

Gartner for Supply Chain

Leading the Future Supply Chain

4 keys to creating a competitive advantage in supply chain

What supply chain investments made today will capture competitive advantage by 2028?

While the focus on and recognition of supply chain value increased over the past few years, heightened disruption has become “old news.” Perception of the chief supply chain officer (CSCO) as an equal strategic partner has reverted to pre-pandemic levels (47% in 2022 versus 56% in 2020).

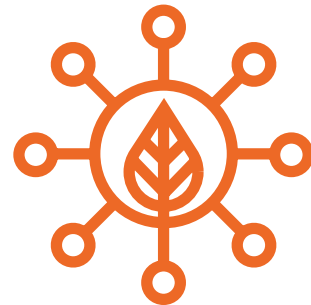
But, among the highest performing supply chain organizations, 72% of CSCOs are still viewed as strategic business partners. What is it that they do differently?

This report describes the four areas in which your high-performing peers plan to invest during the next three to five years to drive competitive advantage and chart the path to the supply chain of the future.

Use these findings to guide your supply chain transformation and become a strategic partner to the C-suite (again).



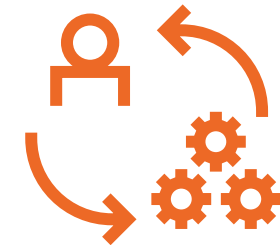
Commercial Innovation



Sustainable Operations



Real-Time Decision Execution



Human-Centric Work Design

01

Commercial innovation

Thirty-eight percent of boards of directors flag business expansion/diversification as a top priority for 2023, versus 17% in 2022. CSCOs can impact strategic outcomes by shifting their focus from operational excellence to commercial innovation.

Source: 2023 Gartner Board of Directors Survey on Business Strategy in an Uncertain World



Commercial innovation

Today's supply chain

Enterprises expect supply chains to drive top-line growth. Enabling customers to get their own jobs done drives repurchase more than simply satisfying customers does, but it's hard to scale segmented supply chain experiences.

The future supply chain

The future supply chain operates three commercial innovation capabilities to fuel competitive advantage and support revenue:

- Supply chain capabilities "as a service" to other organizations
- A consolidated supply chain service menu
- Operating model modularity and flexibility

The path forward

- Clarify service options across the customer journey, and differentiate experience order to order.
- Focus innovation on customer service, not operational performance.
- Create a cost-to-serve model to build cost transparency.

Enablement Is the New (Profitable) Competitive Frontier



Enabled customers are **2x as likely to repurchase**, yet only 23% of supply chains are focused on customer enablement.

n = 676

Source: 2022 Gartner Future of Supply Chain Survey

[Download our supply chain customer loyalty report to learn the 3 steps for crafting an enablement strategy](#) ↗

02

Sustainable operations

High-performing supply chains are significantly more likely (19% on average) to have capabilities in place to achieve their sustainability goals.

Source: 2022 Gartner Future of Supply Chain Survey



Sustainable operations

Today's supply chain

Increasing regulatory legislation and stakeholder pressure make achieving social and environmental sustainability critical to future-proofing business operations and addressing global sustainability concerns.

Communication and alignment activities may help to improve internal effectiveness and reputation, but fall short of driving concrete business benefits or change, across the end-to-end value chain.

The future supply chain

Sustainability is embedded in supply chain operations across the value chain. Sustainability financing is used to grow revenue and achieve quantifiable direct cost savings; it's not viewed as an isolated cost-reduction exercise.

The path forward

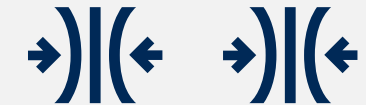
- Develop a sustainability roadmap and embed sustainability considerations in goals, measurement and decision making.
- Use benefits already realized to make the case for future funding.
- Build partnerships to progress toward a circular economy and Scope 3 greenhouse gas (GHG) emission reduction across the supply chain, while strengthening risk governance to address challenges external to the organization.

Future-Proof the Supply Chain Through Climate Adaptation



Seventy-five percent of supply chain leaders believe engaging in circular economy activities is important, but only **1 in 5 use such principles.**

Source: 2022 Gartner Circular Economy Survey; 2022 Gartner Future of Supply Chain Survey



Eighty percent of supply chain leaders prioritize emissions tracking, but **1 in 3 believe suppliers don't** because of cost pressure.

[Explore the climate change response of the top 25 supply chain leaders ↗](#)

03

Real-time decision execution

Ninety-five percent of supply chains must quickly react to changing conditions, but only 7% are able to execute decisions in real time.

Source: 2022 Gartner Understanding Decision-Making Models in the Supply Chain Survey;
2022 Gartner Future of Supply Chain Survey



Real-time decision execution

Today's supply chain

Supply chains know exactly what to do, but response execution is delayed because of legacy technology constraints and a lack of data.

The future supply chain

With the right digital technology, data and talent, the supply chain of the future will be adept at executing real-time decisions, at the speed that makes sense for each process. Future supply chains will be able to connect decisions to automated execution across the end-to-end supply chain.

