

Gartner for Supply Chain

# Your Must-Have Toolkit for Supply Chain Strategic Planning

A decorative graphic on the right side of the slide. It features a series of concentric, wavy lines in shades of orange and white that curve upwards from the bottom left towards the top right. At the end of these lines is a white arrow pointing straight up.

# 5 activities that are key to impactful strategic planning

Successful supply chain strategy quickly addresses disruption while contributing to business goals. These five activities are especially important for strategic planning and require tools to capture key data and information for yourself and to share with stakeholders:

- 1 Build an agile supply chain** to stay ahead of market trends and risks.
- 2 Assess supply chain capability.** Create a plan to fill the gaps that will slow your impact.
- 3 Strategically manage supply chain budgets** to align costs and investments with strategy and value.
- 4 Benchmark supply chain metrics** to identify opportunities for improving supply chain management.
- 5 Document your strategy** — ideally on just one page — to simply and clearly describe the current supply chain organization, where it is going and how it will get there.

# 81%

of supply chain organizations **fail to fully integrate scenario planning** into their supply chain strategies.

Source: Gartner

# Tools and frameworks you'll need

**1**

**Build an agile supply chain**

● Monthly Supply Chain Alert

**2**

**Assess supply chain capability**

● Supply Chain Score

**3**

**Strategically manage budgets**

● Supply Chain Budget Benchmarking

**4**

**Benchmark supply chain metrics**

● Hierarchy of Supply Chain Metrics

**5**

**Document your strategy**

● Framework to Design Supply Chain Strategy

# 1. Build an agile supply chain

Stay ahead of market trends and risks.

A supply chain disruption that originates abroad is still keenly felt by your customers, your company and your supply chain right here at home. Supply chain disruption is no longer an “if,” nor is it really a “when” since it’s both omnipresent and unpredictable at the same time. The question you must answer is: Are we able to mitigate the next global supply chain disruption that comes our way?

Top supply chain organizations experience less than one-third of the supply chain disruptions of their peers thanks to best-practice sensing capabilities, continuous review, and rapid response, all enabled by innovative technology solutions and advanced supply chain analytics.

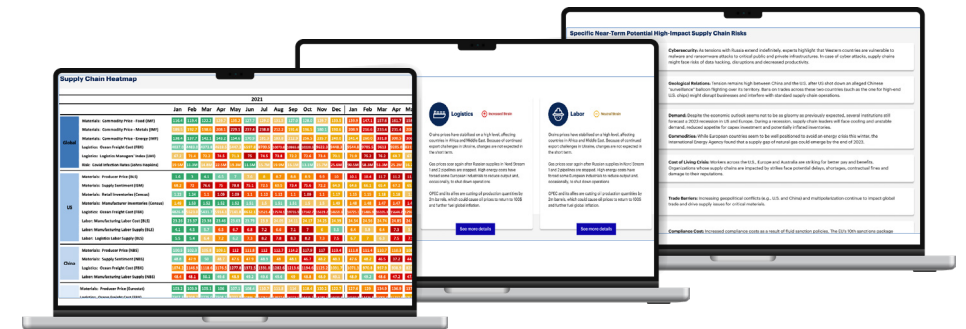
**The Gartner Monthly Supply Chain Alert** offers dynamic and actionable data on the evolving operating context for global supply chains. It displays a heat map of key supply chain pinch points (e.g., material pricing shifts across industries, demand-driven transportation constraints, employment rates in key geographies) and near-term risk events (e.g., ESG issues, new trade policies, cultural trends).

CSCOs use the Monthly Supply Chain Alert tool to ensure the supply chain strategy reflects market trends and risks and can mitigate disruption.

Learn more about [Gartner Monthly Supply Chain Alert](#).

## Gartner Monthly Supply Chain Alert

Illustrative



## 2. Assess supply chain capability

Create a plan to fill the gaps that will slow your impact.

While the focus on and recognition of supply chain value increased over the past few years, heightened disruption has become “old news.” In fact, fewer than half of CSCOs today (47%) are viewed as an equal strategic partner of the C-suite.

