International Journal of
Computing and
Engineering
(IJCE)

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CARI Journals

International Journal of Computing and Engineering
ISSN 2958-7425 (online)
Vol. 7, Issue No. 23, pp 1 - 11, 2025
www.carijournals.org

Building Intelligent Resilience: AI-Enhanced SAP Solution for Disruption-Ready Logistics and Supply Chain Management

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Abstract

Purpose: SAP has evolved from being just a system for running transactions to becoming the digital core of modern, intelligent businesses. This article explains how SAP's AI—built into S/4HANA, SAP IBP and SAP Logistics Management helps leaders bring intelligence into every part of the company. From finance and supply chain to HR, procurement, and operations, we show how SAP Business AI improves performance, strengthens decision-making, and increases business value, supported by real-world examples.

Methodology: This article is based on a detailed review of existing research and secondary data. The goal was to summarize current knowledge, highlight major technological trends, and evaluate the challenges and benefits of implementing AI in supply chain processes.

Findings: The findings show that AI-enabled SAP solutions improve supply chain resilience by increasing visibility, identifying risks earlier, and supporting faster and more informed decisions. Organizations using these capabilities are better able to manage disruptions, reduce operational costs, improve demand forecasting, and strengthen supplier and logistics coordination.

Recommendations: Based on these findings, the article recommends that organizations focus on building strong data foundations, modernizing their SAP landscapes, and adopting SAP Business Technology Platform (BTP) to support AI integration. A gradual and well-governed adoption of AI, supported by change management and employee training, is essential to achieve long-term benefits and sustainable supply chain resilience.

Keywords: *SAP Business AI, SAP BTP, SAP IBP, S/4HANA SAP Supply Chain Orchestration, Artificial Intelligence (AI).*

I. Introduction

For SAP customers, improving the supply chain is not just about cutting costs, it's a key strategic priority. Businesses using SAP are now focusing on how to navigate global uncertainty, reduce expenses, and stay ahead of the competition. Thanks to AI and automation across the SAP ecosystem, supply chains are becoming smarter, faster, and more resilient.

This trend is growing quickly. According to PwC's 2025 Digital Operations Trend Survey, 53% of operations and supply chain leaders already use AI to manage disruptions [1]. SAP customers in particular are in a strong position to gain an advantage.

SAP solutions like S/4HANA, RISE, SAP IBP, and SAP Business Network bring intelligence across the entire supply chain—from smarter planning and automated execution to insights that connect suppliers, logistics, and operations [1].

Global supply chains face constant pressure from political tensions, shifting tariffs, natural disasters, and unpredictable demand [1]. AI helps SAP customers use real-time external data—like weather updates, port congestion, or political risks to Predict disruptions before they happen, run scenario planning and test backup strategies, get real-time visibility across the supply chain, Activate early-warning systems & Lowering Costs Through Automation.

AI helps companies reduce costs by automating repetitive decisions in procurement, logistics, and fulfillment, using real-time and historical data to improve demand forecasting, optimizing inventory and network design to reduce waste and free up capital & Navigating Global Trade Rules.

Tariffs and trade regulations change constantly. AI helps SAP users stay compliant with global and local regulations, automate classification and documentation for cross-border shipments, manage tariffs more efficiently, predict regulatory changes and adjust sourcing in real time & Delivering Better Customer Experiences.

Today's customers expect speed and accuracy. SAP customers can meet these expectations by predicting demand more precisely, optimizing routes and delivery in real time & increasing product availability across channels without overstocking.

II. Literature

Businesses today are using AI to improve the movement of goods—from raw materials all the way to final delivery. Supply chains are complex, and managing them involves many teams, including procurement, quality assurance, and manufacturing [2]. In the past, these activities required a lot of manual effort, but AI-enabled supply chain tools now give companies of all sizes new ways to improve their processes and understand their data better.

New features like intelligent orchestration and Joule Agents will strengthen supply chains by helping companies predict, prevent, and respond to disruptions faster [3]. They make planning

smarter with advanced AI, allow unified scenario simulations, and help local warehouses connect smoothly with global distribution networks. SAP Business Network is also becoming more powerful with built-in AI, tighter integration, and easier supplier discovery.

***A.* Introducing SAP Supply Chain Orchestration:** In today's fast-changing market, being able to see risks early and recover quickly is essential [4]. Companies need to know where their products are, which suppliers may be at risk, and how to respond without delay. But many organizations still struggle with visibility gaps that leave them unprepared.

SAP Supply Chain Orchestration is a new AI-focused solution designed to detect disruptions early, understand how they affect each company's unique supply chain, and trigger the right actions across planning, logistics, procurement, and manufacturing [4]. Soon, supply chain teams will get support from Joule's AI-driven assistants, helping improve supplier compliance, customer service, and overall revenue protection.

