



Supply Chain Evolution in the Midst of Global Disruption:

Emerging Trends and the Leadership
Implications

Emerging Supply Chain Trends and the Leadership Implications

In the midst of crisis and global business disruption, the only constant is change. As the operating models of businesses are tested by the events of the recent crisis and others to come, supply chains around the globe will evolve to keep pace. As supply chains evolve, critical supply chain leadership needs will also change. Organizations that proactively embrace that change and what it means for their leadership team will be better positioned for future competitiveness.

Here are some emerging supply chain trends and the resulting leadership implications for organizations to consider.

EMERGING SUPPLY CHAIN TRENDS

LEADERSHIP IMPLICATIONS



“Speed” and “Cost to Serve” remain important, but supply chain “Flexibility” and “Resilience” are critical differentiators

- Multi-nodal manufacturing and near-shoring to developed markets where the business case can be made for capital investment compared to labor costs is likely to accelerate
- Global supply chains with a focus on redundant capacity and appropriate inventory management will prove most capable in the face of disruption

- **“Agility”** as a core leadership competency is paramount
- Leaders with an understanding of **multiple geographic markets/ cultures** and diverse operating experiences will prove most capable



The adoption and importance of digital systems that provide visibility along the entire supply chain will only increase

- Enterprise technology that supports the track and trace of value chain inputs and enables enhanced demand & supply planning (enterprise S&OP) will become much more commonplace
- Beyond primary value chains, visibility into multiple tiers of the supply base will help ensure adequate supply and improved working capital, not to mention risk management

- Familiarity with **data-driven analytics**, customized dashboards, value-added pattern analysis and high-quality reporting are important
- The technology-enabled leader who has **deployed and operated enterprise platforms** to enable demand & supply visibility is a differentiator

EMERGING SUPPLY CHAIN TRENDS

LEADERSHIP IMPLICATIONS



Risk management capabilities and actionable operating plans in the face of supply chain disruption are essential

- Off-the-shelf, scenario-based risk management plans that seek to minimize the severity of an interruption in global operations are “table stakes”
- Risk goes beyond direct suppliers and extends to secondary and tertiary suppliers in the network
- Organizations need to understand their entire supplier networks and develop appropriate contingency plans

- Leaders with a **playbook and practical experience in turnaround and crisis management** will be in demand
- Establishment of a **risk management/mitigation officer** as a core function within supply chain organizations is likely to increase
- **Dynamic testing of scenario responses** in “good times” will become standard



In our complex, connected economy, global supply disruptions will continue, and companies will need to adapt

- Most distribution centers are still manually operated – advanced robotics and technology will make for an improved business case for automation to support less human-intensive operations
- Automated, data-centric spaces with the ability to monitor, track and optimize supply chain productivity limiting human exposure to risk enhances the ROI for capital

- Demand for leaders with experience in capital programs and manufacturing engineering, including **advanced material handling and robotics**
- Executives able to develop and understand the business case for investments in **physical automation, RPA, and AI will be valuable**



Being proactive in taking care of people is a winning formula to ultimately take care of the business

- New challenges call for new ways of working and new leadership characteristics
- How supply chains operate and what makes for a top performing team will evolve

- **“Authenticity” and “Empathy”** from senior leaders will become more important than ever
- Leaders able to **adjust operating models and inspire teams in remote working conditions** are part of the “new normal”

Questions for Reflection and Discussion

1

The end-to-end integration of supply chains

How do the different functions (plan, source, make, deliver) communicate and collaborate with each other in our organization? Are they working in silos and are the functions truly enterprise in their capabilities? Are consumer, end-user, and supplier data directly feeding into our supply chain systems?

2

The increasingly important role of procurement

What have we learned about the behavior and capability of our leaders in crisis situations? Who has stepped up and why?

Are our leaders able to cope with current trends and developments in the space? What does our pipeline of next generation executive talent look like within critical functions related to sourcing, procurement, and contract administration?

Who are the best-in-class developers of global procurement talent and what can we learn from them as a result of the crisis?

3

Digitization across the supply chain

Do we know what kind of supply chain performance data we have readily available and what data we need to ensure we improve operational and financial performance?

How well positioned are our teams for continued opportunities and challenges related to digitization? Are internal team development plans sufficient to bridge the digitization gap or do we need to accelerate?

4

Risk in global operations and the impact on business performance

What digitally driven traceability and containment plans do we have in place to minimize fallout from a supply disruption or quality issue in our end to end supply chain? Do we have redundant manufacturing capability?

Do we have leadership that can develop a robust risk management plan that prevents or minimizes the severity of an interruption in our global operations? What about the capabilities of our suppliers?

What has the recent crisis revealed about our risk management capabilities?

5

Physical automation, advanced analytics, and RPA in the supply chain

What sorts of analyses have we done to understand the potential impact of physical and process automation to our supply chain capabilities? Are our teams positioned to adopt and deploy those systems?

How are we leveraging advanced analytics capabilities like machine learning and data science in our supply chains to make the best decisions about our supplier network and our own operations – especially in times of crisis?

Does the increased use of robotics make sense for us? Will it enable us to move manufacturing closer to destination markets while reducing the need for lower-cost labor?

AUTHORS

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