



# IDC Manufacturing Insights



## Progressing Supply Chain Resiliency

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## Executive Summary

Supply chain resiliency is critical in today's disruptive environment, companies have often found it difficult to detail the business case fully and justify its return on investment — and to build the necessary internal capabilities.

However, COVID-19 has revealed persistent "cracks" in the supply chain and presented organizations with a unique opportunity to transform their supply chain and be truly resilient.

1

Modern digital technology remains the top driver of change in the supply chain, reflecting both the potential for driving transformation and the lack of full clarity into true potential.

2

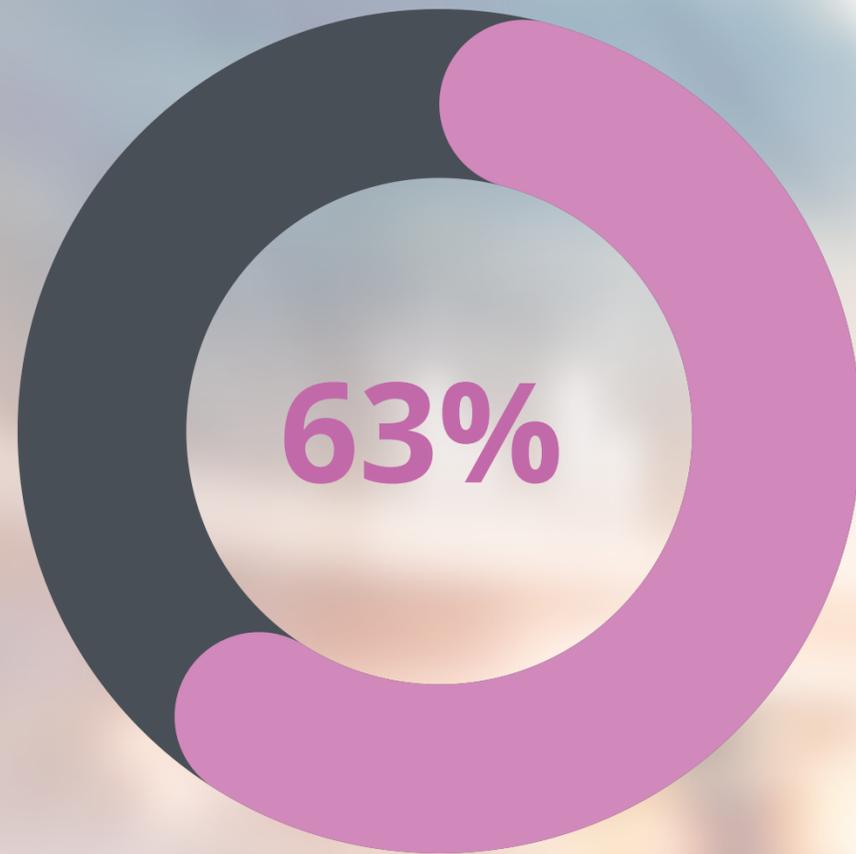
Critical gaps that MUST be resolved include supply chain resiliency and that the lack of digital competencies limits the ability to transition the supply chain to new business models

