

Claims of delivering **over \$100 million in value** from planning transformation projects are headline-grabbing—and rightly so. But what does this figure [explainable AI for executives](#) really represent? Is it just the sum of cost savings and efficiency gains? Or are there deeper dimensions hidden beneath the surface numbers? Leading companies like *Garrett Motion*, *PMI*, and *Pandora* are revealing that capturing such vast value requires much more than deploying new technologies. It hinges on building trust, ensuring explainability, and aligning AI-driven insights consistently with business logic.

## Planning Transformation: Beyond Just Numbers

When an executive hears "over \$100 million in value," they often picture hard-dollar savings from inventory reductions or operational efficiencies. While those are vital components, planning transformation's true ROI involves multiple, tightly intertwined elements:

- **Inventory Reduction Value:** Less stock on hand without service level compromises.
- **Service Level Gains:** Improved fulfillment rates, fewer stockouts, better customer satisfaction.
- **Planning ROI:** Holistic measurement including labor productivity, decision speed, and error reduction.
- **Risk Mitigation:** Reducing uncertainty impacts on supply chains and capital allocations.
- **Trust and Adoption:** Often overlooked but crucial for sustained benefits.

Enterprise AI adoption for planning is rarely a simple plug-and-play success story. As companies grow more reliant on tools like *Large Language Models (LLMs)* and *retrieval-augmented generation (RAG)*, they hit a wall: trust.

## Trust as the Bottleneck for Enterprise AI Adoption

*Garrett Motion* experienced first-hand that adopting AI for complex inventory planning meant grappling with a fundamental challenge—not accuracy, but trust. Business teams asked, "How can we believe the system's recommendations when the 'why' behind decisions feels like a black box?"

This concern is far from unique. Planning teams across *PMI* and *Pandora* repeatedly report that trust in AI outputs is the biggest barrier before scaling transformative solutions. Slick demos full of impressive forecasts often fail to convert because what executives and planners truly want is:

- **Explainability:** Transparent clues showing which data, rules, and assumptions shaped each plan.
- **Consistency:** Stable outputs under consistent business conditions.
- **Business-Logic Alignment:** Clear alignment with company priorities and real-world constraints.

Without those pillars, no amount of accuracy improvements moves the needle on adoption.

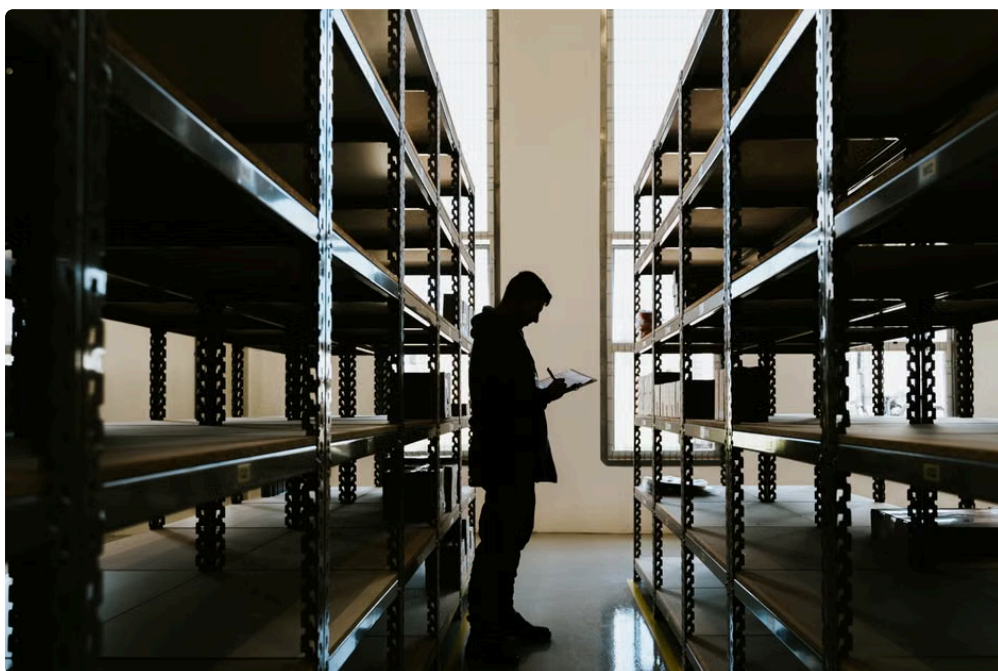


## Why Accuracy Gains Do Not Automatically Create Trust

Traditional wisdom assumes if a model is more accurate, users will trust it more. Reality is different.

