AI for PO Exception Management

How leading manufacturers turn supplier email into clean, real-time ERP data

82%

of order disruptions start with a missed detail in PO confirmation

AI for Exception Management: Real-World Examples

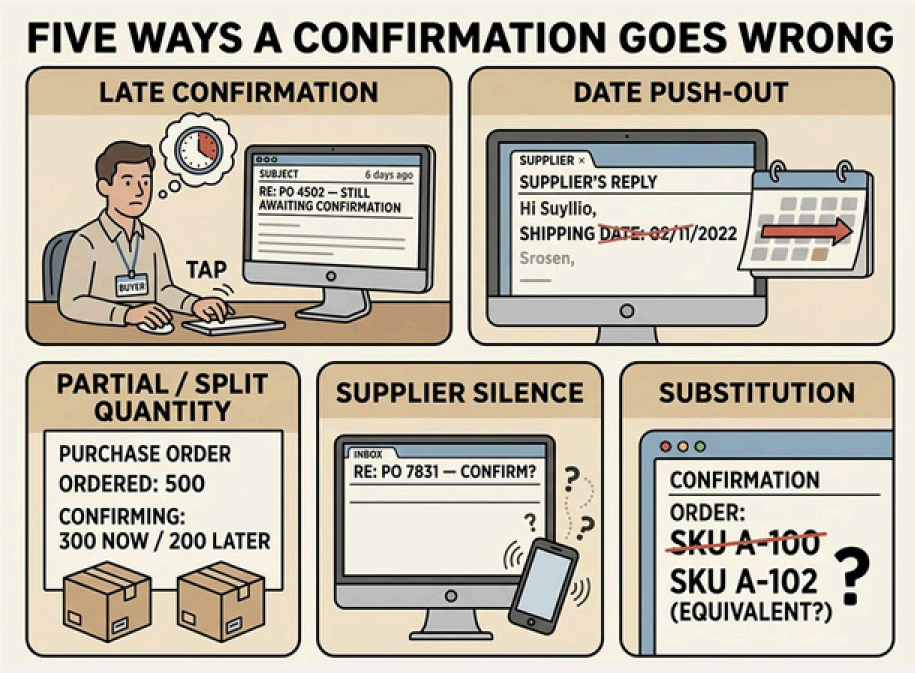
Leading manufacturers are leveraging AI agents to manage by exception. By updating the ERP as soon as a supplier communicates a change, they turn what was a reactive, manual process into a proactive, automated one. The results are consistent: fewer manual touchpoints, faster confirmation cycles, measurable improvements in fill rate and supplier OTIF, and fewer exceptions driving high expedites and excess safety stock. Here is what this looks like in practice for manufacturers:

Company	Industry	Use Case	Impact
Package One Industries	Packaging	• Replace reactive backorder management with proactive supplier alerting. • AI extracts supplier acknowledgments and ship-date changes from email and PDF and alerts planners in real time.	• 90% reduction in PO confirmation time. • Downstream commitments protected through earlier intervention.
Hussmann	Refrigeration Systems	• Connected cold-chain asset tracking and automated warehouse / maintenance response coordination. • The agent calculates downstream fulfillment SLAs, notifies the WMS, and triggers an immediate maintenance request.	• 98% of supply chain signals resolved automatically.
Schneider Electric	Energy Management & Industrial	• Specialized autonomous planning agents detect data pipeline. exceptions and stock deviations • Agents execute an automatic RCA protocol and trigger auto-replenishment.	• 10% overall inventory decrease. • 15% yield improvement on specific manufacturing lines.
teamtechnik	Industrial Automation & Assembly Systems	• Processes order confirmations, shipping notices, and invoices. • Flags deviations with automated warning systems.	• Optimized a 19-person team managing 80,000 purchasing positions per year.
WITTENSTEIN SE	Electromechanical Drive Technology	• PO confirmations from email and PDF automatically captured, matched against SAP purchase orders. • Deviations flagged, matched confirmations auto-posted.	• 94% PO acknowledgment rate. • 30% boost in supplier OTIF to 90%.

