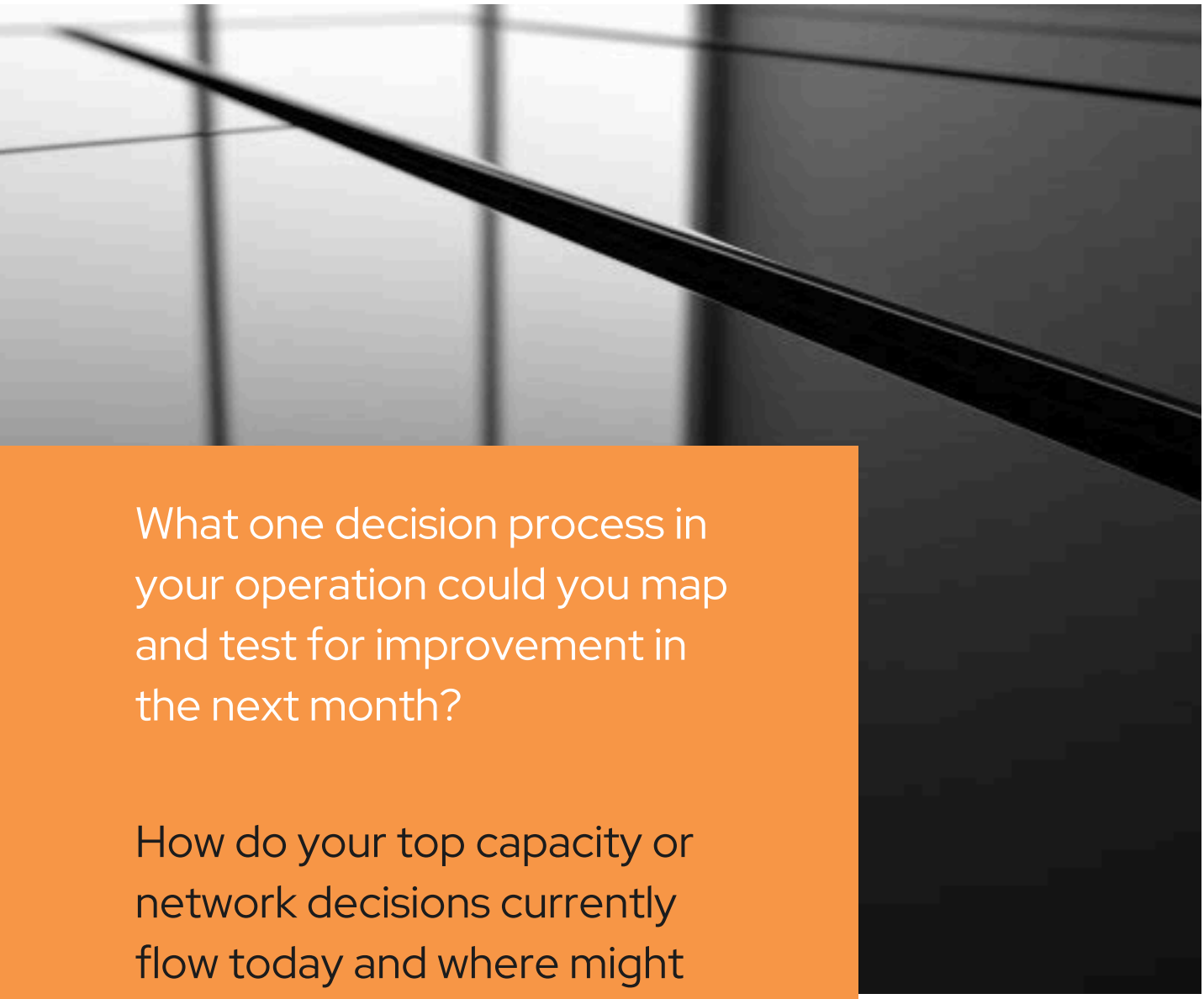


By way of example, consider a UK retailer where their network design project had identified three viable options for consolidating regional warehouses, with clear cost, service and resilience trade-offs. Yet the decision dragged over nine months because there was no formal agreement as to who owned making the call, what risk thresholds were acceptable or how service impacts would be judged. A simple decision-mapping exercise surfaced the top five decisions, clarified ownership (COO for the final call, Supply Chain Director for recommendation), and defined guardrails on service and working capital. Once those were in place (and without investment in more data analysis or new tools) a structured recommendation moved from first workshop to signed-off decision in six weeks.

As a further example from the manufacturing sector, planners were manually stitching together forecasting outputs, capacity reports and customer priority lists in spreadsheets before every S&OP meeting. The team mapped the actual decision flow for “approve additional weekend capacity” and realised the real blockers were unclear escalation paths and inconsistent assumptions about which customers to protect. By explicitly defining who could approve what level of overtime, under which demand and margin conditions and building those rules into the existing planning and BI tools, the business cut decision cycle times from weeks to days and reduced last-minute premium freight without any new technology.

Hatmill

Leadership reflection



What one decision process in your operation could you map and test for improvement in the next month?

How do your top capacity or network decisions currently flow today and where might tools already be under-utilised?

The four building blocks of robust decisions

Smarter decisions before smarter tools:
A practical series for supply chain and logistics leaders under AI pressure

Hatmill

Core argument

As a COO, Supply Chain Director or CFO, you need decisions that stand up under pressure both in the boardroom and in the operation.

A robust strategic decision today rests on four connected elements: clear intent, reliable information, governance and human judgement. Where any of these are weak, even the most sophisticated optimisation or planning system will struggle to deliver decisions that stand up to pressure.

1. **Intent.**
Robust decisions are anchored to a clear statement of what the organisation is trying to achieve on cost, service, resilience and sustainability (rather than to the features of a particular system or the latest buzzword). Without this, teams can optimise for the wrong outcome, chasing local efficiencies that undermine the wider strategy.