What makes SAP Supply Chain Orchestration different is that it runs on SAP Business Technology Platform (SAP BTP). It connects data from SAP Business Network and SAP Business Data Cloud, giving companies a complete view of their supply chain at every level [4]. With these multi-tier insights, businesses can turn risk signals into prioritized actions that improve efficiency, compliance, and customer satisfaction. The solution is expected to be available in the first half of 2026.

***B.* SAP IBP: A Key Solution for Supply Chain Planning:**

SAP Integrated Business Planning (IBP) is a cloud-based planning tool that helps companies create realistic, data-driven plans for their supply chain. It brings together demand planning, supply planning, inventory optimization, and other planning activities in one place [5].

IBP integrates seamlessly with SAP S/4HANA, allowing real-time alignment between planning and execution. But it's flexible enough to work with SAP ECC and even non-SAP systems, making it suitable for different IT setups.

This deep integration allows companies to:

Simulate scenarios,

Test planning options, and

Respond to short-term or long-term changes

—without disrupting daily operations [5].

When SAP IBP works together with S/4HANA or other ERPs, it creates a closed planning loop. Operational data supports the plan, and the plan directs execution. This ensures decisions are made with full visibility into the business situation.

SAP IBP consists of several interconnected modules, each covering a specific aspect of supply chain planning. Together, they provide a unified view of demand, supply, inventory, and operations planning.

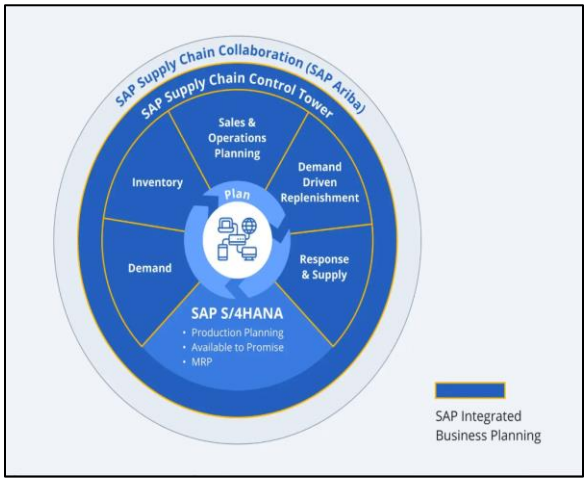

Figure 1: SAP Integrated Business Planning

Image Source [5]

SAP continues to enhance IBP with new AI features, advanced scenario simulations, and a unified planning model that supports both time-series and order-based planning. Planners can use the Configurable Planner Workspace to test scenarios, track performance, and take action with guidance from Joule, SAP's AI copilot. These updates are expected to become generally available in Q2 2026 [6].

C. New Joule Agents to Speed Up Decisions and Automation:

SAP is introducing three new Joule Agents to help automate key supply chain tasks and reduce manual effort. These agents bring AI-driven automation directly into SAP Cloud ERP, SAP Cloud ERP Private, and SAP Business Network workflows.

1. Production Planning and Operations Agent

This agent automates checks needed before production orders can be released [4]. It verifies material availability, capacity, and scheduling and can suggest solutions or release orders automatically. This speeds up the production cycle and lowers costs. Availability is planned for Q1 2026.

2. Change Record Management Agent

This agent helps product managers and engineers by reviewing problem reports and change requests. It recommends what to do next and can trigger changes automatically [4]. This improves traceability and speeds up decision-making. It will be available in Q2 2026.

3. Supplier Onboarding Agent

This agent makes it easier to on-board suppliers in SAP Business Network. It analyzes supplier details, coordinates invitations, validates information, and manages escalations. It allows procurement teams to scale faster and focus on strategic supplier relationships [4].

These agents embed intelligence directly into daily supply chain operations, helping teams make better decisions faster.

Figure 2: Supercharging the Digital Supply Chain

Image Source [7]

D. **SAP Logistics Management: A New Cloud-Native Solution:**

SAP is launching SAP Logistics Management, a new cloud-native tool designed to support smaller and regional warehouses while complementing larger distribution center operations [4]. The goal is to help companies build multi-tier distribution networks that are more resilient and deliver goods faster.

The solution is fully connected to SAP Cloud ERP Private and SAP Business Network for Logistics. It centralizes inventory, shipments, and partner communication. Because it is tied directly to ERP, it reduces manual work and ensures consistency across the network.

AI features are built in to guide decisions and eliminate silos, improving collaboration across logistics teams. SAP Logistics Management is expected to be available in Q1 2026 [4].

