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Supply Chain maturity study

for manufacturing Walloon SMEs

In recent years, successive crises have profoundly redefined economic and industrial priorities. The **Supply Chain** has become a major strategic issue: beyond logistics or inventory management, it is **our companies' nervous system**, the link between business continuity, innovation, resilience and competitiveness.

In Wallonia, we are fortunate to be able to count on a **strong logistical and industrial ecosystem**, but also on a competitiveness cluster – Logistics in Wallonia – which has been acting as an **accelerator of change and transformation within Supply Chains** for more than fifteen years.

Through tools such as the **360° Supply Chain Diagnostic**, Logistics in Wallonia has helped hundreds of SMEs to understand and optimise their Supply Chains.

These diagnostics, carried out in the field, now constitute a **unique survey** of Wallonia's industrial and logistical maturity, as well as a solid basis with which to **compare our practices with those of our European neighbours**.

In a **VUCA (volatile, uncertain, complex and ambiguous)** world, the Supply Chain has become a strategic weapon.

“Wallonia’s industrial future will depend on its ability to control its flows, innovate within its Supply Chains and collaborate beyond its borders”.

Digitalisation, artificial intelligence and sustainability are no longer merely trends or fads, but essential levers for anticipating, managing and securing operations.

Innovation no longer lies in technology alone, but in the **ability to create connected, collaborative and responsible Supply Chains**.

This study, which was conducted as part of our work with **AWEX**, is part of a clear ambition: **to make Wallonia a region of excellence within Europe with respect to the Supply Chain**. A region where companies know how to **plan, adapt and innovate**. A region that makes **controlling its flows** an asset for economic sovereignty.

“Tomorrow’s industrial performance will depend on Supply Chains that we have made intelligent, agile and sustainable”.

- **Bernard Piette, Managing Director of Logistics in Wallonia**

Acknowledgements

We would like to extend our kind acknowledgements to all of the European organisations, clusters, federations and experts who agreed to share their time, analyses and feedback as part of this study. Their contributions have enriched the discussion, enabled us to compare realities on the ground and strengthened the European scope of this work.

A study to shed light on Walloon trajectories

The Supply Chain has become a key lever of competitiveness for manufacturing SMEs, but is often still managed in a fragmented way in the field. This study, which was conducted by Logistics in Wallonia, aims to provide pragmatic insight into the maturity of SMEs' Supply Chains and levers for improvement, based on the analysis of field diagnostics and enriched by a European perspective.

The study is based on 2 complementary pillars

Firstly, the analysis of more than **450 360° Supply Chain Diagnostics** carried out with Walloon companies over several years. These diagnostics offer a detailed and empirical reading of the actual practices, strengths, weaknesses and maturity gaps observed within companies.

Secondly, a series of **interviews with logistics clusters, sector federations and European Supply Chain experts***. These discussions enabled us to compare the findings in Wallonia with those observed elsewhere in Europe, in order to confirm certain hypotheses and to identify common or differentiating trends.

By combining these two sources, this study aims to answer a key question: **what concrete levers should Walloon manufacturing SMEs use to sustainably bolster the performance, resilience and competitiveness of their Supply Chains?**

The result of this work is a structured analysis based on **6 areas of Supply Chain competitiveness**, derived directly from observed practices. These areas are not a ranking of companies or a single roadmap to follow. Instead, they offer a **framework for reflection and action**, enabling each SME to position itself, prioritise its efforts and undertake transformations tailored to its situation, resources and business model.

Beyond companies, this study also addresses the **entire ecosystem that supports them** – clusters, federations, competitiveness clusters, support organisations and public authorities. It highlights the collective levers that can be activated to promote the Supply Chain maturity of SMEs and strengthen the industrial competitiveness of Wallonia as a whole.

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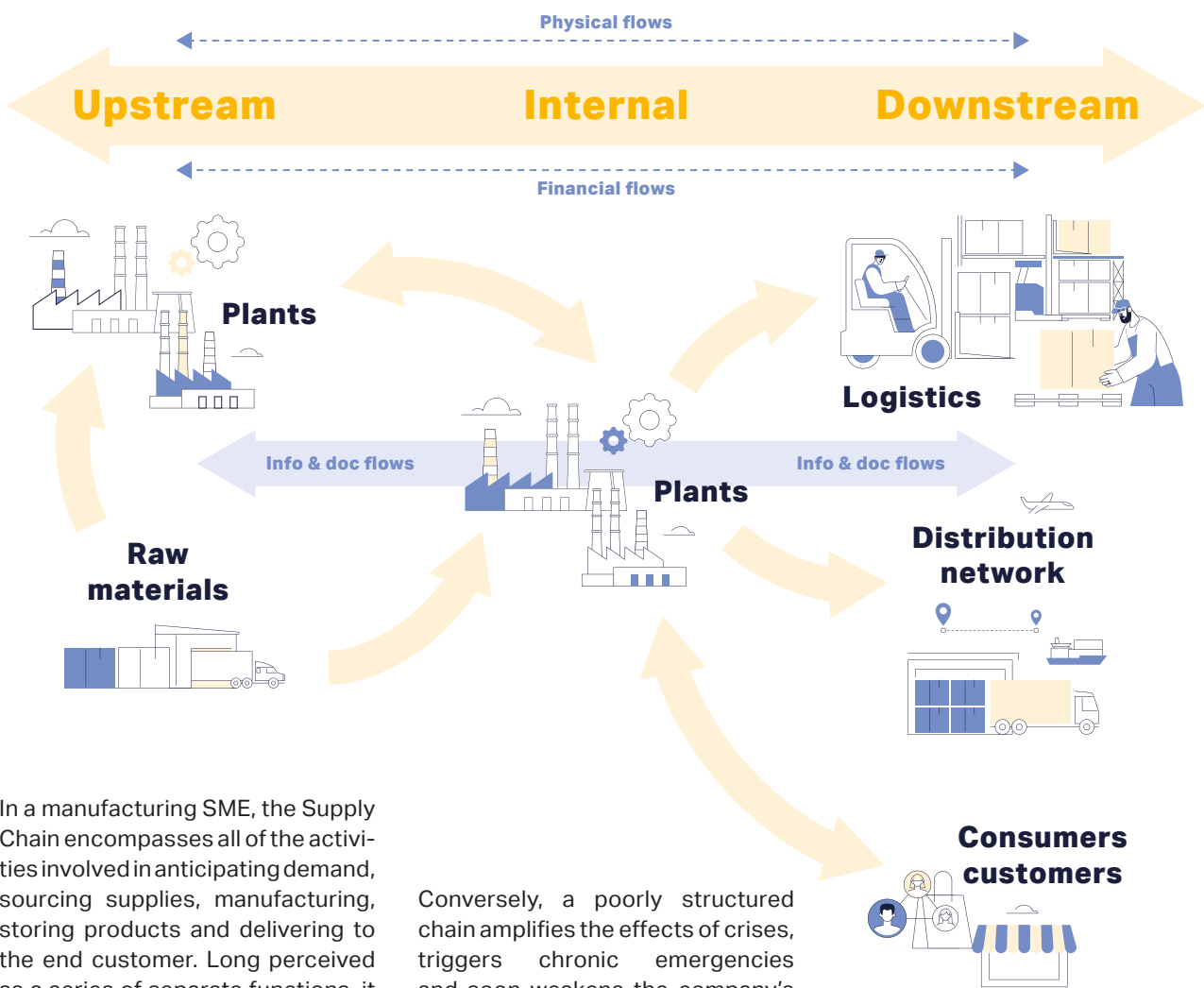
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* VIL, Euralogistic, Dinalog, Connekt, Logistique Seine Normandie (LSN), Logistik-Initiative Hamburg (LIHH), Open ENLoCC, C4L Luxembourg, AGORIA, FEVIA, ESSENSCIA, EMBUILD, ABCAL, Experts: L. Coudroy, G.Lefèvre and J. Skuridina.

