The State of Next-Gen Supply Chain: A Leadership Survey

Executive Summary

51%

Risk management leads transformation objectives, with 51% of respondents identifying it as a top priority over the next 1–3 years

77%

77% of responders agree **there is a talent gap** in their organization's procurement and supply chain function

38%

Logistics and transportation costs represent the greatest source of value leakage, cited by 38% of respondents, with **inefficient sourcing/suboptimal supplier terms** following closely behind at 34%

73%

73% businesses are planning a **comprehensive transformation** of their supply chain **operating model within the next 1-3 years**

66%

43% organizations have **successfully implemented AI** in one or more areas of supply chain with additional 23% **actively scaling AI** capabilities across the function

50%

Digital technologies are top investment priority for improving Tier 1 and Tier N visibility over the next 1–3 years (50%), followed closely by **strengthening supplier relationships** (47%)

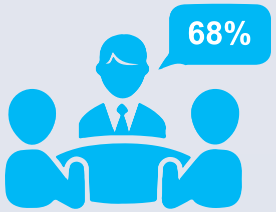
44%

Supply chain visibility (44%) and **inventory management** (42%) top the list of planned near term system and technology investments in next 1-3 years

Source(s): The State of Next-Gen Supply Chain: A Leadership Survey, Mar'26

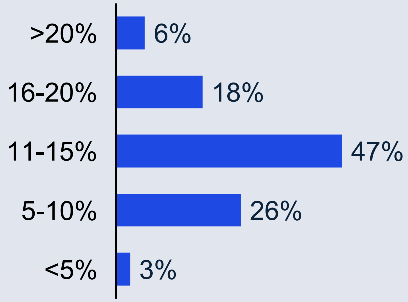
Key Trends

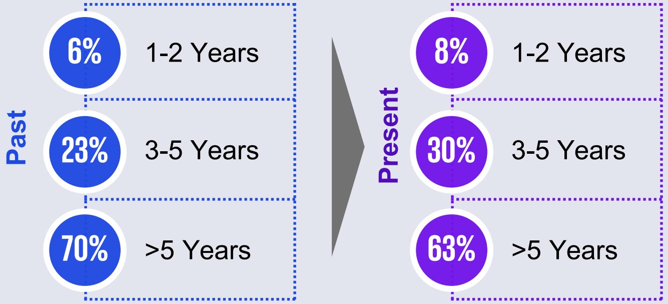
Supply Chain Rise of Relevance



68% of respondents are holding **regular strategic review meetings** with C-Suite leadership. Indicating greater alignment with business objectives.

Companies are reinforcing the importance of an agile supply chain through **increased investment**, with most now spending 11–15% of revenue, **up from 5–10% in 2024.**





Companies are continuing to hold onto experienced leaders to anchor stability, manage risk, and drive disciplined transformation, while paving the way for new leaders to emerge in a fast-changing environment.

Resilience Emerges as Key Concern

Resilience and minimizing risk is foremost concern continuing to drive major investment decisions. **Doubling down** on need for resilience investment from past findings.

Top Transformation Priorities

1	47%	Operational efficiency and cost reduction
2	40%	**Risk management and resilience building**
3	38%	Digitalization and technology integration

New Responsibilities due to New Risks

Respondents are managing new risks and challenges **with no single approach dominating.**

Source(s): The State of Next-Gen Supply Chain: A Leadership Survey, Mar'26

Notes: Sum of percentages not totaling 100% due to rounding off

Risk and resilience

Risks perceived by supply chain function

Rank 1
Cyber security threats (39%)

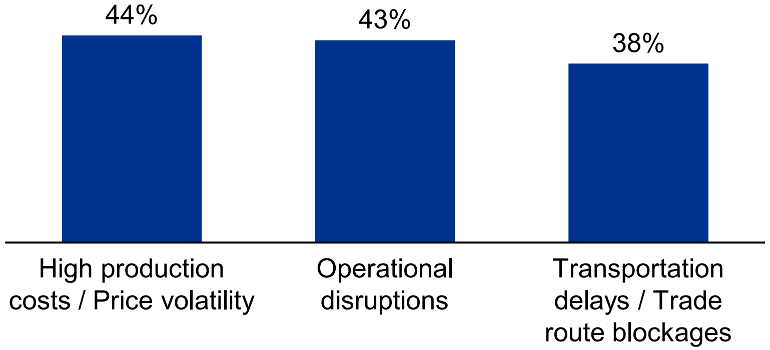
Rank 2
Multi-tier Supplier Risk (37%)

Rank 3
Regulatory Risks & Supply Shortages (33%)

~57% of respondents are currently innovating their Risk Management and Resilience function, and an additional 37% (combined 94%) in the next 1-3 years

Geopolitical risks drive investment decision making

Top 3 challenges when adjusting supply chain in response to geopolitical risks



Top 3 strategies to mitigate geopolitical risks

Investing in predictive analytics for better risk assessment	41%
Enhancing supply chain visibility	37%
Diversifying suppliers/flexible distribution networks	34%

Tariffs reshaping cost & network decisions

How respondents are passing tariff driven costs to customers

- **60%** Increase end-customer pricing directly
- **55%** Adjust service levels or bundled offerings
- **53%** Implement surcharges or tariff recovery fees

Near term measures to mitigate tariff related costs

1. **37%** Diversify supplier base or shift to alternative markets
2. **34%** Optimize cost structure through automation or process efficiencies
3. **33%** Reconfigure supply chain networks (nearshoring, friend-shorting, reshoring)