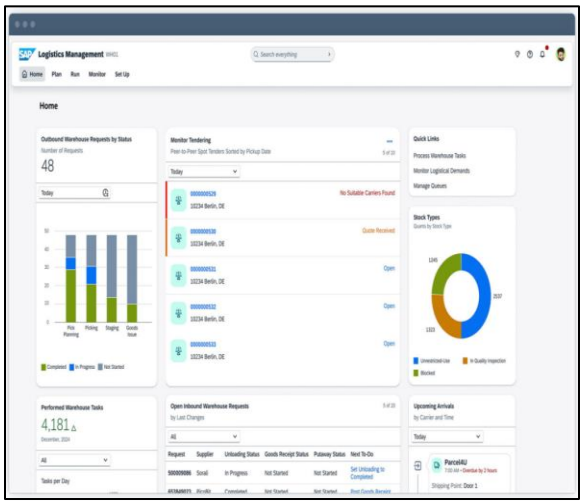

Figure 3: SAP Logistics Management

Image Source [8]

Key Features:

1. Unified logistics platform [8]

- Manage warehouse and transportation processes in one automated SaaS solution
- Seamless interoperability with SAP Transportation Management and SAP Extended Warehouse Management

2. End-to-end process execution [8]

- Easy integration with carriers and supply chain partners
- Reduced wait times with dock appointment scheduling
- Real-time visibility for shipments and in-transit items

3. AI-assisted logistics [8]

- Faster operations with AI insights and automation through Joule

***E.* SAP Business Network: Strengthening Supply Chain Resilience:**

SAP has introduced several updates to SAP Business Network that make it smarter, easier to use, and more deeply connected to SAP systems. These updates add built-in AI, ERP-native supplier discovery, and smoother integration with the SAP Business Suite [3].

SAP Business Network now runs on SAP BTP, giving companies a more scalable, faster, and easily extensible foundation. This allows organizations to expand to new partners and regions without performance issues [3].

Key Benefits of Running on SAP BTP

Scalability: Handle larger partner volumes without losing speed

System flexibility: Connect SAP and non-SAP systems more easily

Unified partner directory: Manage global partners through one directory with guided onboarding

Customization: Use SAP Build and open APIs to customize workflows quickly

Joule integration: Get AI-powered analytics and automation across multi-tier networks

These features are available today, except for Joule integration, which will be available in January 2026 [3].

III. Real World Use cases

A. **Improving Supplier Risk and Avoiding Stockouts in Pharmaceuticals:** A global pharmaceutical company used SAP Ariba's built-in supplier risk scoring, combined with ESG data models built on SAP BTP. With this setup, the company identified 14 Tier-2 suppliers that were becoming high-risk due to emerging ESG concerns.

By catching these risks early, the company changed its sourcing strategy, avoided stockouts of critical API materials, and prevented potential issues during annual audits.

This example shows how AI-enhanced sourcing doesn't just reduce cost—it helps protect the supply chain and the company's reputation. Procurement becomes more strategic when AI is used to strengthen supplier compliance, assess risk, and support responsible sourcing decisions. But procurement is only one part of the bigger picture. To achieve true end-to-end optimization, businesses must also add intelligence to production, maintenance, quality management, and other operational areas where delays, breakdowns, or defects can quietly reduce value.

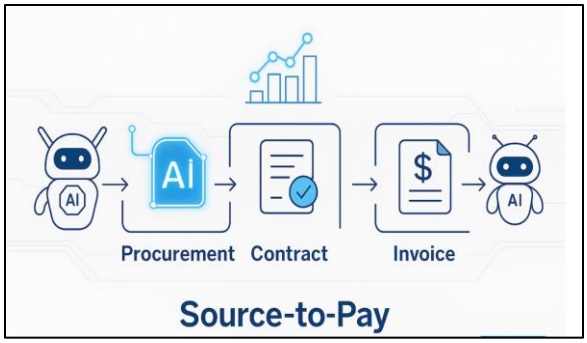

Figure 4: Source-to-Pay

Image Source [9]

B. **Predictive Maintenance Boosting Productivity in Mining:** A global mining company used SAP Asset Performance Management (APM) with predictive maintenance features and custom AI

models built on SAP BTP. These models analyzed vibration data, load cycles, and moisture levels from heavy equipment.

The system detected early signs of failure in haulage machines, allowing the company to fix issues before breakdowns happened. This helped the business avoid more than $3M in downtime and improved the accuracy of maintenance planning to 96%. This wasn't just a technical win—it became a keyboard-level metric for asset productivity.

By embedding AI across design, production, and maintenance, companies can build operational resilience where productivity, sustainability, and safety are constantly optimized in real time. But even strong operations are not enough. To meet customer expectations and handle global disruptions, organizations also need intelligence in their planning and fulfillment networks, where speed, flexibility, and anticipation directly affect customer satisfaction and cost-to-serve.

