



Gartner[®]

2019-2020 Annual Edition

Top Insights for the C-Suite

How to Excel at Both Strategy and Execution:
A Supply Chain Perspective



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A Perspective From Mike Harris

Executive Vice President
Research & Advisory, Gartner

Business leaders today face a very challenging business environment marked by significant change, competition, uncertainty — and opportunity.

Although many organisations find it hard to accelerate through the kinds of disruptions and mixed signals they face, Gartner research shows that there are ways to position your business to drive through disruption and come out ahead, but it takes concerted action and preparation.





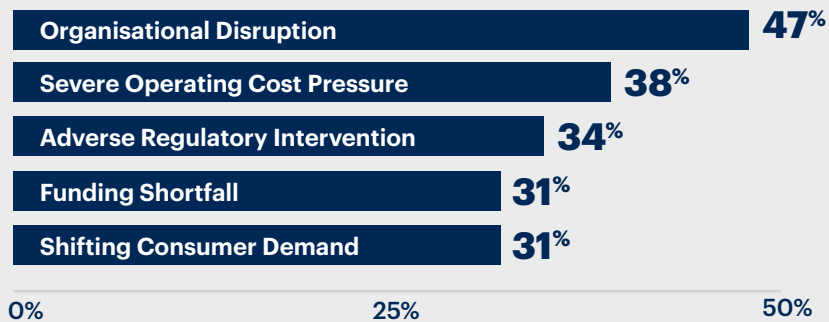
A Perspective From Mike Harris continued

If you are like most business leaders, you would probably prefer not to make big moves until the signals are clearer, or you may look for ways to weather uncertainty — perhaps first leveraging low-hanging tactics like cost-cutting to improve a few performance metrics.

But neither a “wait-and-see” approach nor defensive cost-cutting will power you through adversity — not least because today’s current state of uncertainty won’t magically disappear.

Types of Disruption Over the Past Four Years

Percentage of Respondents, Multiple Responses Allowed



N=1,070

Q: Has your organisation faced any of these situations in the past four years?

Source: 2020 Gartner CIO Survey

There’s little clarity on a range of economic, regulatory, geopolitical and trade issues, and digital disruption has made widespread and multidimensional uncertainty the new normal.

Turns of fortune may be sudden (e.g., enormous security breaches) and can blindside you unexpectedly (e.g., new competition from outside your industry). The g-forces in the turn may be extreme (a non-traditional competitor that does not need to make a profit) and the time to impact short due to digital capabilities (viral anti-brand social media). Turns often coincide, increasing the need to react on different business vectors and requiring a high-performing executive team.

To survive any such turns, organisations must be able to flex as the environment changes. But some progressive business leaders, our research shows, do more than survive; they thrive — by embracing turns as a prime opportunity to seize and sustain a competitive edge.

But winning in the turns in this way requires you to prepare before the turn — whether you are on the executive committee crafting enterprise strategy or leading your function to execute it.

A Perspective From Mike Harris continued

The risk of paralysis is very real, especially if your organisation lacks institutional memory of operating outside of a growth cycle. Many of today's leaders have, for example, only led strategy and operations during times of growth. Fewer than half of current CxOs were functional heads during the 2008-09 financial crisis, and less than 10% were heading the same function in their current company.

Lack of preparation creates business risk. In today's business environment, being right is only half the battle. Companies also need to execute at speed — intensely pursuing strategy with confidence and discipline as the environment changes.

This e-book delivers insights from Gartner research in 2019, featuring data and findings from proprietary surveys and engagements. It highlights the actions that progressive functional leaders are taking to improve their execution and drive forward the organisation's objectives, especially through disruptive turns and uncertainty.