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Operating model in a digital world and talent equation

With digital advancements, companies are compelled to change their operating models…yet a gap in talent remains

62% **2024**

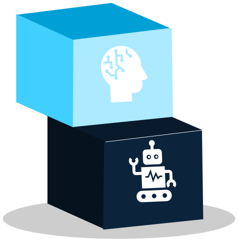
of the respondents ***are planning a comprehensive transformation*** of their supply chain operating model in next 1-3 years

73% **2026**

of the respondents ***are planning a comprehensive transformation*** of *whole* supply chain model in the next 1-3 years, **up 11%** from 2024

Reasons for operating model changes in next 1-3 years

Reason	%
Enhancing agility and flexibility	42%
Improving sustainability performance	40%
Increasing resilience to disruptions	36%



77% respondents believe **there is a talent gap** within their organization's procurement/supply chain function

Areas of supply chain impacted by talent gap

Supply chain visibility	Demand planning	Customer Service & experience
38%	36%	36%

- Respondents cited investing in **automation and AI** (50%) as one of the top future actions to address the talent gap
- However, **competition in the labor market (39%), minimal investment in upskilling (36%), and rapid technological advancement (35%)** are expected to create issues

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Responsibilities of a supply chain leader and where transformation is leading

Most critical objectives to transform organization in next 1-3 years

Past

- 22% Overseeing implementation of end to end processes
- 17% Managing and mitigating risks and geopolitical uncertainties
- 16% Driving efficiency through tech implementation

Present

- 51% Managing and mitigating risks and geopolitical uncertainties
- 44% Driving efficiency through tech implementation
- 44% Advocating and ensuring compliance with international trade regulations

Discrepancy in % YoY due to question format; ar single select, this year select top 3.

Many critical priorities remain consistent year over year, with risk and resilience continuing to be key drivers shaping organizational direction

Ways they align innovation strategy with business objectives

90% of respondents indicate significant independence in decision making and strategy formulation

- **68%** Regular strategic review meetings with C-suite executives
- **66%** Ensuring Supply Chain KPIs are linked directly to business goals

Drivers of supply chain transformation

Rank 1 Operational efficiency and cost reduction

Rank 2 Risk management and resilience building

Rank 3 Digitalization and technology integration

Investment plans in near future

Risk management and resilience	39%
Inventory and warehouse management	38%
Supplier relationship management tools	38%
Procurement and Sourcing	37%

As geopolitical disruptions intensify and operating environments evolve rapidly, supply chain leaders are increasingly focused on risk mitigation and resilience as part of their core responsibilities

AI/Gen AI and Human Workforce

- **69%** Will transform workforce and replace humans
- **28%** Will improve efficiency and operate with human in the loop, and replace part of the workforce
- **3%** AI will not replace workforce at all

Source(s): The State of Next-Gen Supply Chain: A Leadership Survey, Mar'26

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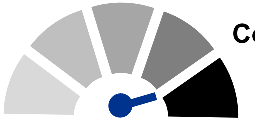
Traditional vs modern tech

While still being a leading force for transformation, degree of digital adoption is ahead

Majority of respondents find **digitalization and technology integration** as one of the top 3 driver of supply chain transformation

Partially digitalized (3) (15%)

Not digitalized at all (1+2) (1%)



Completely digitalized (4+5) (84%)

~84% of the respondents believe that their organization-has ***completely digitalized*** their supply chain operations up from 20% in 2024

After digital adoption, autonomy ambitions come next

31%	Moderately Autonomous
28%	Largely Autonomous
19%	Almost Fully Autonomous

78% of respondents plan to be at or above a moderate level of autonomy by 2027, only 18% expect to be at or below some basic automation

Clients still struggle with Tech Implementation

Most significant barriers to implement, integrate, and scale new tech

17%	Technological Capability
13%	Data Security
13%	Organizational Resistance

AI powers the next phase of development…

30%	*Upgrading or replacing existing ERP system for better data integration*
28%	*Investing in employee training and development*
28%	*Enhancing data management capabilities*

How companies plan to overcome AI/Gen AI deployment challenges

…yet many respondents still struggle to understand it

15%	Measuring ROI of AI/GenAI
14%	Predicting and managing impact and employment roles
13%	Data Governance and Security

The aspect of AI/Gen AI deployment that causes the most confusion or uncertainty

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off
Source(s): The State of Next-Gen Supply Chain: A Leadership Survey, Mar'26

Demographics

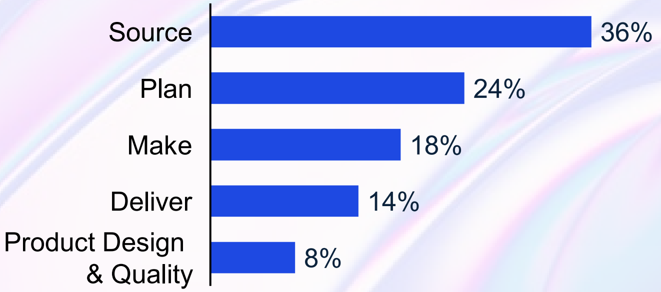
Who We Surveyed

462 responses were evenly distributed among **9 sectors** including marquee sectors such as **Life Sciences, Consumer/Retail, IM (Industrial Manufacturing), and ENRC (Energy, Natural Resources, & Chemicals).**

Respondents of this survey have

$1B

minimum **annual global revenue**.



The **source function** dominates respondent profiles accounting for over a third of participants. This means results are anchored in sourcing realities, where supplier risk, cost pressure, and execution matter most.

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