

SUPPLY CHAIN INNOVATION

Top 5 Trends Shaping Survival and Success



Supply chains reflect the always-changing world and so they, too, are always changing. That's why responding to change is an ongoing challenge for supply chain leaders. Changes bring risks and opportunities—sometimes anticipated, but frequently not.

What's shaping supply chain survival and success today? The third-annual *Supply Chain Innovation* survey uncovered multiple trends, but these five rose to the top as most influential.

ABOUT THE SURVEY

CREATING RESILIENCE AMID DISRUPTION:

Research on How Supply Chains are Changing for Success and Survival

BluJay Solutions and Adelante SCM, in partnership with the Council of Supply Chain Management Professionals (CSCMP), conducted a survey of supply chain and logistics professionals in 2020 and received 233 responses from the Americas, EMEA and APAC. The survey participants self-identified as Above Average, or Average or Below Performance companies; as well as Innovator/Early Adopter, or Laggards/Late Majority companies.

See the full report www.supplychainresearch.info.



Widespread Plans to Improve Resiliency

Pandemic-driven disruptions put tremendous stress on supply chains. Demand surged for some products but plummeted for others, while working remotely magnified every other challenge. In response, 75% of the surveyed professionals said they expect to make moderate-to-extreme changes to improve supply chain resiliency.

No. 1 on their list is to improve IT capabilities (61%), followed by human resources policies (58%), risk management (58%), sourcing strategy (46%), inventory management (37%), and transportation (26%).

North American companies are less likely to target IT capabilities (54%) compared with their peers in EMEA and APAC (71%).

BIG CHANGES COMING: MAKING *MANY* OR *EXTREME* CHANGES

Above Average Performance companies



Average or Below Average Performance companies



Innovators/Early Adopter companies



Laggards/Late Majority companies



2 Outside Forces Block Innovation

For the third year, *Siloed systems and/or processes* and *Existing IT systems are outdated* ranked in the Top 3 for barriers to supply chain innovation. They lost some votes, though, to two new choices added in this year's survey: *Geopolitical and/or trade uncertainty* and *Lack of flexibility or innovation of supply chain partners*. Interestingly, these factors are beyond internal control and so make breaking down internal barriers and updating IT even more valuable.

TOP BARRIERS TO SUPPLY CHAIN INNOVATION

1. Siloed systems and/or processes
2. Existing IT systems are outdated
3. Geopolitical and/or trade uncertainty
4. Lack of flexibility or innovation of supply chain partners
5. Lack of upper management support for funding and resources

Younger Generations Pushing for Better Relationships

Professionals from the Silent and Baby Boomer generations rank managing risk as a top priority for improvement, while younger generations are more focused on improving relationships. For example, members of the Silent/Boomer generations are less likely than younger professionals to include changes to suppliers and supplier relationships in their plans to improve supply chain resiliency.

WHAT ACTIONS DO YOU FORESEE YOUR COMPANY TAKING MOVING FORWARD TO CREATE A MORE RESILIENT SUPPLY CHAIN?

■ Silent/Boomer ■ Gen X ■ Millennials/Gen Z

Expand/diversify supplier base



Develop stronger, more transparent relationships with key suppliers



The Millennial/Gen Z generations are more focused on innovation to improve sustainability, which also centers on transparency and relationships. Only 2% of Silent Gen/Boomers and 3% of Gen Xers associate innovation with sustainability, while 7% of the youngest generations do.

Leading Supply Chains Prioritize CX, Not Cost

Continuing the trend from prior years' surveys, supply chains that lead in performance and technology adoption say the top factor driving innovation at their companies is customer experience (CX). This contrasts rather sharply with their lower-performing, slower-adopting peers that use innovation mostly to lower costs.

From a global perspective, 59% of North American companies agree that over the next five years CX will overtake cost as the No. 1 brand differentiator, while 67% of respondents in the rest of the world agree with that statement.

FACTORS DRIVING SUPPLY CHAIN INNOVATION

	Innovator/ Early Adopters	Laggard/ Late Majority
Reduce costs	24%	37%
Enhance CX	31%	17%
Competitive advantage	22%	15%
Little/no innovation happening	2%	15%

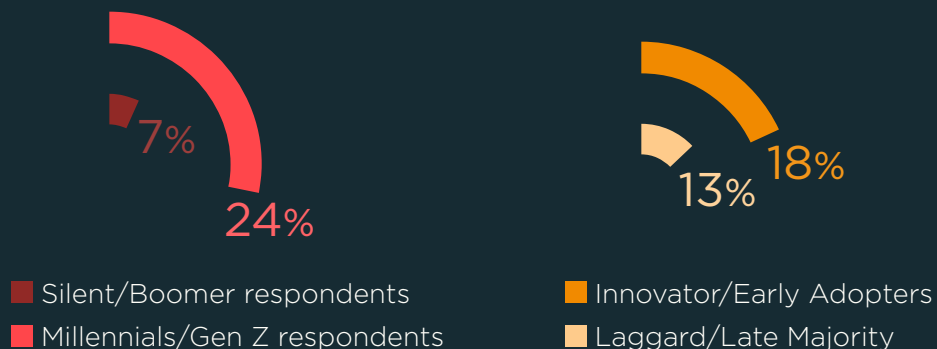
	Above Average	Average or Below
Reduce costs	22%	42%
Enhance CX	36%	17%
Competitive advantage	25%	13%
Little/no innovation happening	2%	9%

CX Drives Need for BI/ Analytics/Machine Learning

When it comes to delivering an enhanced CX, *Real-time visibility to orders, shipments, and inventory* received the highest percentage of most beneficial votes again this year (36%), an almost 13% increase from 2019. *Time-definite deliveries* ranked second again with 17%.

The capability with the biggest gain this year was *Business Intelligence/Analytics/Machine Learning*, which moved up to the third spot overall with 16% of most beneficial votes— **a 23% increase from 2019**. Millennial/Gen Z respondents push this number up, with 24% of them identifying it as the most important factor.

HERE'S HOW SUPPORT FOR THAT CHOICE BREAKS DOWN AMONG GENERATIONS AND TECHNOLOGY LEADERS:



SUPPLY CHAIN INNOVATION

New Challenges with a Steady Focus

The *2020 Supply Chain Innovation Survey* results reflect a year that was among one of the most challenging for supply chains in recent history, but also one of the most informative. The surveyed professionals clearly recognize where their weak spots are and what they need to change to survive and succeed.

Get Recommendations Based on Survey Results

Read the complete survey report, which includes three recommendations for improving your supply chain based on the research findings.

[READ THE SURVEY](#)

