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Gartner for Supply Chain

Reinventing Supply Chain for the Future

4 Innovations to Build a
Disruption-Tough Supply Chain

Are you ready to reinvent your supply chain to thrive amid disruption?

The past 24 months of disruption have shown the world what chief supply chain officers (CSCOs) have long known — namely, that agile and resilient supply chains are key enablers of commerce, and essential for organizations that want to leapfrog their competition.

Supply chain organizations can't afford to let disruptions limit impact. And there will always be disruptions, whether from natural disasters, resource shortages, global trade conflicts or other inevitable yet unpredictable events.

All signs point to a widespread embrace by CSCOs of the need for foundational reinvention to achieve a critical level of agility and resilience — this according to nearly 1,000 supply chain leaders who responded to the 2021 Gartner Future of Supply Chain Survey.

This reinvention is taking place through four supply chain organizational priorities for 2022:



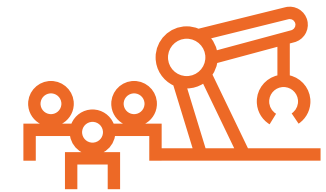
Commercial growth from the supply chain



Authentic fulfillment of ESG commitments



Real-time supply chain execution



Flexible work experiences

01

Drive commercial growth from the supply chain

42% of CSCOs are under pressure to maintain current margins and profitability and achieve targets for sustainability, speed and innovation.

n = 983
Source: 2021 Gartner Future of Supply Chain Survey





Drive commercial growth from the supply chain

Today's supply chain

Over half of CEOs in supply-chain-intensive industries rank growth as a top 3 strategic business priority, and one-third expect the supply chain to drive it. Yet today's supply chain organizations tend to prioritize operational excellence over value creation.

The future supply chain

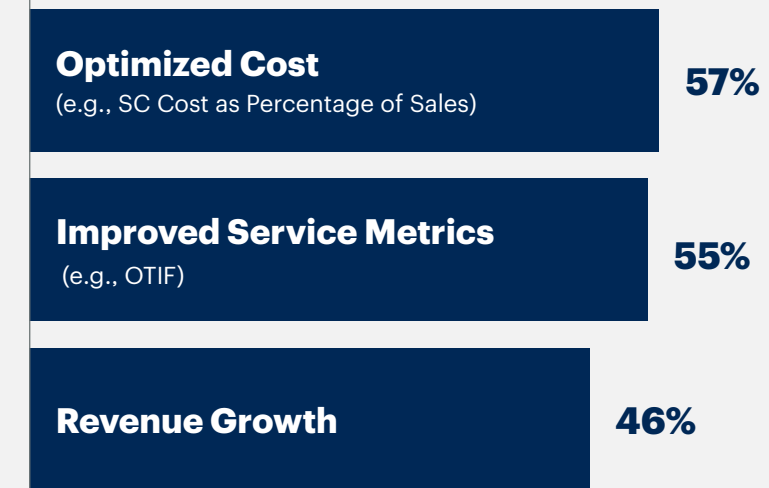
The supply chain will transform into a customer-centric function with deep capacity to sense customer needs and wants, and deliver a timely response.

The path to reinvention

To transition from prioritizing operational excellence to commercial innovation for growth, CSCOs must rebalance investments and develop capabilities to sense the voice of the customer. Use the resulting insights to innovate supply-chain-specific commercial offerings that can be delivered efficiently for optimum profit.

A customer-centric supply chain culture requires a customer experience (CX) mindset, and the ability to measure performance against CX outcomes, analyze CX insights and take actions that improve CX.

Top 3 Expected Outcomes From CX Investment



Percentage of respondents — sum of top 3 mentions

n = 419

Source: 2021 Gartner Sustaining a Customer-Centric Digital Supply Chain Ecosystem Survey

[Access more benchmarking data and case studies on the customer-centric supply chain](#) ↗

02

Fulfill environmental and social commitments authentically

67% of organizations have defined environmental and social sustainability KPIs they expect supply chain leaders to be accountable for.

n = 983
Source: 2021 Gartner Future of Supply Chain Survey





Fulfill environmental and social commitments authentically

Today's supply chain

CEOs are making public commitments related to environmental, social and governance (ESG); diversity, equity and inclusion (DEI); and data privacy, in response to pressure from customers, investors, government and other stakeholders.

The future supply chain

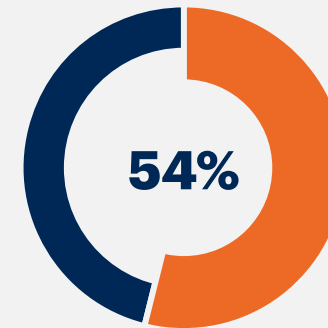
Customer expectations around environmental and social sustainability will apply to the entire product life cycle. Buyers will speak with their wallets by purchasing only from companies and suppliers that demonstrate authentic achievement of commitments.