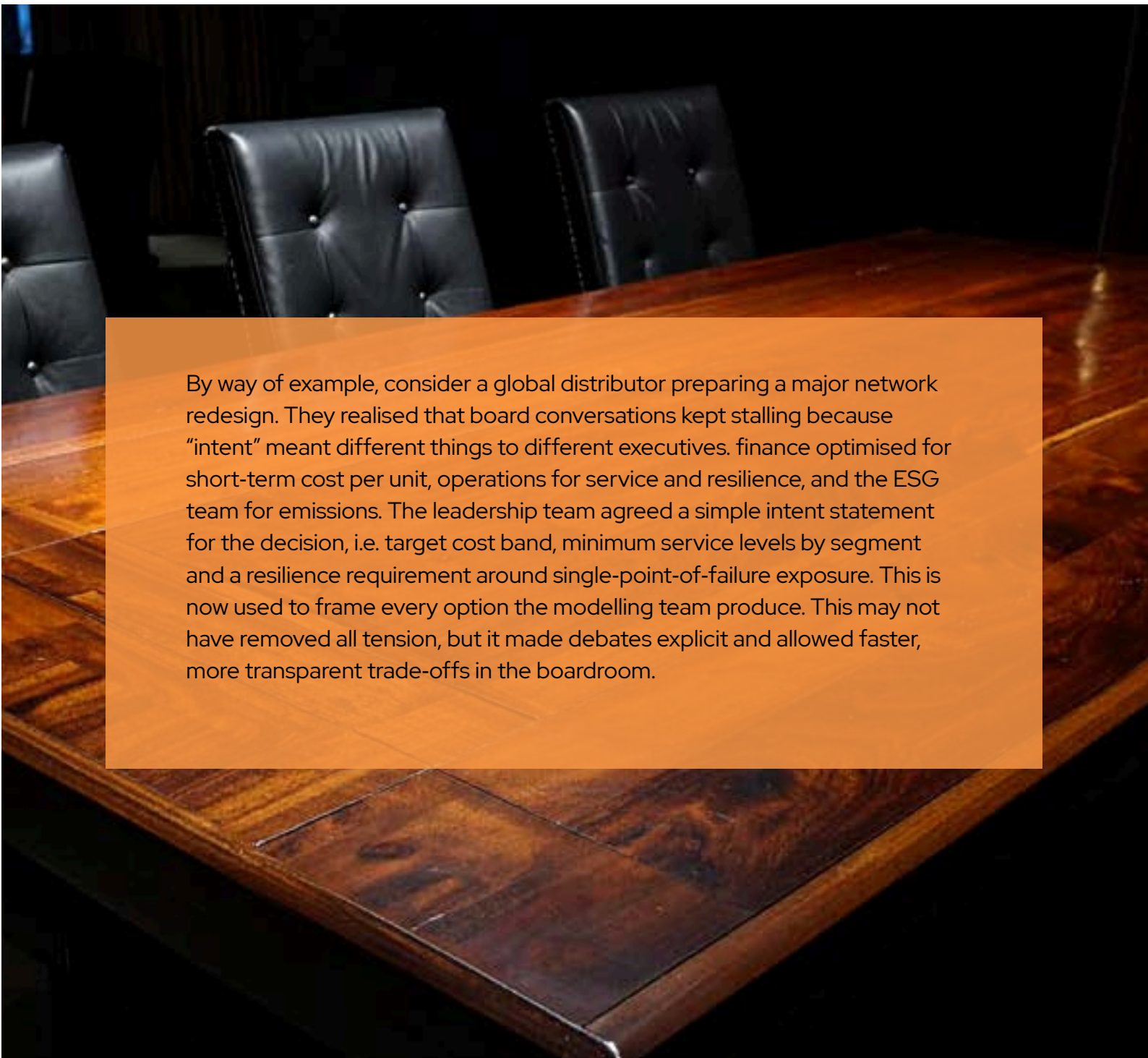
2. **Information.**
Decisions need timely, trusted data and models that reflect real constraints, from warehouse capacity and driver availability to lead times and carbon limits. Many businesses already have the right data flows in their supply chain systems; the issue is stitching them together into decision-ready views rather than asking planners to manually reconcile conflicting reports.

3. **Governance.**
Robust decisions sit within simple, well-understood guardrails: who decides what, at what level of risk, under which thresholds and with what escalation path. Traditional governance often slows decision-making; the goal now is practical oversight that keeps decisions transparent and auditable without drowning teams in bureaucracy.

4. **Human judgement.**
As tools take on more calculation and scenario work, the premium on human skills grows: framing the right questions, challenging assumptions, interpreting trade-offs and building buy-in for the chosen path. These skills, i.e. facilitation, sense-making, and influencing, are already in demand today and will be critical as more advanced decision support techniques, including AI, are introduced.