The Supply Chain: A key driver of industrial competitiveness



In a manufacturing SME, the Supply Chain encompasses all of the activities involved in anticipating demand, sourcing supplies, manufacturing, storing products and delivering to the end customer. Long perceived as a series of separate functions, it is now an interconnected system in which decisions, data and flows are closely linked.

A well-designed Supply Chain has a simultaneous impact on costs, lead times, customer satisfaction, the sustainability of activities and business resilience.

Conversely, a poorly structured chain amplifies the effects of crises, triggers chronic emergencies and soon weakens the company's overall performance.

In a European context marked by geopolitical instability, regulatory pressure and market volatility, controlling flows is becoming a key factor in industrial sovereignty and sustainable competitiveness for SMEs.

Today, industrial Supply Chains are increasingly interdependent and digitally connected. Competition now takes place not just between individual companies, but between Supply Chains themselves.

Field expertise at the center of the study

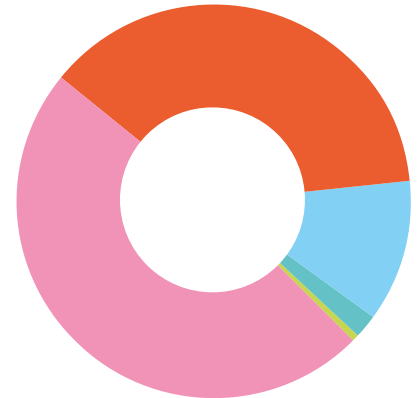
458 Diagnostics **2,1** Average maturity

Since 2017, Logistics in Wallonia has conducted more than **450** 360° Supply Chain Diagnostics for manufacturing SMEs across a variety of sectors and sizes. This database represents a unique survey of Supply Chain maturity in Wallonia.

This Diagnostic positions the company on five levels of maturity, ranging from a fragmented Supply Chain to an integrated and collaborative one.

This is not a theoretical audit, but an action-oriented field analysis aimed at identifying clear priorities, realistic quick wins and a roadmap tailored to the SME's resources.

This approach forms the empirical basis of the study and directly feeds into the identification of the competitiveness levers presented later in the document.



○ Basic ○ Integrated
○ Fragmented ○ Collaborative
○ Excellent

- 1 Basic Supply Chain:** This level of Supply Chain maturity corresponds to the first level of this benchmark. The company is unable to meet demand and satisfy its customers (e.g. stock shortages, delivery delays, disruptions in the supply of raw materials, etc.).
- 2 Fragmented Supply Chain:** Logistics and the Supply Chain are approached as a series of functions that are handled individually without forming a whole, an end-to-end process. It operates in response to actual demand, but does not anticipate activities.
- 3 Internal excellence:** The company demonstrates real control over its activities by planning them and anticipating their development. It also works to optimise them.
- 4 Partner integration:** The company extends its cross-functional approach to its key partners because it understands the role they play in the overall performance of its Supply Chain: it applies the concept of the extended enterprise. This gives it excellent visibility across the entirety of the chain, and enables it to manage its flows in real time.
- 5 Collaborative Supply Chain:** The company collaborates with its partners on common objectives in real time, supported by monitoring key performance indicators and regular steering committee meetings. Flows are tracked, managed and optimised from one end of the chain to the other through collaborative processes, aiming for optimal efficiency, reliability and performance across the entire Supply Chain.

Competitiveness levers: Insights from the field

A cross-functional analysis of the 360° Supply Chain Diagnostics and interviews conducted with European clusters, federations and experts reveals a contrasting reality. Walloon SMEs have solid assets – agility, customer proximity and industrial expertise – but these strengths are sometimes limited by recurring structural weaknesses.

The diagnostics highlight a lack of Supply Chain governance, partial and underutilised digitalisation, insufficient flow management, limited anticipation of risks and demand and inventory management that is often used as an adjustment variable. These findings are not unique to Wallonia: they largely echo the observations made by the European organisations that were surveyed.