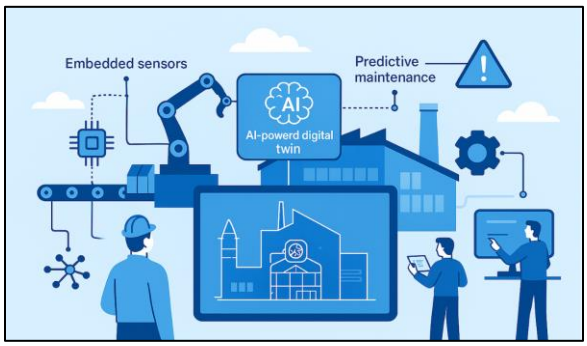

Figure 5: AI-driven feedback loop in design-to-operate: digital twins, predictive maintenance, and adaptive planning

Image Source [9]

IV. Key Benefits and Challenges embedding AI in SAP for a Disruption-ready Supply chain

Organizations today are increasingly turning to Artificial Intelligence (AI) to transform their supply chains. Instead of relying on fixed rules and manual decision-making, companies are moving toward adaptive and eventually autonomous systems. SAP's vision is to help businesses reach this future by using stronger data, smarter recommendations, predictive insights, and decisions that adapt to real-world conditions [10].

AI brings enormous potential. It can improve efficiency, reduce costs, and solve many of the issues companies struggle with today, especially when it comes to data quality, visibility, and slow decision-making.

Below are the key takeaways, benefits, and challenges companies face when adding AI to their SAP landscapes.

Key Takeaways

1. AI is reshaping supply chains [10].

It provides better intelligence, more accurate predictions, and system-generated recommendations that help companies navigate complex global networks.

2. AI improves data quality and visibility [10].

With unified data models and cleaner data, organizations can identify problems earlier and respond proactively.

3. Successful AI adoption requires preparation [10].

Companies need to evaluate their system architectures, ensure strong data foundations, and implement AI solutions strategically to improve processes and decisions.

While the potential is immense, implementing generative AI in logistics and supply chain requires careful planning and strategic alignment. Let's explore both sides of the coin.

Benefits of AI in Supply Chain Management:

1. Better Agility and Resilience

AI helps companies react quickly to disruptions by offering real-time visibility. It can automatically suggest actions like rerouting shipments or adjusting production schedules during unexpected events [11].

2. Higher Efficiency

Routine tasks—such as document processing, order updates, or data entry—can be automated. This reduces human error and allows employees to focus on tasks that require judgment and expertise.

3. Smarter and Faster Decisions

AI-driven analytics improve demand forecasting, risk detection, and scenario planning. This leads to decisions that are both faster and more accurate.

4. Improved Inventory Levels

AI can predict demand swings more accurately, helping companies avoid overstocking or running out of products. This leads to cost savings and smoother operations [11].

5. End-to-End Transparency

AI breaks down data silos and provides a full view of the supply chain. This makes it easier to track performance, spot delays, and respond quickly to issues.

6. Cost Savings

Better forecasting, less waste, fewer errors, and optimized operations all contribute to lower overall costs [11].

Key Challenges:

1. Integrating Legacy Systems

Many existing SAP environments and logistics systems are not fully ready for AI. Modernizing them can be expensive and time-consuming [11].

2. Data Governance Issues

AI needs large amounts of high-quality, structured, and secure data. Ensuring data accuracy and consistency across the supply chain is a major barrier for many companies [11].

3. Change Management

Employees may need new skills to work with AI-driven tools. Training takes time, and getting teams to trust AI recommendations can be challenging [11].

4. Technical Complexity

Building, training, and customizing AI solutions require specialized technical talent, which many organizations lack.

5. High Initial Costs

Investing in AI technology—along with integration and training—can require significant upfront investment.

V. Conclusion

Artificial Intelligence (AI) built into SAP has the power to take supply chains to a new level one that is more resilient, more predictive, and far more adaptive than today. As AI continues to advance, its impact will go beyond the current use cases. We can expect more sophisticated automation, deeper analytics, and smarter decision-making across the entire supply chain.

For example, improved machine learning models will deliver even more accurate demand forecasts and better route optimization by analyzing a wider range

of data in real time. This will lead to supply chains that respond instantly to changes, recover from disruptions faster, and deliver a higher standard of service.

SAP is not simply adding AI features to its applications, it is rethinking how supply chains operate within an intelligent enterprise. With Joule as the AI coordinator and SAP Business AI providing embedded, contextual intelligence, companies can build supply chains that are fast, adaptive, and sustainable.

Looking ahead, SAP's roadmap points to a clear direction: a future where human expertise is supported—and amplified—by AI, and where digital supply chains evolve into intelligent, self-improving ecosystems.

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