Hatmill

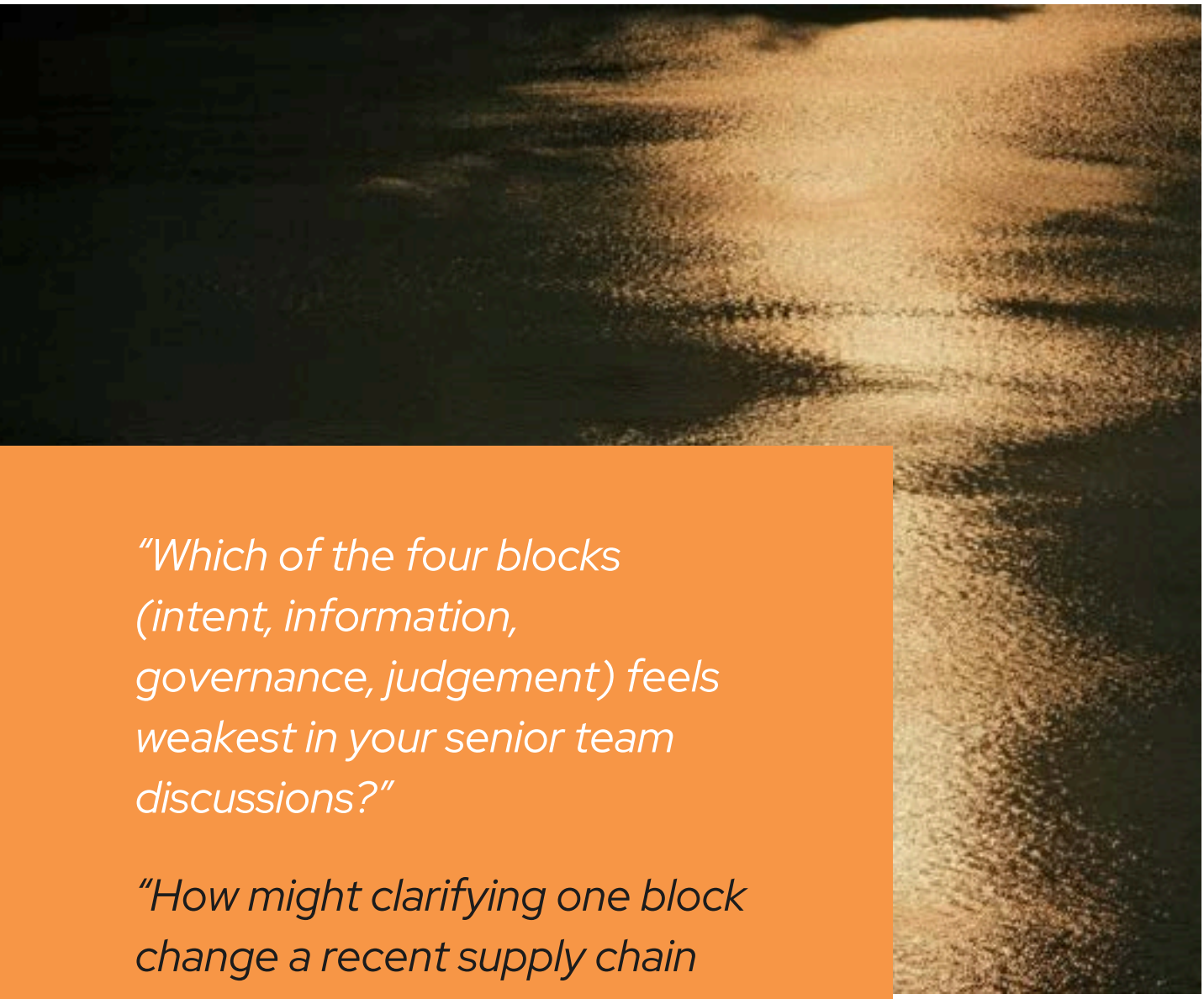
What this looks like in practice



By way of example, consider a global distributor preparing a major network redesign. They realised that board conversations kept stalling because “intent” meant different things to different executives. finance optimised for short-term cost per unit, operations for service and resilience, and the ESG team for emissions. The leadership team agreed a simple intent statement for the decision, i.e. target cost band, minimum service levels by segment and a resilience requirement around single-point-of-failure exposure. This is now used to frame every option the modelling team produce. This may not have removed all tension, but it made debates explicit and allowed faster, more transparent trade-offs in the boardroom.

Hatmill

Leadership reflection



"Which of the four blocks (intent, information, governance, judgement) feels weakest in your senior team discussions?"

"How might clarifying one block change a recent supply chain decision in your organisation?"