The differences observed between regions are not so much due to the technologies available, but to the degree of structuring, maturity and strategic alignment of the Supply Chain. Where some companies manage to transform their flows into a competitive advantage, others are held back by reactive and fragmented management.

6 areas of Supply Chain competitiveness emerge from this analysis. They account for the majority of the maturity gaps observed in the field, are confirmed by the European mirror and represent a realistic and actionable trajectory for manufacturing SMEs. The following sections detail these as concrete levers for

sustainably bolstering the performance and resilience of Walloon companies.

The Supply Chain of Walloon manufacturing SMEs*

Strengths

- High operational agility.
- Recognised industrial expertise.
- Strategic geographical location.
- Dense and structured logistics ecosystem.
- Ability to customise and serve niche markets.

Weaknesses

- Supply Chain still presents a lack of cooperation.
- Supply Chain strategy and design rarely formalised.
- Partial and underutilised digitalisation.
- Weak cross-functional performance management.
- Insufficiently structured risk and demand management.
- Stocks used as a buffer variable.

Opportunities

- Easy access to pragmatic digital solutions.
- Availability of regional and European public programmes.

- Rise of collaborative approaches.
- Value from the sustainable transition.
- Growing role of clusters and hubs.

Threats

- Strong regulatory pressure.
- Structural advances in certain neighbouring countries.
- Ongoing geopolitical and economic instability.
- Increased pressure from customers and clients.
- Shortage of Supply Chain skills within SMEs.
- Risk of falling behind the competition.

The Supply Chain of Walloon SMEs is based on a solid industrial and logistical foundation, but it remains overly reliant on individual agility and short-term responsiveness. The 360° Supply Chain Diagnostics show that future competitiveness will not be determined by adding isolated tools, but by the ability to structure, manage and anticipate end-to-end flows. There are real opportunities, driven by the regional and European ecosystem, provided that current structural weaknesses are transformed into levers for collective learning and maturity.



The 6 areas of Supply Chain competitiveness that account for the majority of maturity gaps observed on the ground.



AREA 1: STRATEGY & GOVERNANCE

Moving from business line management to a coordinated chain

In many Walloon SMEs, the Supply Chain doesn't have a name. People talk about "production", "purchasing", "logistics", etc., but rarely about a function that coordinates everything. Supplier selection, stock levels and prioritisation decisions are handled on a case-by-case basis, sometimes without an overview.

What do the 360° Supply Chain Diagnostics show?

- The optimisation of **Supply Chain parameters** (stocks, planning and purchasing rules, lead times, etc.) is usually empirical and carried out with a lack of coordination.
- **78%** of companies do not have a designated **Supply Chain manager** or a structured mechanism for aligning sales, purchasing, production and logistics.
- It is rare for the Supply Chain to have been **designed and scaled** to align with the company's business model.
- There is generally a lack of a **Supply Chain strategy** to guide decisions (e.g. choice of supplier) and prepare for future competitiveness (e.g. digitalisation, innovation, resilience, etc.).

Why is this decisive?

A chain that is aligned with the company's strategy and managed across departments enables:

- Better **optimisation** of all activities and customer service.
- Improved **internal productivity**: greater alignment between departments, more stable planning and clear trade-offs.
- The opportunity to **stand out**: the Supply Chain can bolster the company's strategy and become a competitive advantage.

How can an SME transform its Supply Chain?

A manufacturing SME does not improve the performance of its Supply Chain by "optimising a little here and there". It gains more when its chain is **optimised from end to end**, serving clear business objectives.

3 areas of transformation

1. **Link the Supply Chain to the business strategy**: Which customer promise do you want to keep: short lead times, customisation, low costs, extreme reliability, sustainability, etc? A company cannot excel at everything all at once! Clarifying ambitions

in terms of costs, sustainability and customer service enables the design of a Supply Chain that serves the company's objectives.

2. **Move from informal coordination to explicit orchestration**: Focusing on the overall performance of the chain, rather than optimising individual links, and managing activities across the board optimises the performance of the Supply Chain.
3. **Increase visibility and optimise flows beyond the boundaries of the company**: The value chain does not stop with the company's activities. Understanding and optimising upstream and downstream flows increases the overall performance and resilience of the company.

'Without cross-functional steering, an SME is navigating by sight alone. Mature organisations rely on a structured process to align demand and operations.'

Some initial actionable steps

- **Link the Supply Chain to a few clear strategic objectives** for the company: what service, cost, level of sustainability, etc. should the Supply Chain achieve?
- **Map internal and external flows**, formalise management parameters (stock levels, etc.), and establish trade-off rules.
- **Appoint a Supply Chain manager**, even if this is on a part-time basis, clarify management roles and develop internal Supply Chain skills.
- **Set up a regular cross-functional management meeting** – for example, a short S&OP (Sales & Operations Planning) meeting – to review performance and align the entire company with the objective.

'Leaders need to recognise the value of the supply chain to align their organisation and build the right capabilities.'

It is important for SMEs to design their Supply Chain properly: decisions will remain reactive as long as the business model is not translated into Supply Chain rules.

Supply Chain alignment on 3 levels

Where are we going?

Strategic

How do we get there?

Tactical

Let's go!

Operational

Managing the supply chain on a daily basis

What level of sustainability and resilience are you aiming for?

In which areas can you set yourself apart (price, service, stock, lead times or reliability)?

Do you offer the same service to all of your customers?

What level of stock should you plan for?

On what basis do you select your suppliers (price, location, sustainability, etc.)?

Who is responsible for the Supply Chain within the company, and how is it managed?

Where should you accept flexibility, and where should you demand stability?

Which KPIs do you monitor?

Which customers/products take priority in the event of shortages?

What are the rules for changing schedules?

AREA 2: DIGITALISATION & DATA

From fragmentation to visibility and optimisation

'Many SMEs do not fully use their ERP systems and therefore fail to get the most out of what they already have.'

