



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



Executive Summary



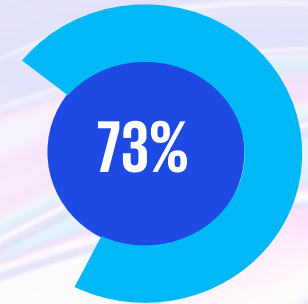
Risk management leads transformation objectives, with 51% of respondents identifying it as a top priority over the next 1–3 years



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



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%



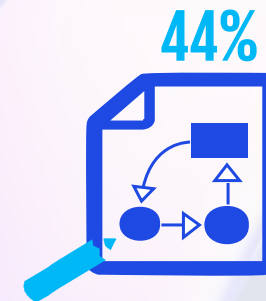
73% businesses are planning a **comprehensive transformation** of their supply chain **operating model within the next 1-3 years**



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



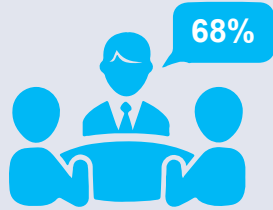
Digital technologies are top investment priority for improving Tier 1 and Tier N visibility over the next 1–3 years (50%), followed closely by **strengthening supplier relationships** (47%)



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

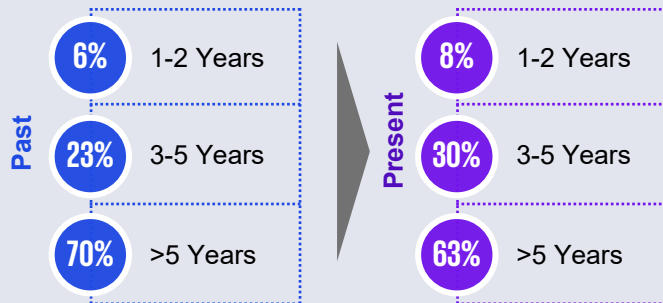
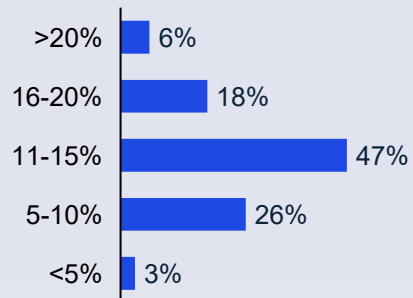
Key Trends

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% last year.**



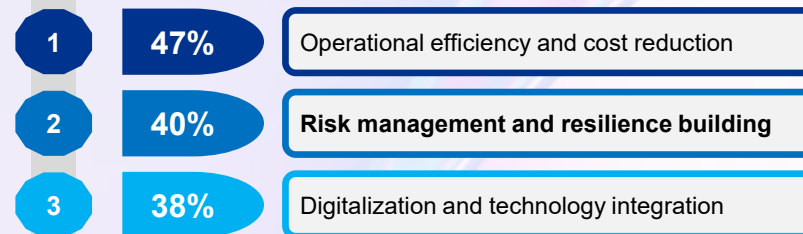
Companies are continuing to hold onto experienced leaders to anchor stability, manage risk, and drive disciplined transformation, while paving the way for new leaders to emerge in a fast-changing environment.

Resilience Emerges as Key Concern

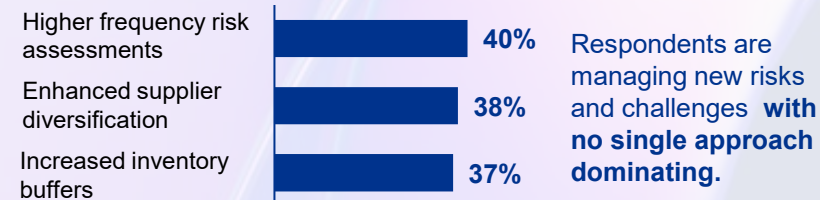


Resilience and minimizing risk is foremost concern continuing to drive major investment decisions. **Doubling down** on need for resilience investment from past findings.

Top Transformation Priorities



New Responsibilities due to New Risks



Risk and resilience

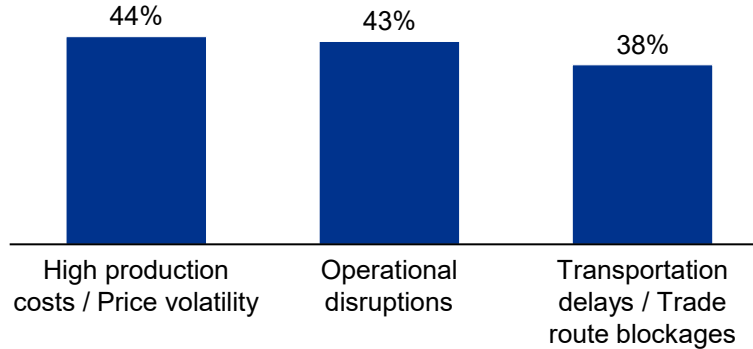
Risks perceived by supply chain function