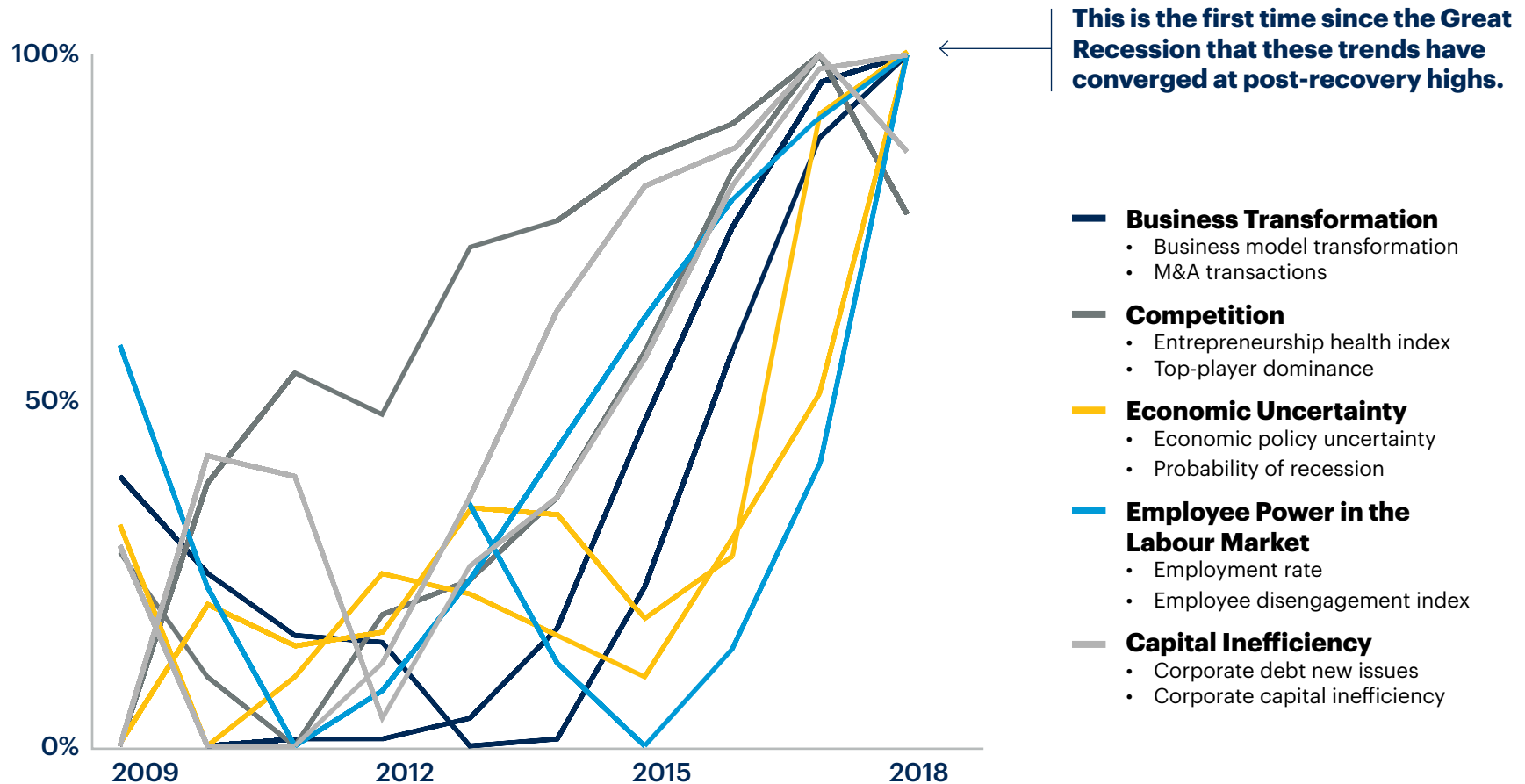
These practice-specific insights tackle the very real changes that functional leaders face in their own areas of the organisation — from the lack of critical skills and capabilities to evaluating risks and speaking data as a second language — as well as their imperative to execute against the enterprise objectives.

Best regards,



Uncertain Business Conditions Seen in Unprecedented Market Trends

Trend lines across major indexes



Scaled from 0% to 100%, and where 0% is the minimum while 100% is the maximum rolling three-year average reached since 2009. Trends are based on well-known indexes and reported benchmarks and both public and proprietary data.