In many SMEs, an ERP module has been installed but operations are still managed using Excel. The data in the system is incomplete or scattered across several systems that are not interoperable, the system's features are not fully utilised and upstream/downstream visibility remains low.

What do the 360° Supply Chain Diagnostics show?

- In **90%** of the companies diagnosed, **digitalisation is partial**: there is no ERP or operations management is fragmented across several software programs.
- It is common for ERP to be **underutilised** due to a lack of training or adequate configuration.
- There is **little digital integration with customers and suppliers**, and a lot of manual re-entry.
- **Digital technologies** such as AI and IoT*, among others, are little known and rarely put into practice.

Why is this decisive?

Reliable data and a comprehensive, integrated view of activities typically enable:

- Improved **productivity**: less re-entry, manual analyses and errors, and the ability to automate tasks and alerts.
- Better **management**: complete visibility over company performance, the generation of indicators and alerts, etc., provide an end-to-end overview, enabling better anticipation and decision-making.
- **Advanced optimisation** of operations: enabled by historical analysis, automation and the use of AI and programs based on the data collected.

How can an SME transform its Supply Chain?

Digitalisation is not a "race for tools". For an SME, it is first and foremost a **lever for visibility and optimisation**: seeing earlier, deciding better, avoiding hidden costs (overstocking, emergencies, wasted time, errors) and increasing productivity.

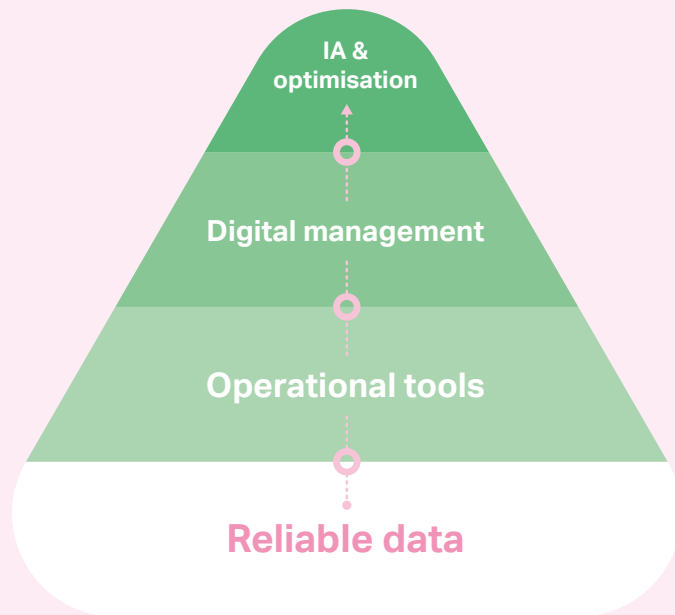


3 areas of transformation

1. **Develop effective end-to-end visibility above all else:** An integrated view of your supply chain, supported by reliable, near real-time data, is essential. In addition to choosing the right software, this requires good Supply Chain design and a change in behaviour, as tool configuration and keeping data up to date are critical.
2. **Use ERP to optimise operations and increase productivity:** There are many opportunities to be seized: effectively structuring and managing the Supply Chain with an ERP, saving time by automating tasks or optimising flows based on the data collected, etc.
3. **Prepare for the future to preserve a competitive edge:** The digitalisation of Supply Chains is developing rapidly and is seen as a competitive advantage. SMEs can also benefit from this, and risk being left behind if they do not plan for this development.

Some initial actionable steps

- Set up a **replenishment logic** in an ERP system to cascade demand throughout the chain and implement a **basic dashboard** (service, stock, supplier reliability, etc.).
- **Involve all staff:** raise awareness and provide training, as behaviours need to change. Clean up data and implement a data governance process.
- Gradually integrate the ERP with **customers and suppliers** to exchange information digitally.
- Take an interest in **technologies, such as AI and IoT**, some of which are already available to SMEs.



'The first barrier is cultural rather than technical: understanding the value of digitalisation and developing capabilities is key.'

Can you make Supply Chain decisions without opening Excel?

What data is vital to your business (items, deadlines, stock, costs or capacities)?

Are your current tools really used for management purposes, or just for recording data?

Where is data "non-negotiable" (inventory, supplier lead times)?

Which system functionality provides immediate gains?

What automation can reduce the operational workload and improve service levels?

AREA 3: MANAGEMENT & PERFORMANCE

Towards a more structured approach to Performance management

Many SMEs experience the impact of Supply Chain performance without really measuring it. They know whether “things are going well or badly”, but without cross-functional indicators, they cannot see the causes or trends, and struggle to optimise.

What do the 360° Supply Chain Diagnostics show?

- There are few or no **performance indicators** for the Supply Chain: customer service quality, inventory turnover or on-time delivery, for example.
- In **85%** of cases, there are no weekly or monthly routines dedicated to **monitoring indicators** and **steering the Supply Chain**.
- **Recurring problems** are rarely recorded and analysed in depth (root causes).
- There are few **optimisation initiatives for multi-departmental flows** and for the company's upstream and downstream external operations.

Why is this decisive?

Measuring and monitoring enables you to:

- **Empower teams and focus efforts:** objectives are cascaded throughout the company and decisions are coordinated and aligned across departments.
- **Improve performance:** performance gaps, trends and silent deviations are visible; problems are looked at objectively, prioritised and addressed.
- **Make better operational and strategic decisions:** thanks to good cross-functional and longer-term visibility, teams can plan better and make informed decisions.

Without proper management, efforts remain scattered, occasional progress is not consolidated and the same problems recur constantly.

How can an SME transform its Supply Chain?

SMEs do not necessarily need 50 indicators. They need **pragmatic cross-functional management** that transforms data into decisions. The challenge is not the complexity of “control”, but **collective management** and **flow optimisation**.