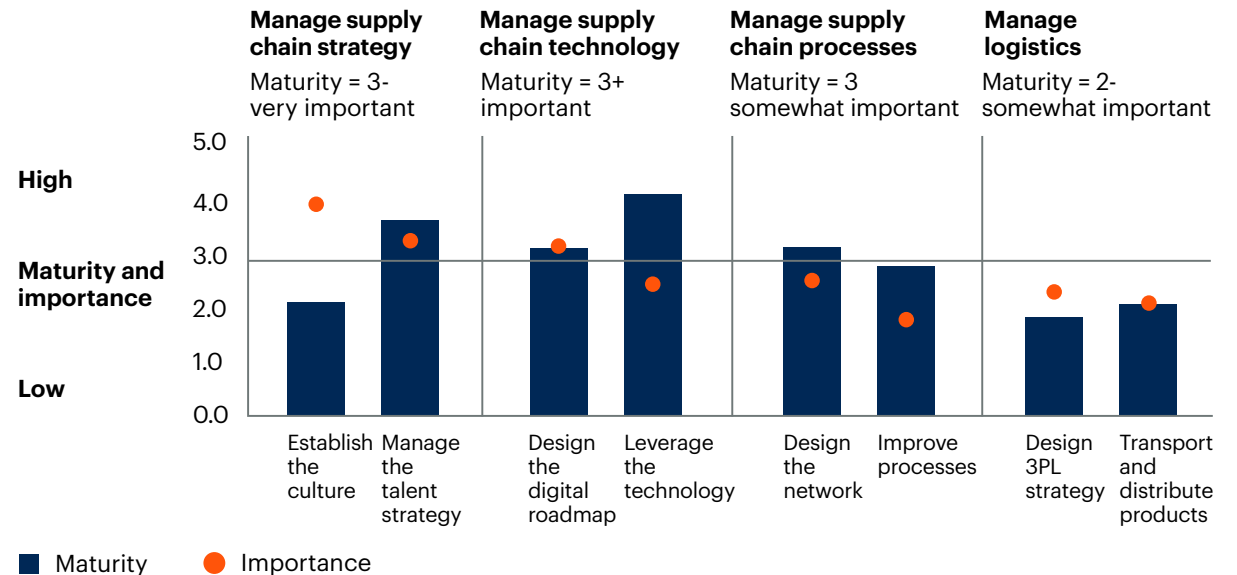
But, among the highest performing supply chain organizations, 72% of CSCOs are viewed as strategic business partners. To guide supply chain transformation, leading CSCOs regularly assess performance against a structured methodology, like the one used by the Gartner Supply Chain Score tool.

**Gartner Supply Chain Score** clarifies not only how far a supply chain function has progressed, but also what steps to take next and what to prioritize on the supply chain strategic plan given finite resources. You don’t just get a score; you get a data-driven action plan and roadmap for supply chain transformation based on our expert knowledge of best practices from organizations of different levels of maturity.

Learn more about [Gartner Supply Chain Score](#).

### Gartner Supply Chain Score

Illustrative



Source: Gartner

### 3. Strategically manage budgets

Align costs and investments with strategy and value.

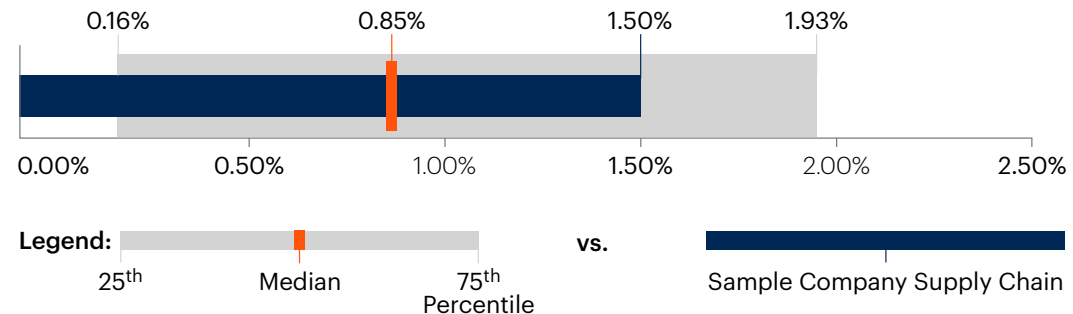
Strategic, programmatic cost optimization helps to avoid risks to supply chain cost-efficiency. Leading supply chain organizations successfully control supply chain costs by first defining key operating outcomes (e.g., demand fulfillment, product supply, new products/business), then aligning business value (e.g., customer experience, profitable growth, compliance, sustainability), and finally collaborating with key stakeholders. This approach considers the relationship between diverse resources and networks, which enables the organization to generate and equitably share joint value across the supply chain network.