Source: Gartner

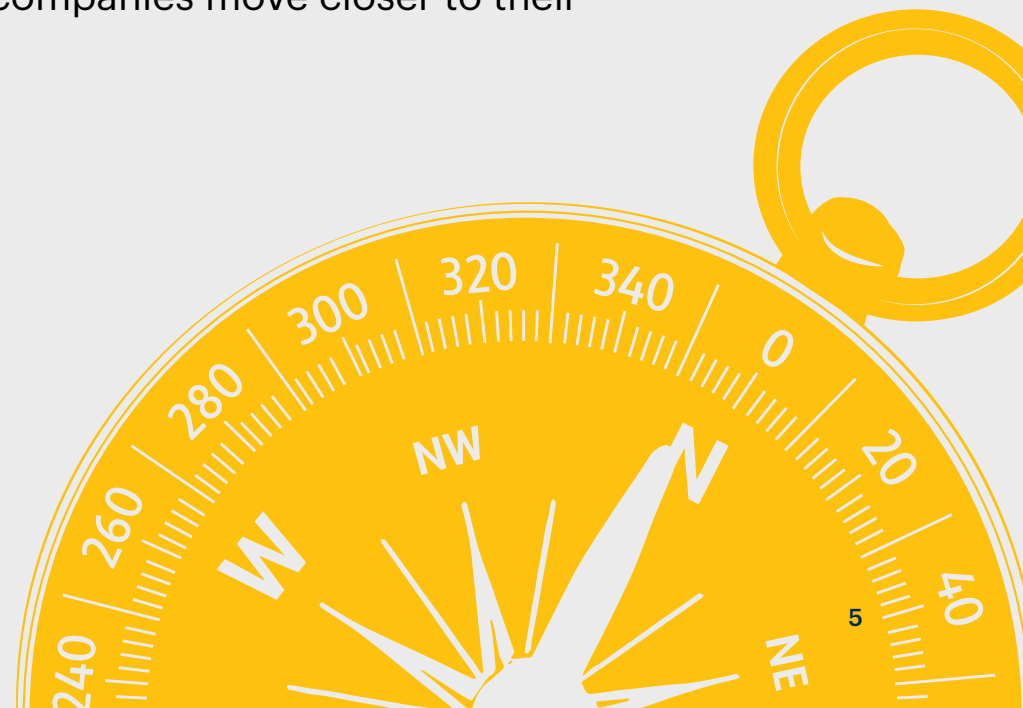
What supply chain leaders should know

Supply chain executives must prepare and lead by building agility into systems, processes and decision making. Personalisation at scale, leveraging ecosystems and driving business-led digital strategies are this year's most common trends amongst heads of supply chain. Top-performing supply chain leaders not only stay ahead of the latest trends, they defy conventional thinking during disruptions, with the most successful taking risks in "the turns," whether they be economic, geopolitical, environmental, social or competitive. The Gartner Supply Chain Top 25 is about leadership. Every year we identify the companies that best exemplify the demand-driven ideal for today's supply chain and document their best practices, which can help all companies move closer to their demand-driven goals.



Mike Griswold

VP Analyst
Gartner Research & Advisory





Supply Chain

**Adopt the right
supply chain
technologies to
drive business goals**



Supply chains are under pressure to invest in new technology

Supply chains are looking to invest in new technologies to optimise costs, meet increasing customer expectations and enhance their decision-making ability. However, the hype and buzz surrounding many technologies complicates the ability of supply chain leaders to identify solutions relevant to their current and future business needs.

Organisations are feeling the pressure to keep up with industry leaders, early adopters and the pace of change in technology, or they risk missing an opportunity for potential competitive advantage. However, pursuing the latest trend without alignment to the supply chain organisation's strategy is a costly and ill-advised proposition.



39%

of chief supply chain officers plan to implement, but have not started to actively define, a digital supply chain roadmap.

Source: 2018 Gartner Digital Supply Transformation Survey



81%

of supply chain leaders say it's challenging to scale new experimental innovation into operational production use.