3

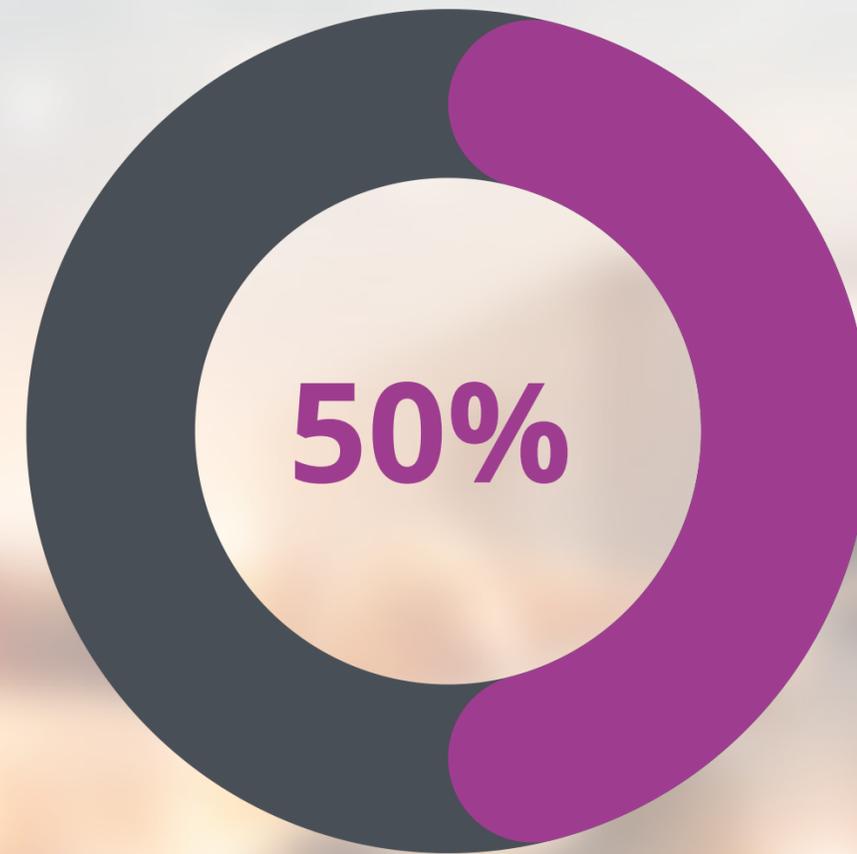
Supply chain transformation remains sluggish with more than half of companies still in the early stages of resiliency maturity

*'Progressing true supply chain resiliency, and investing in the technology transformation necessary for resiliency, is the top priority for our supply chain organization. Both to be more resilient to increasingly frequent disruptions, and better adapt to new business models as market forces dictate'*

**- VP Supply Chain Planning**



of organizations view a lack of resiliency  
to be a key supply chain gap



of organizations believe that a lack of  
digital competencies limits the ability to  
transition their supply chain to new  
business models

## Visibility + Intelligence + Agility = Resiliency

It is not enough to be able to see, you must also be able to quickly act. It is not enough to be able to quickly act, you must see where and how to act.