From periodic choices to continuous decisions

Smarter decisions before smarter tools: A practical series for supply chain and logistics leaders under AI pressure

Hatmill

Core argument

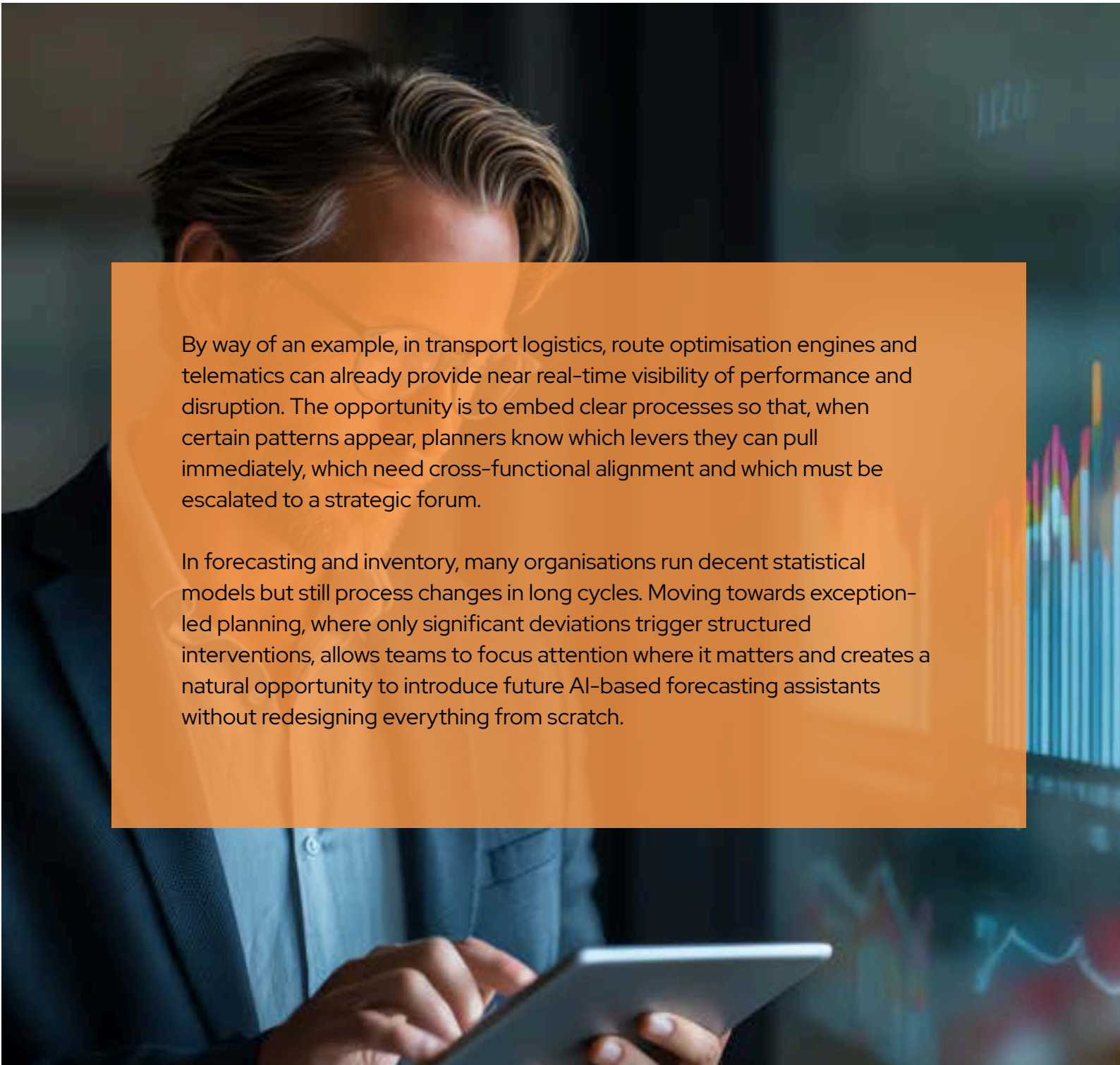
Most supply chain and logistics organisations still make their biggest decisions on a calendar: monthly S&OP, quarterly reviews, annual strategy days.