Managing by Exception: The Status Quo

Every purchase order follows an expected path. The buyer issues it, the supplier confirms quantity and date, the goods ship on the committed date, and the receipt and invoice reconcile against what was agreed. When a PO runs clean from end to end, no one needs to intervene.

An exception is any point where this path deviates. The supplier confirms a date two weeks later than requested. They acknowledge a partial quantity or split the line across two shipments. They go silent past the acknowledgment window. A date that held at first slips. A part gets substituted. In each case, the supplier's actual position deviates from the plan the buyer is working against.



Exception management allows buyers to catch these deviations early, decide which ones matter, and resolve them before they affect production. A late confirmation on a low-value indirect part is noise. The same delay on a component feeding a production line is a line-down risk that a planner should manage today.

The ERP holds the expected state of every order. But the deviation arrives in a supplier's reply or a PDF order confirmation or a forwarded note from a sales rep. 90% of PO confirmations still come back by email. EDI only covers strategic partners, supplier portals cover a fraction, and email covers everyone else. So before a planner can manage an exception, someone has to read the message, interpret it, find the matching PO, and update the system manually. That is where confirmation data goes stale, and where the time to act disappears.

This is the communication blind spot an AI agent closes. By integrating into the email inbox, it reads supplier replies and attachments as they arrive, extracts the confirmed quantities, prices, and dates, and matches them against the open PO in SAP or the ERP. Deviations get classified by their impact and routed to the planner who owns the downstream commitment, with the context already attached. This way, the order lifecycle stops depending on a person noticing the right email in time.

What Success Looks Like with AI

Most supply chain executives from manufacturing companies we speak with point to the same three outcomes.

1. Major cost reductions: Lower safety stock, fewer expedites, and fewer production disruptions. Every buffer the organization carried to compensate for missing confirmation data becomes recoverable working capital.

2. Significantly higher OTIF: Real-time confirmation data in ERP gives planners the control and visibility to act before a missed date becomes a missed delivery. The process becomes resilient instead of reactive.

3. Buyers focused on high-value work. When confirmation processing no longer consumes 60 to 70% of a buyer's time, that capacity shifts to supplier development, negotiations, and strategic sourcing decisions.

Example based on the impact at a $1.5B CPG manufacturer

Cost Area	Before	After	Impact
People Overhead FTEs on confirmation work	30 FTEs $1.9M annual cost	**9 FTEs** $1.0M annual cost	**$900K saved** 70% reduction
Expedites & Safety Stock Confirmation-driven delays	$3.4M annual cost	**$1.2M annual cost**	**$2.2M saved** 65% reduction
Supplier OTIF On-time, in-full delivery	84% OTIF	**91% OTIF**	**+7 points**
Total Annual Savings			**$3.1M**

Get Started with AI in 4 Weeks

Unlike traditional software projects, an AI Agent does not require upfront data cleaning, 12-month global rollout, or supplier onboarding. A pilot can start with one procurement team and their highest-volume supplier segment, with minimal IT resources.

The AI Agent connects to the organization's existing email environment and ERP through a lightweight integration. It is like adding a new team member who understands the organization's standard operating procedures and starts working. Suppliers keep doing exactly what they do today. Procurement teams and planners keep using the same inbox. The manual work in between is handled by the AI Agent.

Organizations can prove ROI within the first eight weeks with a single team and use the results to build the business case for a broader rollout.

Closing Thoughts

If you're managing a supply chain, you already know that critical updates, exceptions, and promised dates arrive by email and often stay there even with EDI or supplier portals.

That is not going to change. Suppliers will continue to use email as their primary channel to confirm orders, communicate exceptions, and negotiate delivery dates. The question is not how to eliminate email from supply chain management. The question is how to make it work as a structured, reliable channel instead of a manual bottleneck.

EDI and portals were built for enterprises with dedicated IT teams and the leverage to compel supplier adoption. However, email is where volume, exceptions, and urgency converge. That is where an AI Agent operates to capture unstructured supplier communication, validate it against master data, and deliver structured, up-to-date information directly into the ERP.

Next Steps
If you are addressing this challenge, or simply want to talk it through, I am happy to connect and see if Glacis can help.

Philipp Gutheim
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Schedule a conversation

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