3 areas of transformation

1. **Manage a chain, not individual parts:** Select a few cross-functional KPIs that are aligned with the company's strategy and priorities, and which enable the management of all departments.
2. **Move from informal to structured management:** Have a dashboard that brings together the company's key indicators, and review it regularly as a team with one goal in mind: to ensure that everyone has the same understanding of the situation and can make clear, aligned decisions.
3. **Establish a culture of continuous improvement in the Supply Chain:** Optimising the end-to-end supply chain, rather than individual activities, is a challenge. But this is precisely what the Supply Chain is all about. It is not just a question of optimising flows within the company, but also optimising upstream and downstream flows.

2 out of three SMEs assessed do not have a Supply Chain dashboard.



'An SME using 8 to 10 well-chosen KPIs can significantly accelerate decision-making.'

Some initial actionable steps

- Choose a **few Supply Chain KPIs** that are important to the company (service rate, inventory turnover, supplier reliability, etc.) and share them with all of your teams.
- Set up a **short weekly meeting** dedicated to Supply Chain management, ensuring that the various business lines and management levels are involved. Centralise decisions and actions on a **single medium** (digital or simple shared table).
- Introduce a **approach to analysing and dealing** with recurring problems. Establish a culture of continuous improvement in the Supply Chain: a brief weekly routine, gap analysis, assigned actions and measurement of results.
- Gradually approach **customers and suppliers** to measure performance and optimise upstream and downstream activities.



Which indicators truly tell you whether your Supply Chain is competitive?

Which KPIs are essential for delivering on your promise to customers (OTIF, stock-out rates or supplier reliability)?

How often do you manage the chain (and not just production)?

What do you do when a KPI drops: who analyses, who decides, who acts?

Do you have a place where recurring problems are addressed at their root?

'Supply Chain steering goes beyond reporting and would benefit from being better understood by SMEs.'

It is not so much the complexity of "control" as the collective management and optimisation of flows.

AREA 4: RESILIENCE & AGILITY

Readying for shocks & enhancing resilience

'Reducing risk exposure is possible, even for SMEs – and in today's context, passivity is no longer an option.'

An SME that anticipates its risks, and has identified its vulnerabilities, critical suppliers, contingency plans and alert thresholds, is not being "paranoid": it is better equipped than those that rely on luck.

Recent crises have highlighted the fragility of unprepared Supply Chains. Many SMEs are able to cope with disruptions thanks to their responsiveness. However, **without preparation**, this comes at the cost of stress and lost margins.

What do the 360° Supply Chain Diagnostics show?

- **The mapping of Supply Chain risks** is virtually non-existent in less mature SMEs.
- **Strong dependencies on one or two key suppliers** are common, including for critical materials.
- **Business continuity plans** are rare, often implicit and untested.
- **Logistical, climate or geopolitical risks** are only very occasionally factored into procurement or inventory decisions.

Why is this decisive?

In an unstable environment, Supply Chain resilience becomes:

- a **lever for service continuity** (keeping promises despite disruptions);
- a **lever to set you apart** (customers remember suppliers who were able to deliver during a crisis);

- a **lever for protecting margins** (less reliance on costly emergency solutions) and credibility with clients and banks.

How can an SME transform its Supply Chain?

Today, resilience is no longer just a "contingency plan". It is a real strategic approach that must be implemented to protect business continuity.

3 areas of transformation

1. **Transform resilience into a competitive advantage:** Carbon, energy, materials, talent and regulatory constraints are becoming major Supply Chain risks that must be addressed – but they also present opportunities to set yourself apart.
2. **Adapt your Supply Chain strategy and prepare contingency plans:** There are levers available to SMEs, from completely redesigning a Supply Chain to approving a crisis plan and selecting alternative suppliers.
3. **Anchor yourself in your ecosystem:** Shared plans, local alternatives, information sharing, early warnings – all of these initiatives reinforce the robustness of local and sectoral networks.