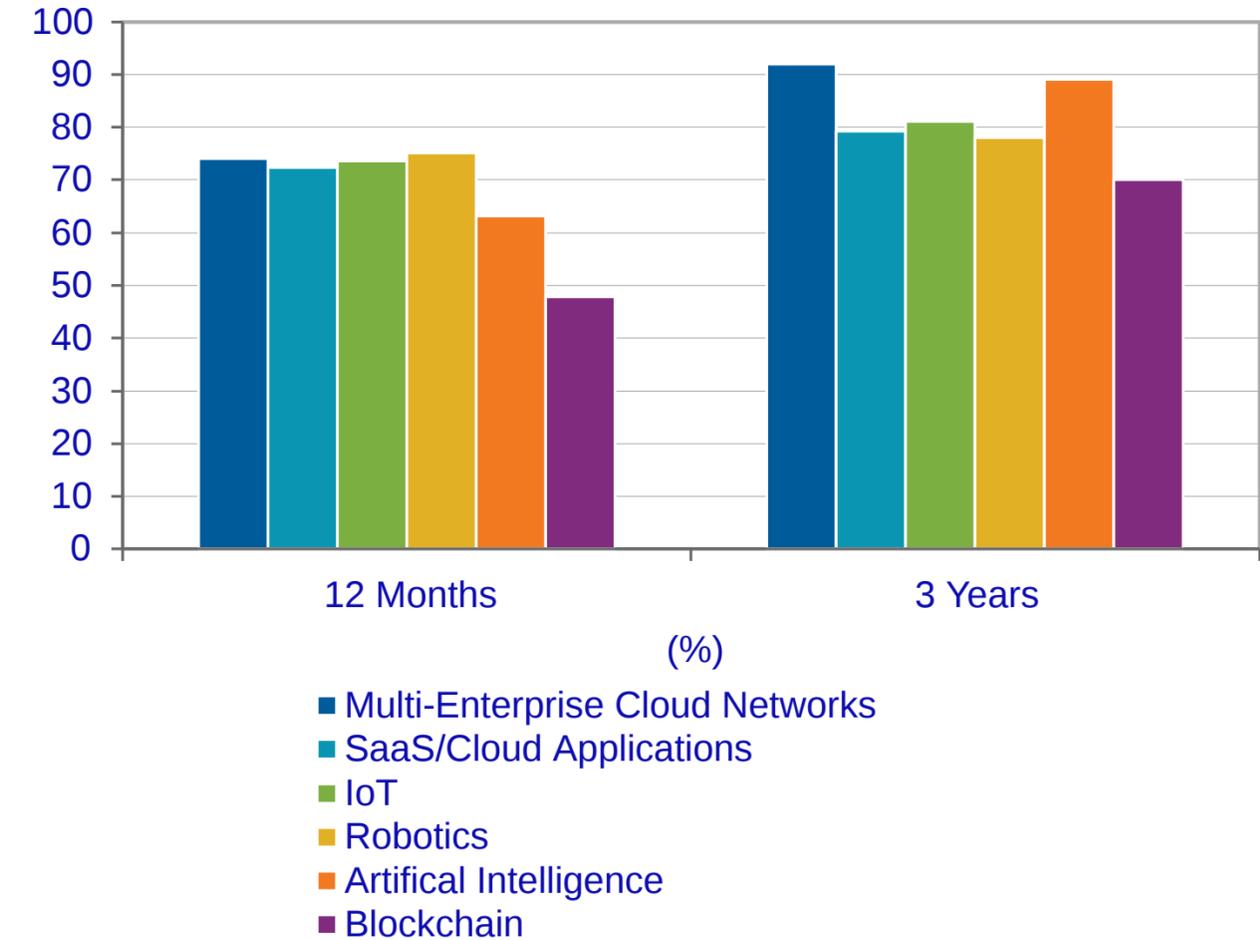
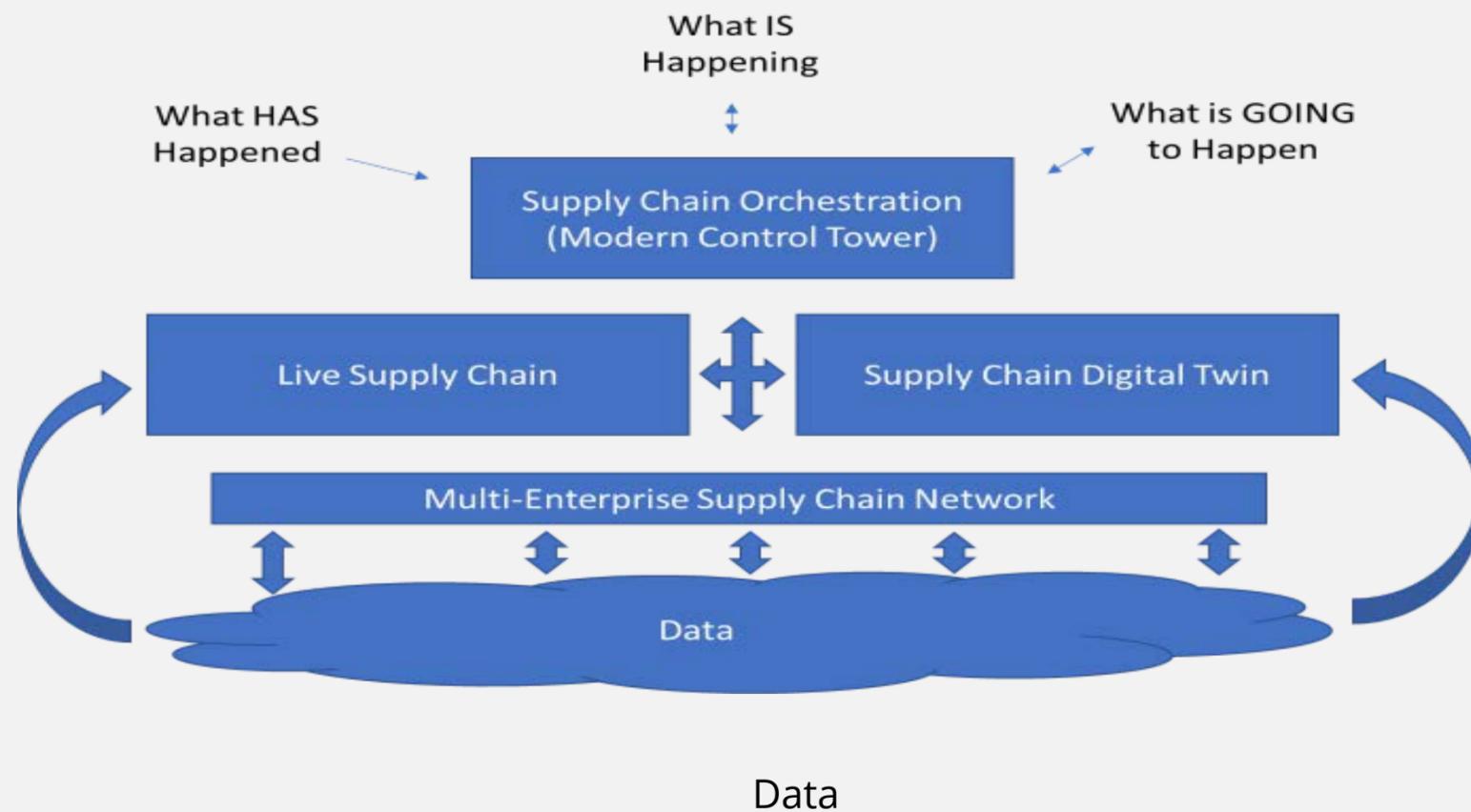
Supply Chains that are more resilient are:

- Using integrated, cloud-based applications - less reliant on spreadsheets
- Supply chain orchestration with control towers to take action quickly
- Collaborative across functions and organizations
- Leveraging digital technologies like A.I. and advanced analytics
- Comprehensive visibility into supply (and to a lesser degree) demand risks
- Have predefined crisis-management resources



## Enabled by Technology

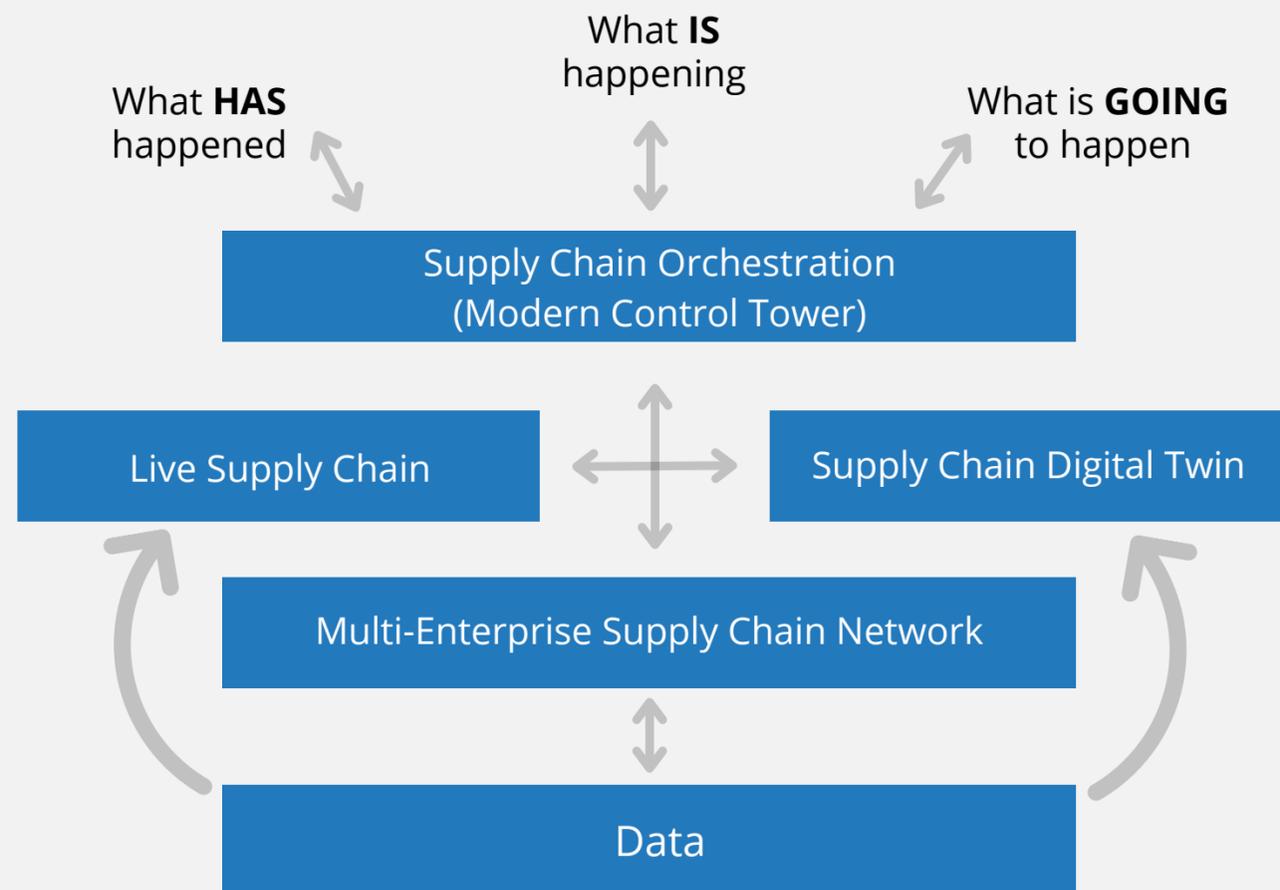
- Cloud delivery/SaaS Applications
- Control tower/digital twin intersection
- Scalable data and analytics capabilities .... that inform real-time decision making
- Artificial Intelligence and Machine Learning
- Ecosystems and Multi-Enterprise Networks