Source: 2018 Gartner Digital Supply Transformation Study

Risks of falling behind the competition

It is essential to understand where your business is going in the future and to define what capabilities the supply chain must put in place to meet future digital business needs. But few companies have yet begun to implement a roadmap to plot a direction and timeline for reaching a desired future state for their digital supply chain. Among those businesses that do have active plans, the focus is typically on efficiencies for current, not future, needs.

Companies that fail to define which capabilities the supply chain requires to meet future digital business needs risk falling behind their competitors in the race to embrace digital business.

Supply chain leaders need a mindset and practices that can accommodate and embrace perpetual change, and a plan for the longer-term horizon. Without these things, their organisation will be unable to respond to the disruption that supply chains will feel from new and innovative technologies — and will fail to convert those innovations into value.

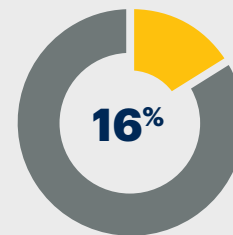


47%

Only 47% of companies are actively defining or implementing a digital supply chain roadmap.

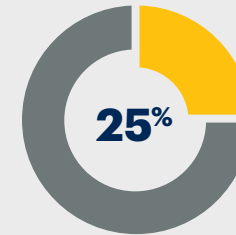
Source: 2018 Gartner Digital Supply Transformation Survey

“Will your digital initiatives focus on supporting new business model designs?”



16%

Yes, over the next 2 years



25%

Yes, in 2 - 5 years

Source: 2018 Gartner Digital Supply Transformation Survey



Learn from leaders with the Gartner Supply Chain Top 25 research

Every year, Gartner experts study the supply chains of hundreds of companies to identify examples of best practices and capabilities. The Gartner 2019 Supply Chain Top 25 shows that leading firms tend to be early adopters of new business concepts and technologies, and they strategically align their supply chain digital capability roadmaps with their broader digital business transformation.

Organisations are also looking to invest in new technologies to optimise costs, meet increasing customer expectations (i.e., visibility, speed of service, personalisation) and enhance their decision-making ability.

The key technology trends that chief supply chain officers must be aware of are:

- **Artificial intelligence.** This remains one of the most talked-about technologies within supply chains, with the primary benefits seen as improving efficiency and reducing costs.
- **Advanced analytics.** As supply chain organisations strive to become more advanced, they are leveraging end-to-end data insights for intelligent, end-to-end decision making.
- **Internet of Things (IoT).** As the number of IoT devices continues to increase, IoT is providing functional domains within supply chains with an increasing number of use cases.



74%

of top supply chain organisations across industries demonstrated AI use cases.

Source: Gartner



66%

of top supply chain organisations have been actively using or exploring advanced analytics capabilities.

Source: Gartner

The Gartner Expert View



“Leading supply chains are transforming business models and redefining markets by blending well-established physical capabilities with emerging digital innovation. Due to the accelerating rate of technology development, adoption, digital innovation and incorporation of customer needs, game-changing opportunities are now being offered for the few supply chains prepared to harness and scale them.”

Mike Griswold

VP Analyst



“Keeping pace with innovation in customer experience is a continuous challenge for supply chain leaders. Those failing to recognise supply chain’s key role are missing out on potential added value.”

Lisa Callinan

VP, Team Manager

Moving From Insight to Action

Gartner for Supply Chain Leaders

The definitive research and advisory resource for supply chain leaders

Gartner supports senior supply chain executives with their most critical priorities. We offer a unique breadth and depth of content to support clients' individual success and deliver on the key initiatives that cover the end-to-end supply chain functions that drive business impact. These key initiatives include:

- Supply chain strategy, leadership and governance
- Supply chain customer fulfilment and collaboration
- Supply chain planning and logistics strategy and operations
- Technology and solutions for supply chain and operations
- Quality management, strategy and leadership

Learn more

Explore today's top technology trends to create a competitive advantage

Connect with Gartner today

Gartner equips supply chain executives to make the right decisions and stay ahead of change.

Learn more about how Gartner can support your success.

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