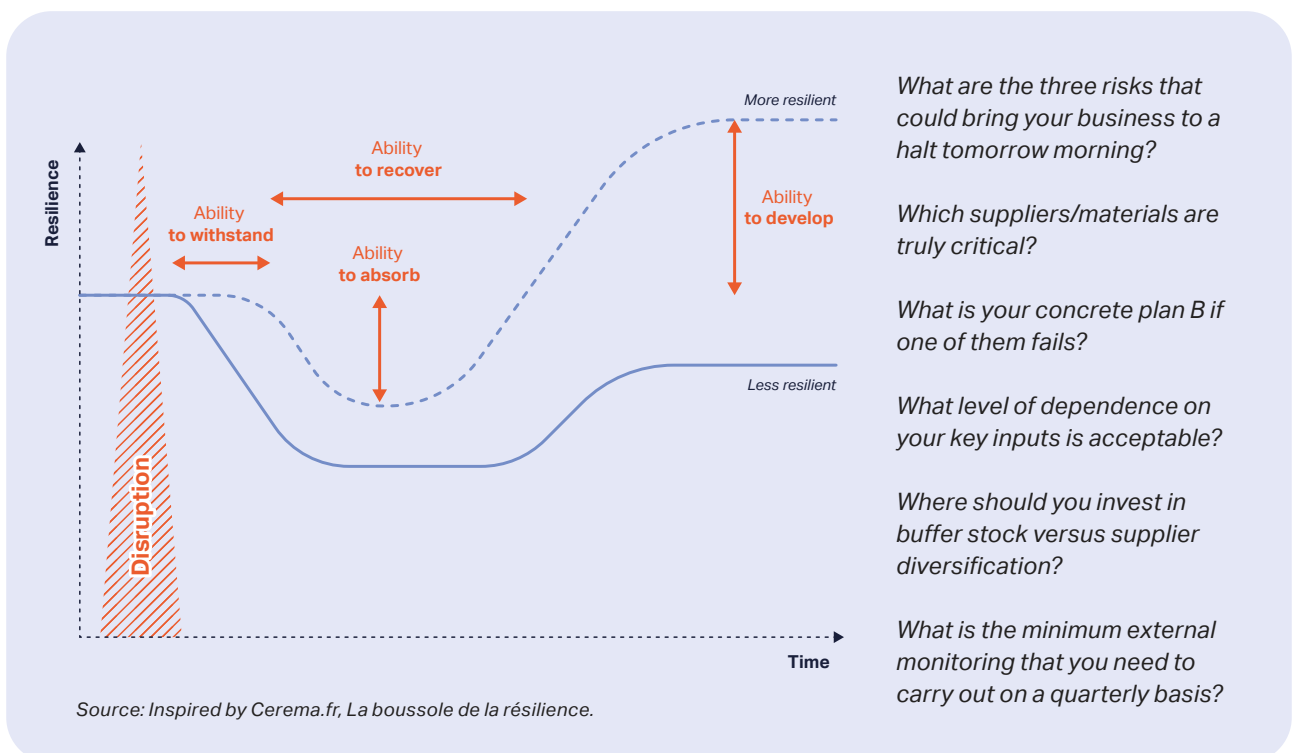
Some initial actionable steps

- **Map the main Supply Chain risks** and understand their impact on the company's activities: What is the dependence on critical materials? Are there alternatives if the supplier is out of stock? What are the geopolitical and climate risks, etc.?
- **Study a safeguarding plan for the three most critical risks to the company:** the plan can be preventive (e.g. having a second supplier, strategic stock, etc.) or reactive (having a plan B ready in case the risk materialises).
- **Set up quarterly monitoring of external signals and incidents:** review supply incidents, the price of key materials, shortages in certain markets, etc., at regular intervals.

- **Take part in local and sectoral discussion groups:** collaborate on business continuity plans (BCPs), pool resources, find synergies and develop local Supply Chains.

On the Dutch and German side, the clusters clearly indicated that preparing for shocks is considered a normal part of Supply Chain management, not a "plus".

'Companies should be encouraged to document their vulnerabilities and discuss sector-level contingency plans together.'



What are the three risks that could bring your business to a halt tomorrow morning?

Which suppliers/materials are truly critical?

What is your concrete plan B if one of them fails?

What level of dependence on your key inputs is acceptable?

Where should you invest in buffer stock versus supplier diversification?

What is the minimum external monitoring that you need to carry out on a quarterly basis?

AREA 5: STOCKS & WAREHOUSES

Towards organized and digital flow management

'Too many SMEs still experience significant overstocks and shortages at the same time – this is more often a flow-management issue than a warehouse space problem.'

In some warehouses, it is immediately apparent that the Supply Chain is struggling: pallets in the aisles, remnants of series that are several years old, inventories that "never add up". Inventory often crystallises choices (good or bad) in terms of forecasting, procurement, organisation and the robustness of data.

A well-organised warehouse with controlled inventory is one of the fastest ways to improve overall performance and profitability.

What do the 360° Supply Chain Diagnostics show?

- The vast majority of SMEs have not implemented **segmentation**: all items are managed in more or less the same way.
- **The reliability of inventory** is frequently below **95%**. Some companies simply do not have digital inventory management.
- **Buffer stocks** are often "inherited" and have not been reviewed for years.
- Warehouses lack **flow logic**: little or no zoning, location rules or differentiation between fast- and slow-moving products.

Why is this decisive?

Working on inventory and warehousing means finding the right balance between:

- **Cost**: storage is expensive and ties up capital.
- **Customer** service: stocks are absorbing variability and providing the desired level of service: fewer shortages, better customer promises, protection of strategic segments, etc.

- **Process** performance: it improves **productivity** (optimised and stable planning, faster preparation, fewer losses), **quality** (fewer errors and disputes) and **safety** (less clutter and fewer accident risks).

How can an SME transform its Supply Chain?

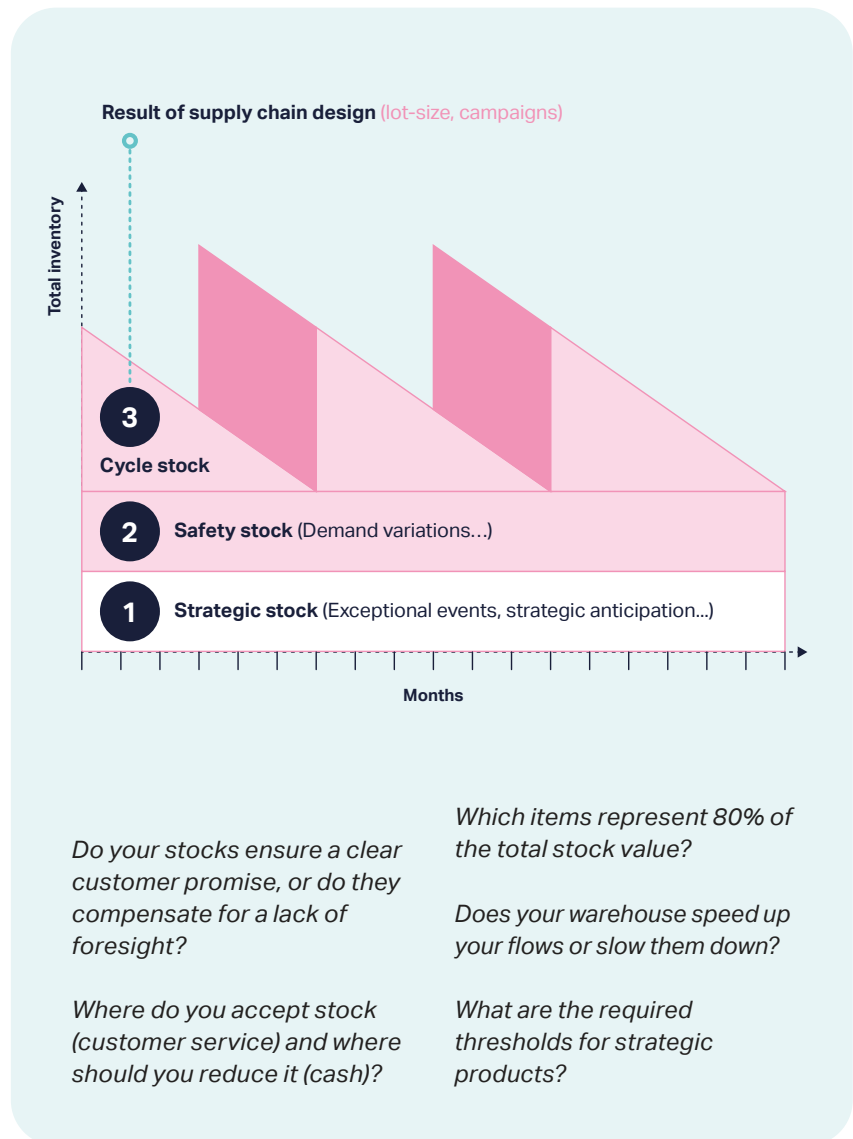
In an SME, stock is both a blessing and a curse: it protects the service, but it also ties up money. A competitive SME does not seek "less stock"; it seeks the right stock level, in the right place, with light but consistent control cycles.