Meanwhile, demand patterns, input costs, and customer expectations move at a much faster, often unpredictable pace, while regulatory requirements continue to ratchet up expectations for compliance and transparency.

A more resilient model for COOs and Operations Directors is emerging: continuous monitoring and event-driven decisions built on tools and processes you already own. In practice, this means systems and teams watching key indicators, (e.g. demand spikes, service failures, capacity constraints, cost changes) and triggering targeted decision cycles when thresholds are breached rather than waiting for the next scheduled meeting.

Hatmill

What this looks like in practice



By way of an example, in transport logistics, route optimisation engines and telematics can already provide near real-time visibility of performance and disruption. The opportunity is to embed clear processes so that, when certain patterns appear, planners know which levers they can pull immediately, which need cross-functional alignment and which must be escalated to a strategic forum.

In forecasting and inventory, many organisations run decent statistical models but still process changes in long cycles. Moving towards exception-led planning, where only significant deviations trigger structured interventions, allows teams to focus attention where it matters and creates a natural opportunity to introduce future AI-based forecasting assistants without redesigning everything from scratch.

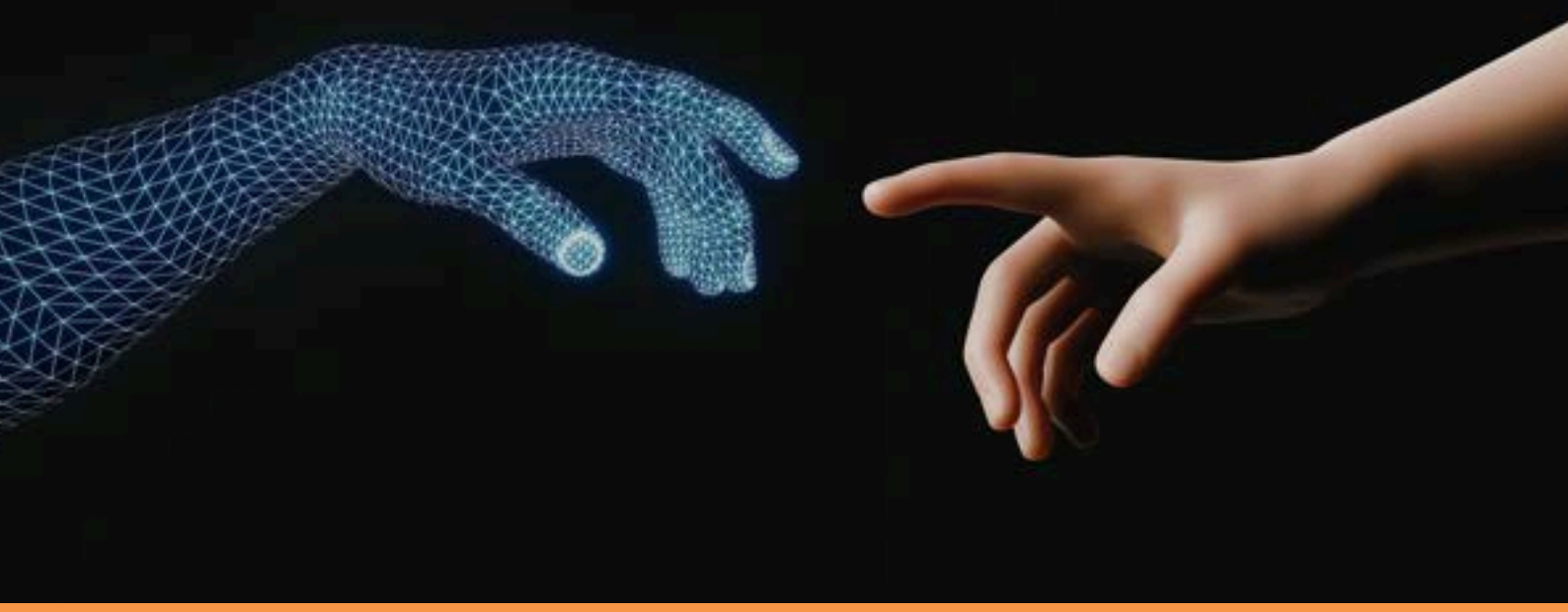
Hatmill

Leadership reflection

"What key indicators in your operation could trigger event-driven decisions rather than waiting for scheduled meetings?"

"How does your current review cadence align with real-world volatility in your supply chain?"

Hatmill



Tools & experts together, not one or the other

Smarter decisions before smarter tools: A practical series for supply chain and logistics leaders under AI pressure

Hatmill