With **Gartner Supply Chain Budget Benchmarking**, CSCOs get an informative and comparison view of the supply chain budget; a baseline of spend and staffing to respond to changes in capacity and demand; detail on specific areas to adjust resourcing; and benchmarking insights to defend innovation funding.

Learn more about [Gartner Supply Chain Budget Benchmarking](#).

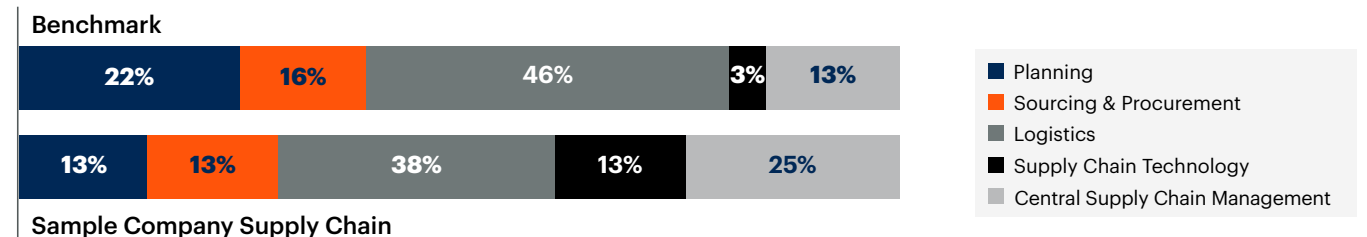
#### Supply chain capital spend as a percentage of revenue

Illustrative



#### Supply chain staff allocation

Illustrative



Source: Gartner

## 4. Benchmark supply chain metrics

Identify opportunities for improving supply chain management.

Benchmarking is a widely practiced, yet often misunderstood, technique. The most common misunderstanding is that benchmarking identifies performance gaps that, once addressed, will enhance an organization's competitive advantage.

In fact, benchmarking should be used as a data point for establishing strategy. Supply chain leaders leverage benchmarking — in conjunction with an in-depth understanding of organizational capabilities, customer requirements and business priorities — to develop the full potential of their supply chains. These leaders also constantly make choices (or trade-offs) to optimize performance.