The path to reinvention

Visibility and transparency are non-optional for organizations claiming environmental and social impact. CSCOs must establish auditing procedures and extend them to suppliers and other external partners to capture the full impact of their efforts. Adapt sustainability metrics and accounting methods as you meet goals and as new approaches emerge.

Also, CSCOs can look to develop the technology product portfolio strategically to incorporate sustainable technologies and materials early and scale value over time.

The Future Demands Authentic Achievement



More than half of customers will do business only with companies that practice environmental and social sustainability.

n = 983

Source: 2021 Gartner Future of Supply Chain Survey



Another third cite data usage as a limiting factor.

[Build the purpose-driven supply chain using Gartner's blueprint](#) ↗

03

Enable real-time supply chain execution

60% of CSCOs are expected to make faster, more accurate and consistent decisions in real time.

n = 983
Source: 2021 Gartner Future of Supply Chain Survey





Enable real-time supply chain execution

Today's supply chain

Supply chain organizations are under growing pressure to capture real-time data and analyze it to execute on decisions more quickly.

The future supply chain

Supply chain organizations will mature their data capabilities in two phases: first converting real-time data into real-time analytics, then from real-time analytics to real-time decision making that can enable automated execution of planning, inventory optimization and other key processes. Supply chain talent will develop skills to process and take advantage of these real-time data flows.

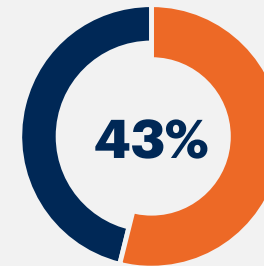
The path to reinvention

Accelerate investments in supply chain technology to enable real-time analytics as a step on the path toward real-time execution. Don't get stuck focusing on the first phase of real-time analytics and delay investments that get you to the end goal of end-to-end automated execution.

Acquire and develop supply chain talent skilled at analyzing real-time data and generating actionable insights from it. Develop the capabilities to act on those insights in real time.

Build agility into the supply chain strategy to continually adapt to innovative technology.

Supply Chains Must Continually Adapt to New Technology



of enterprises will continue to digitalize and integrate innovative technology into enterprisewide systems. Supply chains will be expected to continually adapt.

n = 983

Source: 2021 Gartner Future of Supply Chain Survey

[Download the Supply Chain 2035 Roadmap to identify, pilot and roll out new tech at the right time](#) ↗

04

Provide flexible work experiences

Flexible work experiences designed to promote equity and engagement for employees will be one emphasis of supply chain efforts to evolve the organization and its management.

n = 983
Source: 2021 Gartner Future of Supply Chain Survey





Provide flexible work experiences

Today's supply chain

COVID-19 has highlighted both the dependence supply chains have on frontline talent, and the need to build work experiences that enable flexibility around where and when the work gets done — a requirement for scarce, high-value talent.

The future supply chain

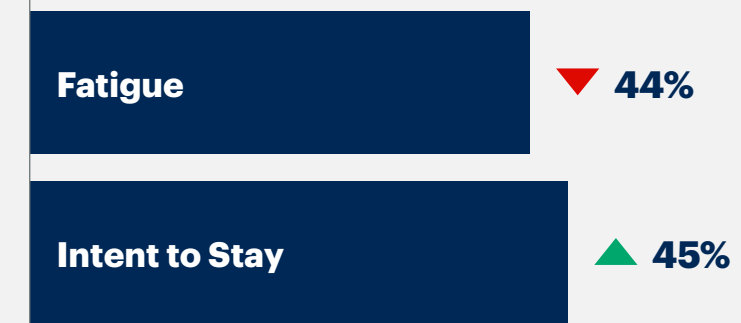
Supply chain organizations will evolve to marry automation technologies like robots and AI, with tools that allow human-to-human and human-to-machine collaboration. Managers will measure performance based on outcomes, not on inputs such as where, when and how employees work.

The path to reinvention

Adapt and evolve the skills of supply chain employees to equip them for a hybrid, flexible and technologically enabled workplace operating within a broader supply chain ecosystem.

CSCOs should embrace flexibility in supply chain organizational design and management, with the aim of creating equitable opportunities and engaging employees in purpose-driven work. Managers can help by enabling social connectivity and intentional collaboration to spur innovation. Technology investments will aid operational execution, making physical processes less differentiating, yet elevating the need to protect intellectual property.

Impact of Human-Centric Work Design vs. Office-Centric Work Design







n = 2,410

Source: 2021 Gartner Hybrid Work Employee Survey

[Guide your supply chain transformation plans using Gartner's roadmap to the new normal](#) ↗

Actionable, objective insight

Reinvent your supply chain for the future. Explore these additional complimentary resources and tools on supply chain strategy:

<p>eBook </p> <p>Chief Supply Chain Officer Leadership Vision 2022</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>Garner support 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>Tactics </p> <p>Offset the Impact of Supply Constraints</p> <p>Learn 14 supply chain management tactics to counteract supply instability.</p> <p>Download List</p>
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