Core argument

Many senior leaders are asking whether optimisation tools will replace consultants when they look at how to modernise their decision making.

In practice, the strongest results for supply chain and logistics leaders come from combining tools and experts rather than choosing one or the other. Tools are extremely good at exploring many options, enforcing constraints consistently and rapidly testing “what if?” scenarios.

Consultants and internal experts, on the other hand, are good at understanding context, navigating politics, framing trade-offs and shaping narratives that decision-makers can stand behind.

The real value for COOs and CFOs lies in using experts to help design who decides what, with which inputs and under which rules, then configuring existing tools to support those decisions reliably and repeatably.

Hatmill

What this looks like in practice

Recent published articles have suggested it's a case of "tools versus consultants", but this misses the point. The real value lies in combining them: using consultants to help clients design who decides what, with which inputs, under which rules and then configuring existing tools to support those decisions reliably and repeatably. This includes helping clients surface and codify constraints that may currently live only in people's heads, such as informal service promises or unwritten rules around what to prioritise. Businesses still need to leverage the external expertise and guidance that helps build confidence in decision making.

Within Hatmill's own programme, this blend is already visible in internal pilots that use new tools to speed up work such as proposal development and research, while keeping commercial and delivery judgement firmly in human hands. The same pattern applies to client work: tools accelerate analysis and bring rigour to operational choices, while consultants ensure those choices align with strategy, culture and the realities of implementation.