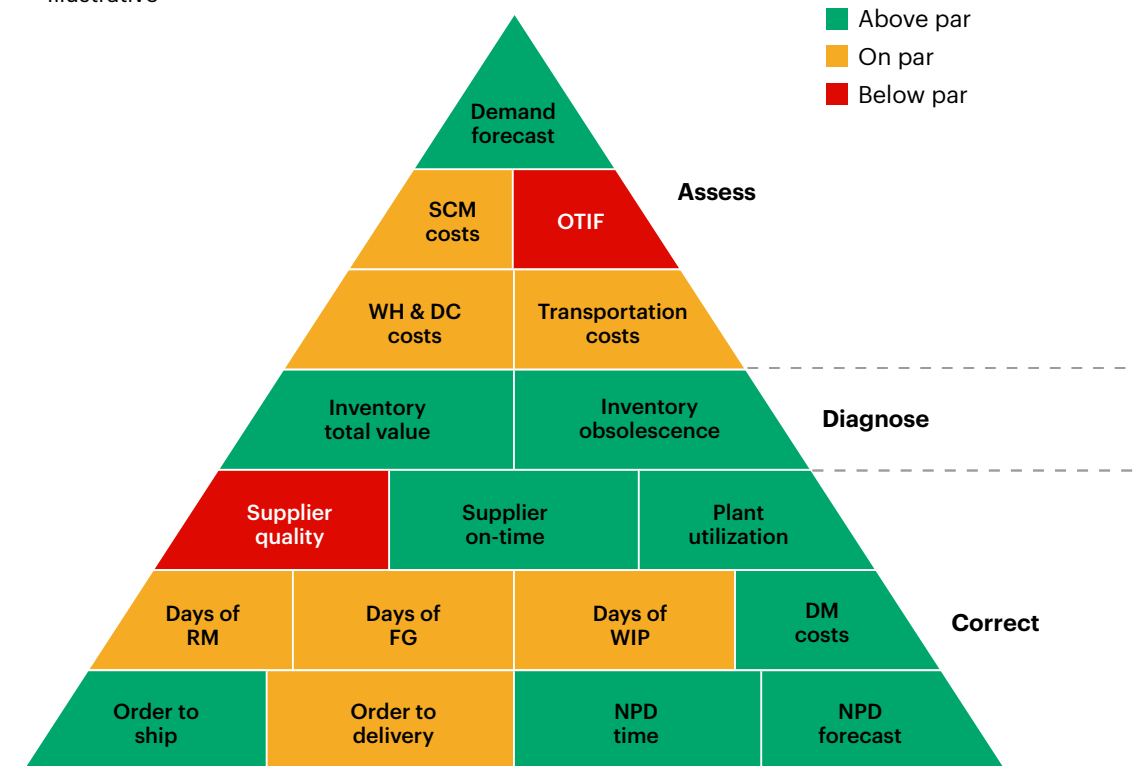
But to make the right trade-offs, you need to understand how supply chain metrics interact and the resulting impact. For example, perfect order metrics are interdependent on inventory levels, logistics costs and procurement efficiency.

**The Gartner Hierarchy of Supply Chain Metrics** benchmarks end-to-end supply chain performance, versus comparing supply chain metrics in isolation. Through the Hierarchy of Supply Chain Metrics, CSCOs identify opportunities to improve supply chain management.

Learn more about [Gartner Hierarchy of Supply Chain Metrics Benchmarking](#).

### Gartner Hierarchy of Supply Chain Metrics

Illustrative



Source: Gartner

## → 5. Document your strategy

Simply and clearly describe the current supply chain organization, where it is going and how it will get there.

Supply chain strategic plans that are based on detailed, function-specific, bottom-up analysis are time-consuming and often lose sight of the overall supply chain strategic ambition.

Gartner suggests using the “Matrix,” a disciplined framework that aids in end-to-end supply chain strategy development. The Matrix is a blank canvas tool that supply chain teams can use with their key stakeholders to map current supply chain capabilities and plan for a future, desired-state supply chain. It offers a simple, yet powerful, one-page view of supply chain strategy, priorities and interdependencies.

See the [next page](#) for the Gartner framework to design supply chain strategy (and use the fillable template for your planning).