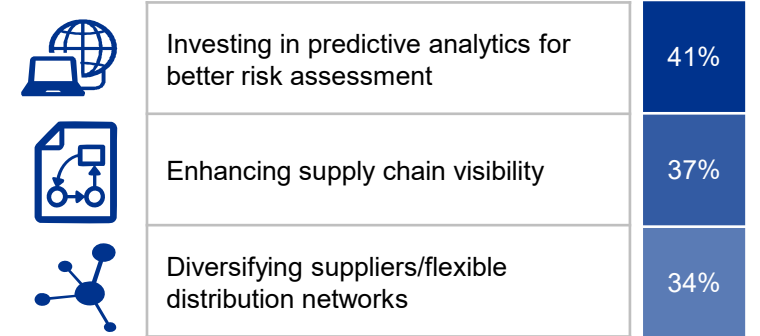
-57% of respondents are currently innovating their Risk Management and Resilience function, and an additional 37% (combined 94%) in the next 1-3 years

Geopolitical risks drive investment decision making

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

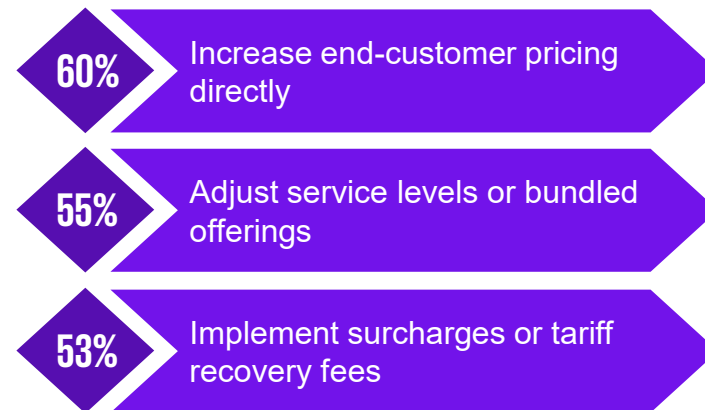


Top 3 strategies to mitigate geopolitical risks



Tariffs reshaping cost & network decisions

How respondents are passing tariff driven costs to customers



Near term measures to mitigate tariff related costs



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%

Last Year

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



73%

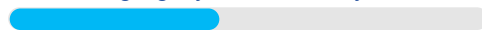
This Year

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



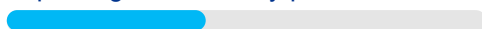
Reasons for operating model changes in next 1-3 years

Enhancing agility and flexibility



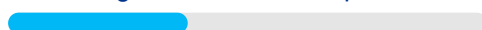
42%

Improving sustainability performance

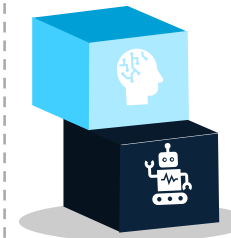


40%

Increasing resilience to disruptions

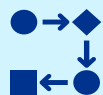


36%



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

38%



Demand planning

36%



Customer Service & experience

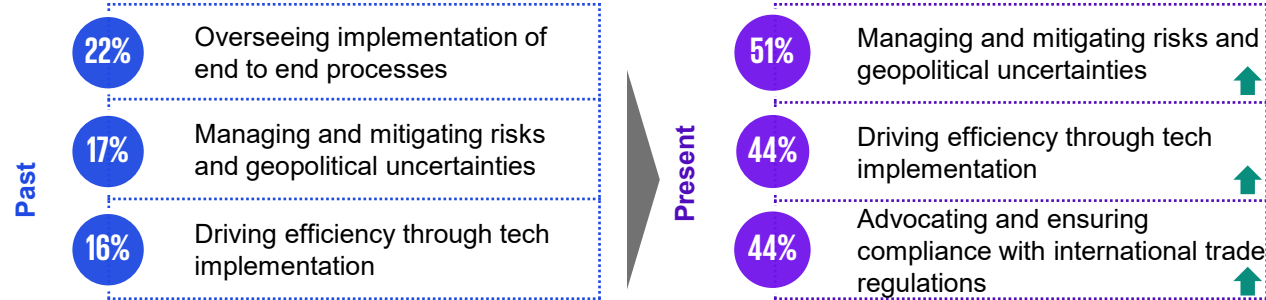
36%

» 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

Responsibilities of a supply chain leader and where transformation is leading

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



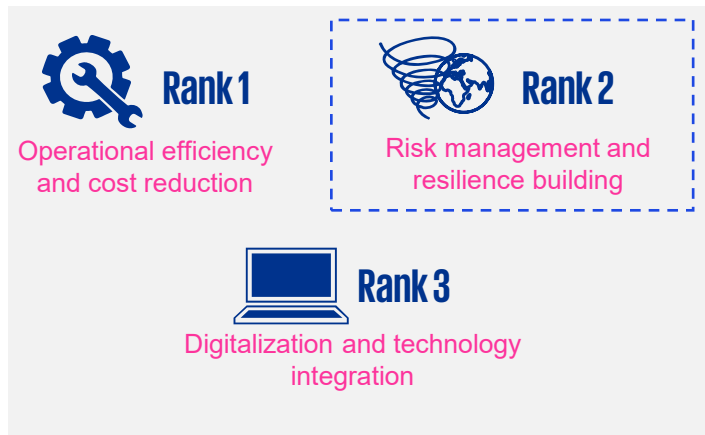
Discrepancy in % YoY due to question format; last year single select, this year select top 3.