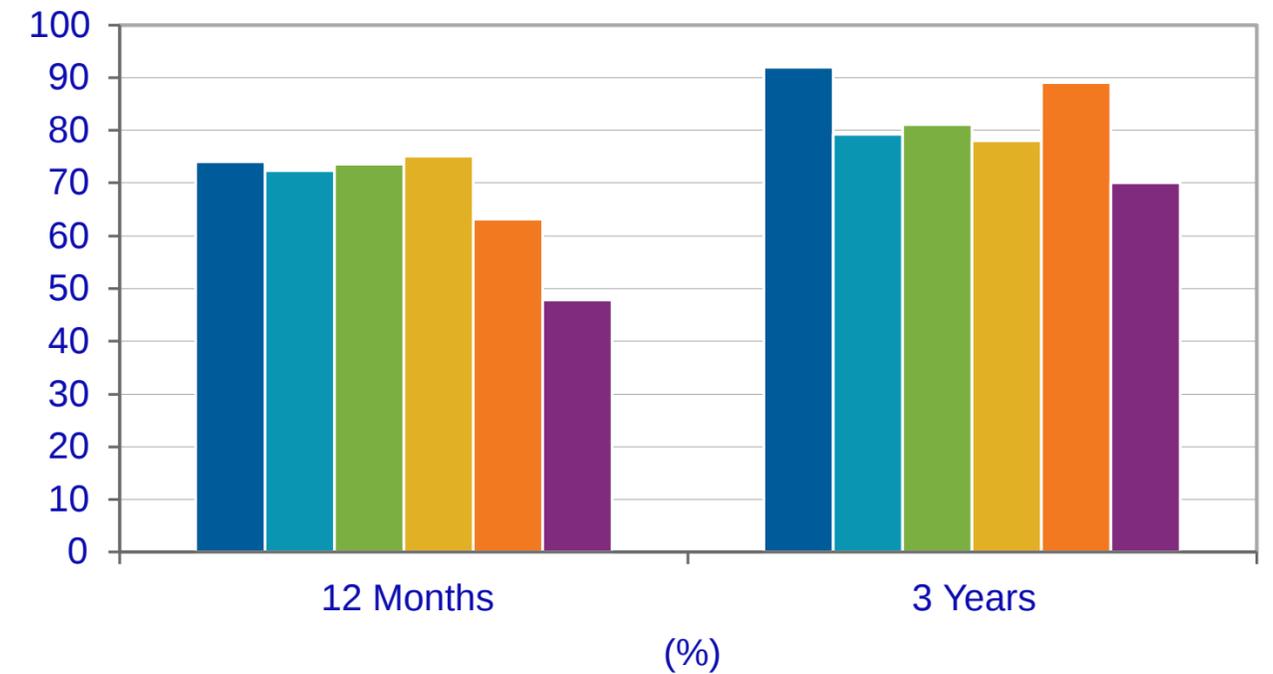
*What technologies are/will be important to your supply chain?*

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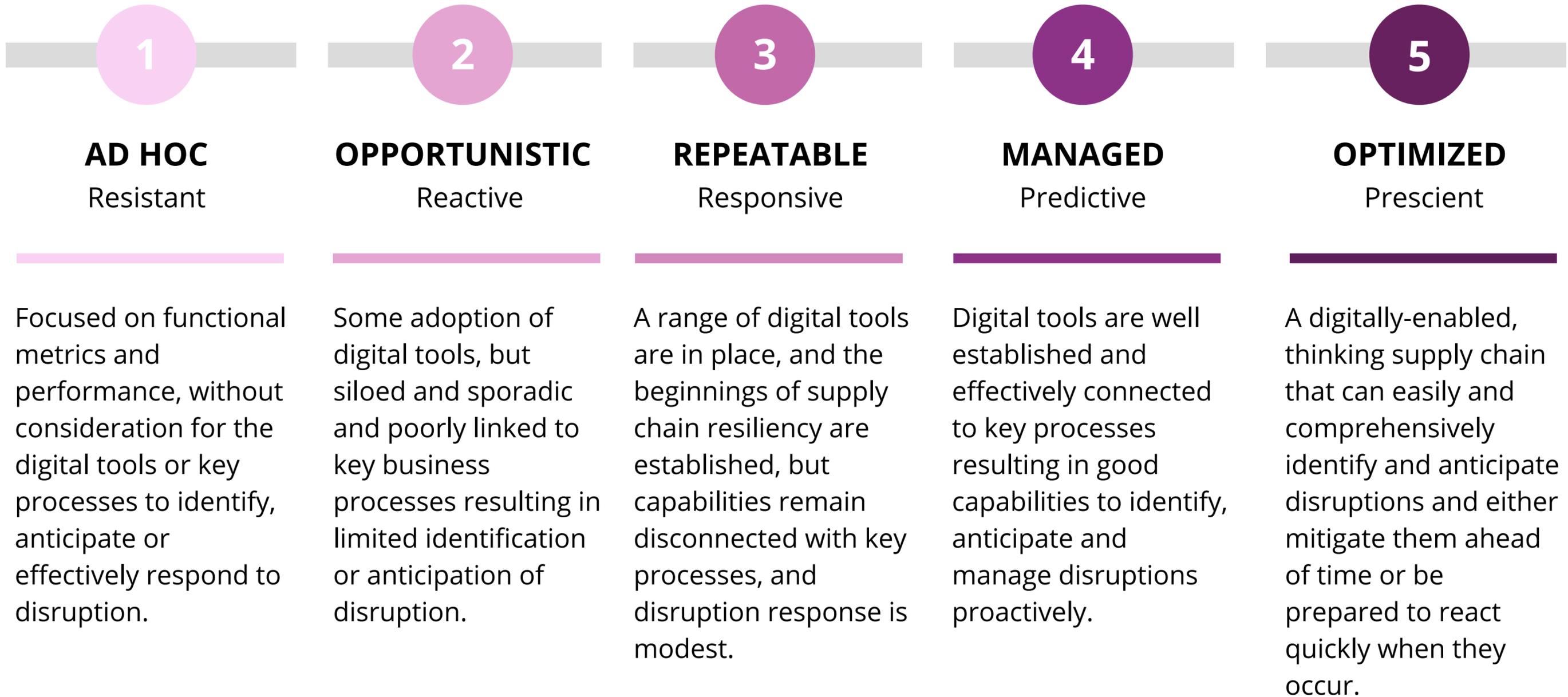