The path forward

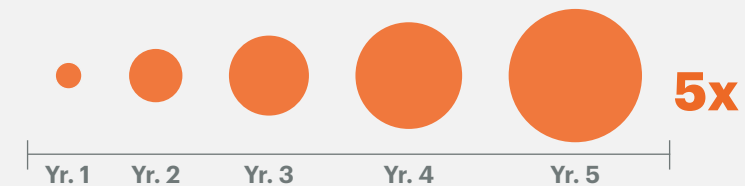
Moving beyond real-time analytics to execution involves three steps:

1. Gain access to real-time data from across the end-to-end supply chain.
2. Build the skill to analyze that data on the fly.
3. Execute in real time the real-time decision that was made based on real-time data.

Prioritize these four technologies in your real-time decision execution roadmap: digital supply chain twin, advanced analytics, AI and machine learning, and process and/or task mining.

Focus on opportunities to quickly adopt proven use cases that have already demonstrated value — e.g., manufacturing operations, product quality control, order management and fulfillment.

Supply Chain Investment in Real-Time Decision Execution



Supply chain real-time decision execution adoption is planned to increase more than **fivefold in the next 3-5 years.**

Source: 2022 Gartner Future of Supply Chain Survey

[Download our digital supply chain report to learn how to address digital business demands in the supply chain operating model ↗](#)

04

Human-centric work design

CSCOs say retaining talent is the top challenge to human-centric work design over the next 3-5 years.

Source: 2022 Gartner Future of Supply Chain Survey



Human-centric work design

Today's supply chain

Approximately 20% of supply chain employees have demonstrated active job-seeking behavior over the last year, and this percentage has remained the same for the last two years. The impact is hitting business results: More than half (54%) of all supply chain organizations report that an inability to access talent has interrupted or curtailed business activities in their organizations during the past 12 months.

CSCOs are not sitting idle — they are working hard to improve the employee experience and employee value proposition (EVP). But procedural and cultural challenges to work flexibility persist.

The future supply chain

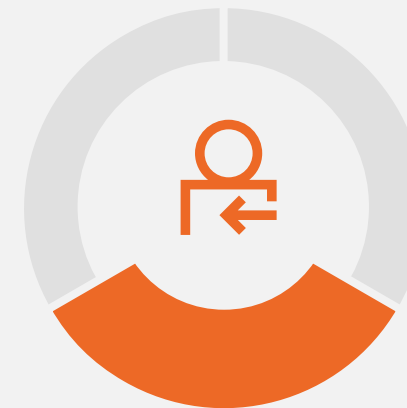
Supply chain employees have choice when it comes to work design, and supply chain leaders dedicate roles to innovating on work design. Technologies like augmented/virtual reality, conversational AI, operational robotics and process and/or task mining are used to further improve flexibility.

The path forward

- Move beyond a financially motivated EVP to one that creates and builds awareness of flexibility for employees.
- Bring the EVP to life for employees through regular individual discussions.
- Focus on creating pathways for personal development and choice in work.

Source: 2022 Gartner Global Labor Market Survey

Develop a Strong EVP for Future Supply Chain Talent







Labor shortages are a top challenge for 60% of supply chain organizations, yet **one-third lack an EVP effective at attracting, retaining and engaging talent.**

Source: 2022 Gartner Future of Supply Chain Survey

[Discover the 3 core values that guide the expectations of future supply chain talent ↗](#)

Actionable, objective insight

Make investments in supply chain today that will capture competitive advantage in the future. Explore these additional complimentary resources and tools on supply chain strategy:

<p>eBook </p> <p>Chief Supply Chain Officer Leadership Vision 2023</p> <p>Gain guidance on three strategic actions for success.</p> <p>Download eBook</p>	<p>Tool </p> <p>Strategic Planning for Supply Chain</p> <p>Get buy-in for your strategy using our three-step plan, best-practice examples and customizable tool.</p> <p>Download Template</p>	<p>Report </p> <p>Gartner Supply Chain Top 25</p> <p>This renowned annual ranking identifies, celebrates and profiles excellence in supply chain management.</p> <p>View Report</p>	<p>Tool </p> <p>How to Build a Supply Chain Ecosystem</p> <p>Scale business value with a digital supply chain ecosystem.</p> <p>Download Playbook</p>
---	---	---	---

Already a client?
Get access to even more resources in your client portal. [Log In](#)

Connect With Us

Get actionable, objective insight to deliver on your mission-critical priorities. Our expert guidance and tools enable faster, smarter decisions and stronger performance. Contact us to become a client:

U.S.: 1 855 811 7593

International: +44 (0) 3330 607 044

[Become a Client](#)

Learn more about Gartner for Supply Chain Leaders

gartner.com/en/supply-chain

Stay connected to the latest insights



Attend a Gartner Supply Chain Conference

[View Conference Calendar](#)