Hatmill

Preparing now for the next wave

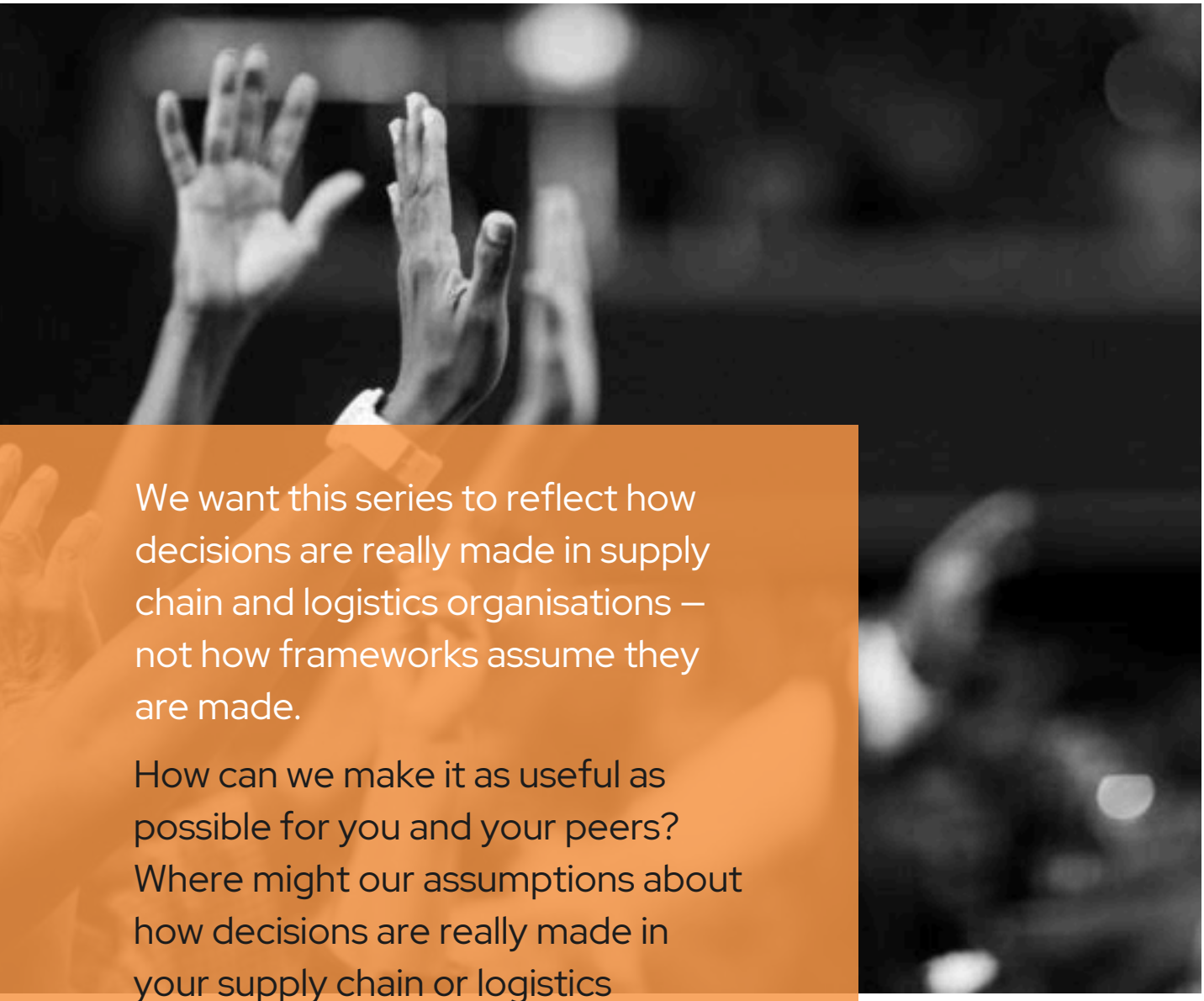
Although this article is grounded in what can be done today, there is a clear line of sight to how more advanced capabilities, including AI, will slot into strategic decision-making over the next few years. In many organisations, forecasting software, routing systems, warehouse management platforms, and analytics tools already include, or are adding, more automation and decision-support features.

The most important preparation is not to rush into isolated "AI projects", but to get the decision foundations right. That means clarifying who decides what, strengthening data and model quality, simplifying governance and investing in the human skills needed to work confidently with more complex and capable tools. When these are in place, the shift from today's ways of working to more flexible AI-assisted decision-making becomes an evolution rather than a shock.

For supply chain and logistics leaders, several practical steps stand out: identify the decisions that matter most for value and risk; map how they are actually taken today; test where tools are under-used; and redesign those decision flows so people and systems each do what they are best at. This work delivers immediate benefits and quietly builds an "AI-ready" operating model, so that when leaders do choose to adopt more advanced capabilities, they can do so from a position of control rather than fear.

Hatmill

A final note



We want this series to reflect how decisions are really made in supply chain and logistics organisations — not how frameworks assume they are made.

How can we make it as useful as possible for you and your peers? Where might our assumptions about how decisions are really made in your supply chain or logistics operation be wrong and what would you be willing to share (even anonymously) to help us refine and deepen the next wave of articles?

Hatmill

Contact Information

CONTACT US

+44 (01423) 900660

ai@hatmill.com

www.hatmill.com

linkedin.com/company/hatmill-ltd