3 areas of transformation

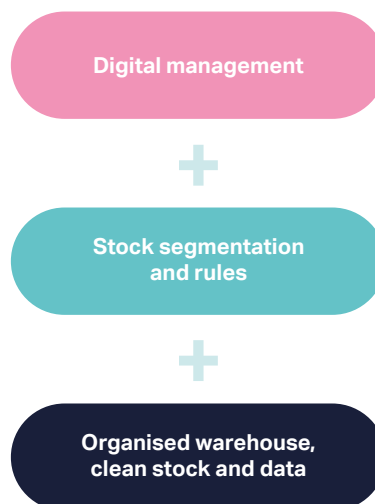
1. **Establish a stock policy that aligns with objectives**: Decide where to build stock and for what purpose: Do you want to guarantee a level of service? Be more agile? Protect a strategic activity?
2. **Manage stock in the ERP system as soon as possible**: Using the ERP system to calculate and forecast stock at all levels of the chain is key to optimising performance and service levels.
3. **Optimise physical flows**: By optimising the movement of materials and organising stock, productivity can be improved.

Some initial actionable steps

- **Implement segmentation and an inventory policy:** categorise items according to their importance and consumption and decide on inventory targets and replenishment rules.
- **Deal with dormant stock and carry out rolling inventories:** replace annual inventories with regular counts of subsets.
- **Enter stock into the ERP system:** start with recording inputs/withdrawals, inventories, replenishment calculations and KPIs – then gradually ramp up (detailed locations, barcodes, optimisation of picking rounds).
- **Rethink the physical organisation of the warehouse:** create dedicated zones, place fast-moving items in accessible areas, etc.



'Reviewing flows and inventory should come first, before selecting a system that truly fits the company's needs.'



Progress is quickly visible, both in terms of cash flow, productivity and team morale.

AREA 6: DEMAND & SALES-PRODUCTION ALIGNMENT

Putting foresight at the heart of planning

When forecasting is based solely on intuition, variability ends up disrupting planning. This leads to a domino effect: overstocking or stockouts, emergency production, overloaded warehouses, unstable customer service, etc.

What do the 360° Supply Chain Diagnostics show?

- **Demand forecasting** is rarely formalised over a **sufficient time frame**: it is mainly based on **individual** experience and is often limited to the short term.
- It is rare for this demand to be formally **reviewed** (sales-production-finance) and **rolled out** throughout the chain using an ERP.
- The **operational parameters** of the Supply Chain (stocks, etc.) are rarely adjusted based on the analysis of demand (variability, seasonality, opportunities and risks).
- Very few companies calculate a **forecast quality indicator**.

Why is this decisive?

Effective cascading of demand throughout the chain enables:

- Greater **operational foresight**: having the stock and human resources to absorb peaks, making better use of capacity by smoothing loads, incorporating seasonality, reducing emergencies and being alerted to the risk of stockouts, etc.
- Better **optimisation of the entire chain** thanks to the visibility generated for each business line: production, procurement, transport, stock levels, finance, etc.
- More informed **strategic decisions** thanks to long-term visibility across the entire chain and the ability to simulate scenarios.

'Intuitive forecasting is still the norm in many SMEs, leading to excess stock, firefighting and lost customers.'

How can an SME transform its Supply Chain?