Take a scenario where an LLM-backed planning tool reduces forecast errors by 15%. Yet if the recommended inventory policy occasionally contradicts known business practices or risks service levels, planners hesitate. Simply quoting a lower error metric or higher fill rate percentage is far from enough. Decision-makers want traceability —“show me the logic applied here.”

Put bluntly, accuracy without explainability is just another *black box excuse*—“the model decided.” This excuse is on my running list from countless vendor demos.



## Hallucinations and the Risk of Fabricated Certainty

The power of LLMs and RAG tools brings risks alongside benefits. These models can hallucinate—generate plausible but fabricated outputs with high confidence.

In enterprise planning, hallucinations pose dangers:

- **False Confidence:** Planners receive recommendations that sound authoritative but rest on flawed assumptions.
- **Inconsistent Decisions:** Same prompt re-run leads to varying suggestions without explanation.
- **Hidden Biases:** Subtle data biases baked into generated narratives can misguide inventory policies.

*PMI's* experience with RAG integration showed that without strong guardrails to catch hallucinations, projected *service level gains* can become illusory. Their teams prioritized building explainability layers that trace AI outputs to well-defined data points and rules—only then could trust develop.

## The Anatomy of \$100 Million+ Value: What Really Adds Up?

|                               |                                                                                                            |                                                                                              |
|-------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Value Component               | Description                                                                                                | Example from Industry                                                                        |
| Inventory Reduction           | Lower capital tied up in excess stock; reducing storage and holding costs while preserving service levels. | <i>Garrett Motion</i> cut inventory by 20% without damaging parts availability.              |
| Service Level Gains           | Reducing stockouts and backorders; improving customer satisfaction and revenue by reliable fulfillment.    | <i>Pandora</i> improved service levels by 5%, boosting repeat sales.                         |
| Labor & Process Efficiency    | Reducing manual effort; faster scenario evaluation and decision-making.                                    | <i>PMI</i> automated routine planning tasks, freeing analysts to focus on exceptions.        |
| Risk Mitigation               | Smoother handling of supply shocks; fewer emergency expedited shipments.                                   | Consistent planning logic reduced costly last-minute fixes.                                  |
| Trust & Adoption Acceleration | Higher user confidence translates to wider adoption and sustained gains.                                   | Explainability features helped <i>Garrett Motion</i> embed AI insights into daily workflows. |

## How Explainability, Consistency, and Business Logic Drive Real ROI

For substantial *planning ROI*, accuracy gains alone miss the full picture. *Garrett Motion*, *PMI*, and *Pandora* align around best practices based on explainability and consistent business-logic alignment:

1. **Traceability:** Each AI output must link back to data sources and business rules.
2. **Stable Outputs:** Repeatability under same inputs builds user confidence.
3. **Business Relevance:** Models respect known constraints, exceptions, and priorities.
4. **Human-in-the-Loop Reinforcement:** Users can challenge, adjust, and feed back into AI iteratively.
5. **Hallucination Detection:** Integrate guards and warnings to expose doubtful AI suggestions.

This is where advanced technologies like *retrieval-augmented generation (RAG)* shine by dynamically integrating relevant, factual data into model outputs instead of pure hallucination-prone generation. Likewise, LLMs tuned for business context deliver richer explanations than traditional black-box models.

## Conclusion: The Real Story Behind Multi-Million Dollar Planning Transformation Value

“Over \$100 million in value” from planning transformation projects aggregates multiple hard and soft benefits:

- Inventory reduction value freeing critical working capital
- Service level gains enhancing revenue and customer trust
- Labor productivity improvements accelerating decision cycles
- Risk mitigation avoiding costly supply chain disruptions
- Trust-building through explainability and consistency enabling widespread AI adoption

Top companies including *Garrett Motion*, *PMI*, and *Pandora* prove the necessity of focusing beyond raw accuracy numbers. Hallucinations, black-box explanations, and inconsistent outputs derail adoption and value realization every time.

Enterprise AI success demands tools that not only deliver statistical gains but also narrate their reasoning transparently, align with business logic consistently, and keep trust intact. Only then do planning transformations cross the chasm from pilot projects into multi-million dollar strategic drivers.