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



Drivers of supply chain transformation



Investment plans in near future



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

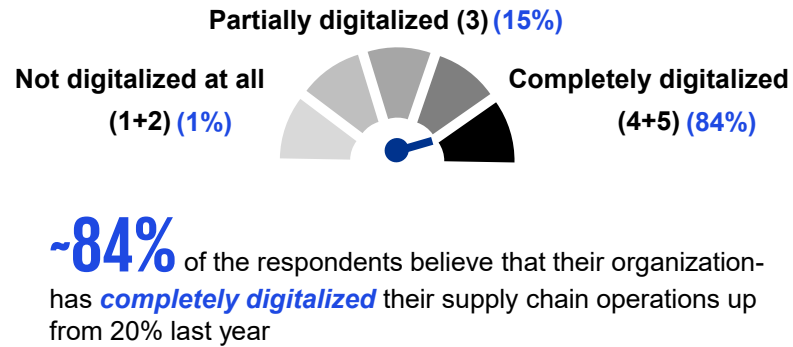
3% AI will not replace workforce at all

Traditional vs modern tech

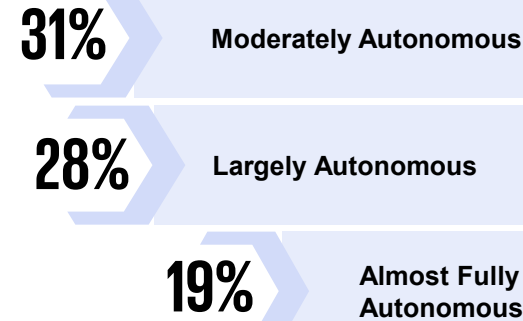
While still being a leading force for transformation, degree of digital adoption is ahead



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



After digital adoption, autonomy ambitions come next



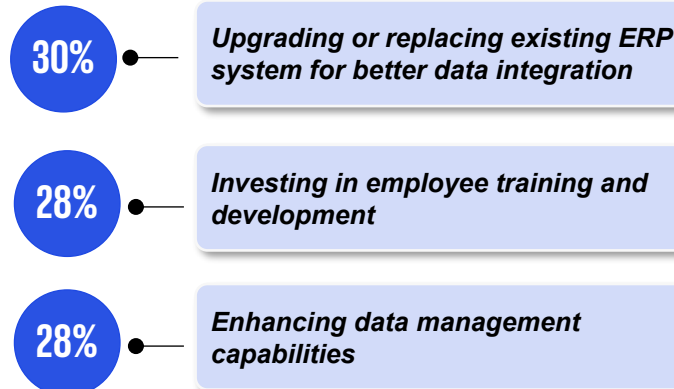
78% of respondents plan to be at or above a moderate level of autonomy by 2027, only 18% expect to be at or below some basic automation

Clients still struggle with Tech Implementation

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

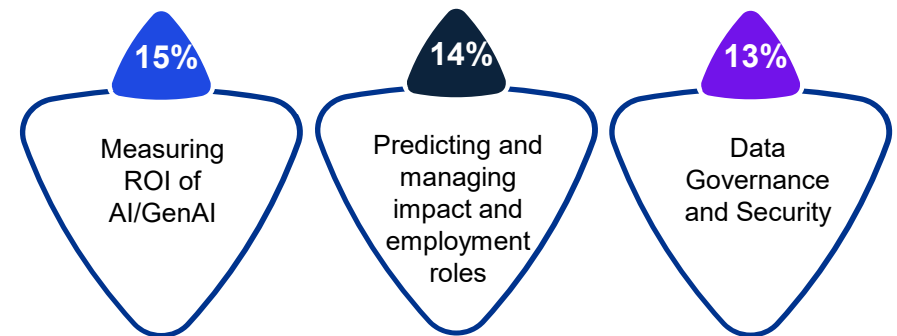


AI powers the next phase of development...



How companies plan to overcome AI/Gen AI deployment challenges

...yet many respondents still struggle to understand it



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

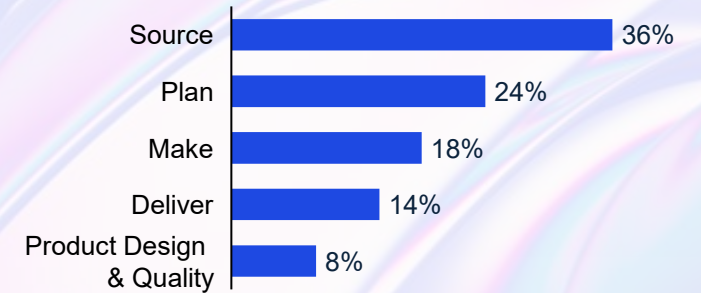
462 responses were evenly distributed among **9 sectors** including marquee sectors such as **Life Sciences, Consumer/Retail, IM (Industrial Manufacturing), and ENRC (Energy, Natural Resources, & Chemicals).**



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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