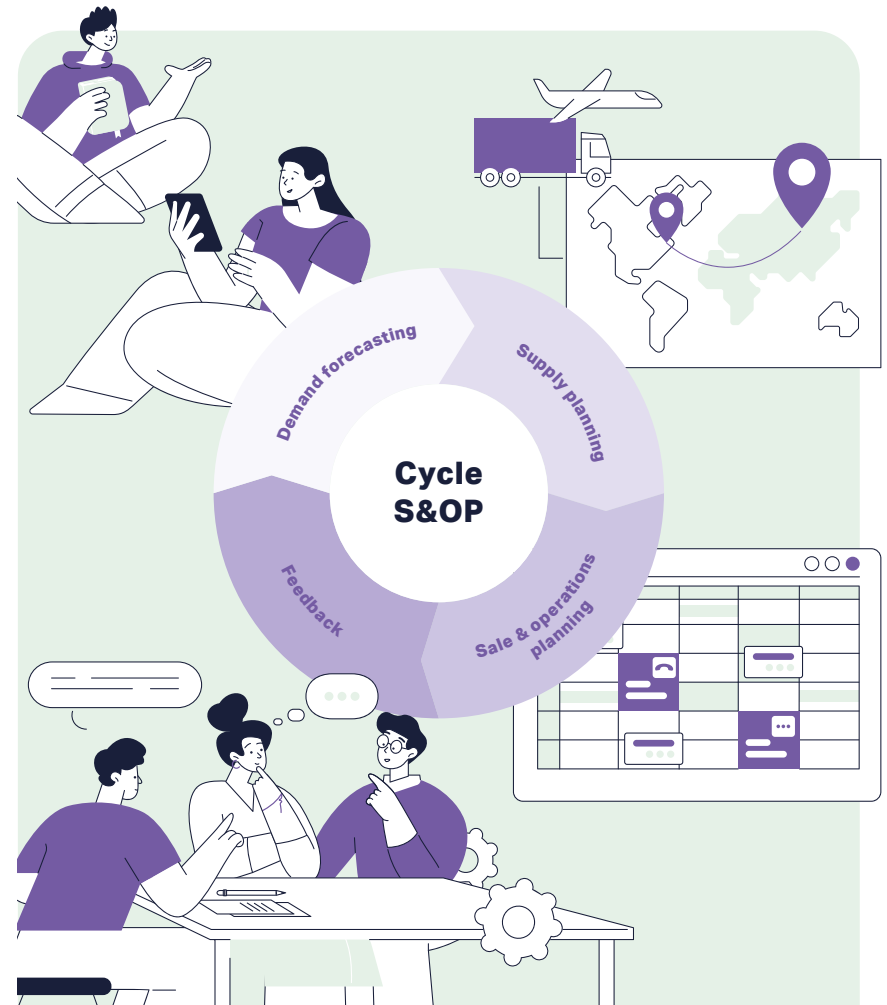
Forecasting is not meant to be perfect. But when managed well, it enables SMEs to align their entire operational chain around a single objective.

3 areas of transformation

1. **Consider the analysis of demand as the core of the company's operational and strategic planning**: collect forecasts over a sufficiently long time frame, agree on the demand that needs to be taken into account in operational plans and roll it out at all levels of the company.
2. **Move from sales forecasts to a coordinated forecast that enables management**: a monthly meeting between the different departments can change your trajectory.
3. **Segment demand to select the right strategy**: choosing the target service level for each market segment makes it possible to treat demand in a targeted manner – one will be served quickly from stock, another will be served with a longer lead time, etc.

Some initial actionable steps

- **Collect forecasts over a longer time frame and implement a simple forecast-quality indicator** for a few key products or customers. Discuss forecasts regularly between sales representatives and with customers to gradually improve the process.
- **Organise a monthly steering meeting such as “S&OP” (Sales and Operations Planning):** bring together sales, production, purchasing, etc., at least once a month to share market signals, discuss the performance of the previous cycle and decide on the demand that should be taken into account when planning operations.
- **Segment demand and adapt Supply Chain settings:** distinguish between products with stable, unstable or seasonal demand, different service levels to be achieved, etc., and adapt the strategy (make to stock/to order, stock level, delivery times, etc.) according to the demand profile.
- **Use digital tools to refine forecasts:** statistical analysis, AI, CRM features (Customer Relationship Management), etc. More and more software is becoming available to SMEs.



What are your forecasts based on today: intuition, history or customer signals?

Which products/markets require detailed forecasting and which can remain flexible?

Who supports the forecast, and who contradicts it?

What level of uncertainty is acceptable for each market?

Which customers/products should be served in MTS, MTO or ATO?

How do you deal with “one-shots” without disrupting the overall plan?

‘Helping companies implement an effective S&OP process is probably the single most impactful lever.’

Leveraging the Supply Chain to boost Walloon competitiveness

The Supply Chain, now a key lever for SMEs

This study highlights a now widely shared reality: for manufacturing SMEs, the Supply Chain is no longer simply an operational support, but a key lever for competitiveness, resilience and value creation.

The 360° Supply Chain Diagnostics conducted by Logistics in Wallonia, combined with feedback from European clusters, federations and experts, all point to the same conclusion: industrial performance today depends on the ability to structure, manage and anticipate flows from end to end.

Real strengths, hampered by structural limitations

Walloon SMEs have solid strengths. Their agility, customer proximity, industrial expertise and grounding in a dense logistics ecosystem form a robust foundation. However, these strengths are too often limited by fragmented Supply Chain management, partial digitalisation, insufficient performance management and inadequate anticipation of risks and demand.

6 areas for structuring a path to progress

The 6 areas of competitiveness identified in this study outline a realistic path to increased maturity. They are neither a theoretical model nor a fixed roadmap, but rather a framework for pragmatic reflection and action, drawn directly from the field and confirmed by the European mirror.

For companies, the challenge is not to do “more”, but to do better and in a more coordinated way: clarify strategic choices, make data more reliable, establish simple management routines, anticipate rather than react and align all of the internal stakeholders around common objectives. At each stage, concrete gains are possible – in customer service, cash flow, operational stability and attractiveness – without necessarily the need for cumbersome or unrealistic transformations.

A key role for the ecosystem

- **Supporting SMEs.** This study highlights the importance of an ecosystem that is capable of supporting SMEs beyond diagnostics, helping them to move from observation to action. Regular diagnostics, short and targeted support after diagnostics and collective initiatives be-

tween SMEs are effective levers for transforming awareness into concrete operational gains.

- **Developing Supply Chain co-operation.** European feedback also shows that competitiveness is increasingly being built collectively. More cooperation – pooling flows, consolidating volumes, sharing standards or common continuity plans – is essential in the current context.
- **Accelerating pragmatic and interoperable digitalisation.** Access to tools that are suited to the realities faced by SMEs and incorporating emerging digital technologies such as AI is key to supporting the future competitiveness of SMEs.

Logistics in Wallonia contribute to this dynamic by combining field expertise, support tools, and network facilitation to enable the sustainable transformation of manufacturing SMEs’ Supply Chains.

Looking to the future

The path has been laid out. Structuring the Supply Chain today means investing in tomorrow’s competitiveness. For Walloon SMEs, as well as the entire ecosystem that supports them, the time has come to move from reactive flow management to a fully controlled, equipped and resilient Supply Chain.