## What technologies are/will be important to your supply chain?



- Multi-Enterprise Cloud Networks
- SaaS / Cloud Applications
- IoT
- Robotics
- Artificial Intelligence
- Blockchain

## Supply Chain Resiliency Maturity Stages



## Key Steps for Resiliency

- Visibility/risk assessment. The vulnerability of the supply chain to both internal and external disruptions and the ability to see them as they develop in real time
- Intelligence/data analysis. The ability to quickly turn massive amounts of visibility and operational data into focused, actionable insights
- Agility/disruption mitigation/response planning. Readiness assessment and the operational capability to effectively manage disruptions and communicate status
- Agility/disruption response execution. The actual response performance of both mitigation and responsiveness



Advanced supply chain resiliency allows business to shape the market as a leader, easily take advantage of new market opportunities, and gain market share. Digital disruptions, and time to response, are a competitive advantage because businesses will either already have taken the appropriate steps in anticipation of a disruption, or they will be organizationally poised to move quickly should an unanticipated event occur. At this stage, the supply chain is a clear and sustainable competitive advantage.

The majority of end-user companies share the responsibility for supply chain resiliency across multiple functions and business processes. It is this very fragmented nature that results in so many businesses having a less mature and effective approach to resiliency (as we show throughout this document). The end result is that most companies do not have a mature level of supply chain resiliency and thus are vulnerable to any number of potential disruptions.





## A Resilient Supply Chain Future

- 1 Data through analytics to action
- 2 Resilient to both internal and external disruptions
- 3 Collaborative at scale
- 4 Predictive/prescient where possible
- 5 Fast where not possible

Supply chain resiliency has emerged as a top, perhaps the top, goal for the supply chain post-pandemic. It is now crucial for executive leadership and IT and supply chain managers to assess their digital supply chain resiliency and define a path for improving business performance in the face of increasingly frequent supply chain disruptions.

It's clear that a resilient supply chain that can change and adapt to new business conditions will allow a business to outcompete one with a rigid, brittle supply chain. In a calm, predictable environment, resiliency may well be a "cost" that cannot be borne; but in a chaotic, unpredictable environment, it may be the benefit you cannot pass up.



To learn more about supply chain resiliency and creating a path toward achieving a leading-class supply chain, read the IDC report, [\*IDC MaturityScope: Digital Supply Chain Resiliency 1.0\*](#).

To understand more about IDC Manufacturing Insights' coverage of supply chain strategies, [click here](#).