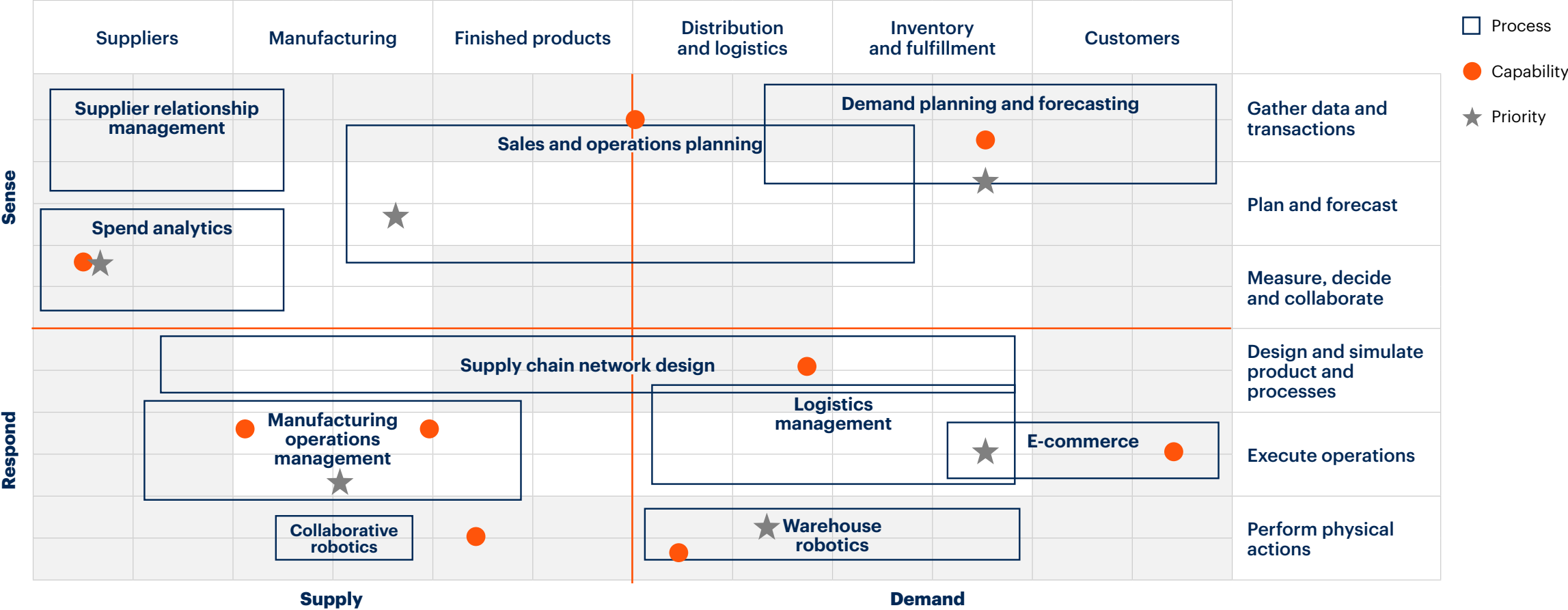
### Did you know?

Gartner clients can submit documents for review by experts who can assess and provide feedback and input for your strategy template.

5. Document your strategy

# Framework to design your supply chain strategy

Document the key elements of your strategy on one page. Examples are illustrative.



5. Document your strategy

# Framework to design your supply chain strategy

 Print out and draw in the empty fields to complete.

| Suppliers |  | Manufacturing |  | Finished products |  | Distribution and logistics |  | Inventory and fulfillment |  | Customers |  |                                           |
|-----------|--|---------------|--|-------------------|--|----------------------------|--|---------------------------|--|-----------|--|-------------------------------------------|
| Sense     |  |               |  |                   |  |                            |  |                           |  |           |  | Gather data and transactions              |
|           |  |               |  |                   |  |                            |  |                           |  |           |  | Plan and forecast                         |
|           |  |               |  |                   |  |                            |  |                           |  |           |  | Measure, decide and collaborate           |
|           |  |               |  |                   |  |                            |  |                           |  |           |  | Design and simulate product and processes |
|           |  |               |  |                   |  |                            |  |                           |  |           |  | Execute operations                        |
| Respond   |  |               |  |                   |  |                            |  |                           |  |           |  | Perform physical actions                  |
|           |  |               |  |                   |  |                            |  |                           |  |           |  |                                           |
|           |  |               |  |                   |  |                            |  |                           |  |           |  |                                           |
|           |  |               |  |                   |  |                            |  |                           |  |           |  |                                           |
|           |  |               |  |                   |  |                            |  |                           |  |           |  |                                           |
| Supply    |  |               |  |                   |  | Demand                     |  |                           |  |           |  |                                           |

Process

Capability

Priority

# Actionable, objective insights

Explore these additional complimentary resources and tools for supply chain executives:

|                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                   |
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| <br><b>Tool</b><br>Benchmark and Prioritize Supply Chain Risk<br>Identify, analyze and mitigate supply chain risks.<br><a href="#">Get Started</a> | <br><b>Tool</b><br>Accelerators for Chief Supply Chain Officers<br>Execute your strategic and innovation goals faster with curated tools for driving supply chain performance and transformation.<br><a href="#">Learn More</a> | <br><b>Conference</b><br>Upcoming Supply Chain Conferences<br>Learn how to succeed in the face of global market disruptions.<br><a href="#">Learn More</a> | <br><b>Product</b><br>Gartner for Supply Chain<br>Enable faster, smarter decisions and stronger performance on your mission-critical priorities.<br><a href="#">Learn More</a> |
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