

# Supply Chain Executive Survey

May 2024



# Our research leads to five key takeaways from supply chain executives...

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## Emphasize A Customer Centric Supply Chain

- While 82% of respondents rate prioritizing the customer as a top strategic priority, only 11% have service as one of their top 2 most tracked KPIs
- Companies report a significant gap between the importance and their effectiveness in prioritizing the customer

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## Strengthen S&OP to Drive Progress Towards Alignment

- 45% of executives indicated that integrated business planning and S&OP are going to be their top functional priorities in the next 24 months
- 44% of organizations express an opportunity for greater alignment between supply chain and the entire organization

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## Make Full Use of Tech Investments

- ~60% say their organization is not fully leveraging the most advanced, currently available technologies. 69% of their technology investment hasn't fully delivered the expected results<sup>1</sup>.
- 80%+ of executives expect ongoing or upcoming investment in new technology (ERP system, AI/ML, etc.) in the next 3 years

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## Increase Emphasis on Organizational Alignment

- Internal alignment is the 2<sup>nd</sup> most concerning challenge for supply chain leaders in 2024, selected by 26% of respondents
- Misalignment can lead to more difficulties in realizing strategic objectives, increase conflicts, and create confusion

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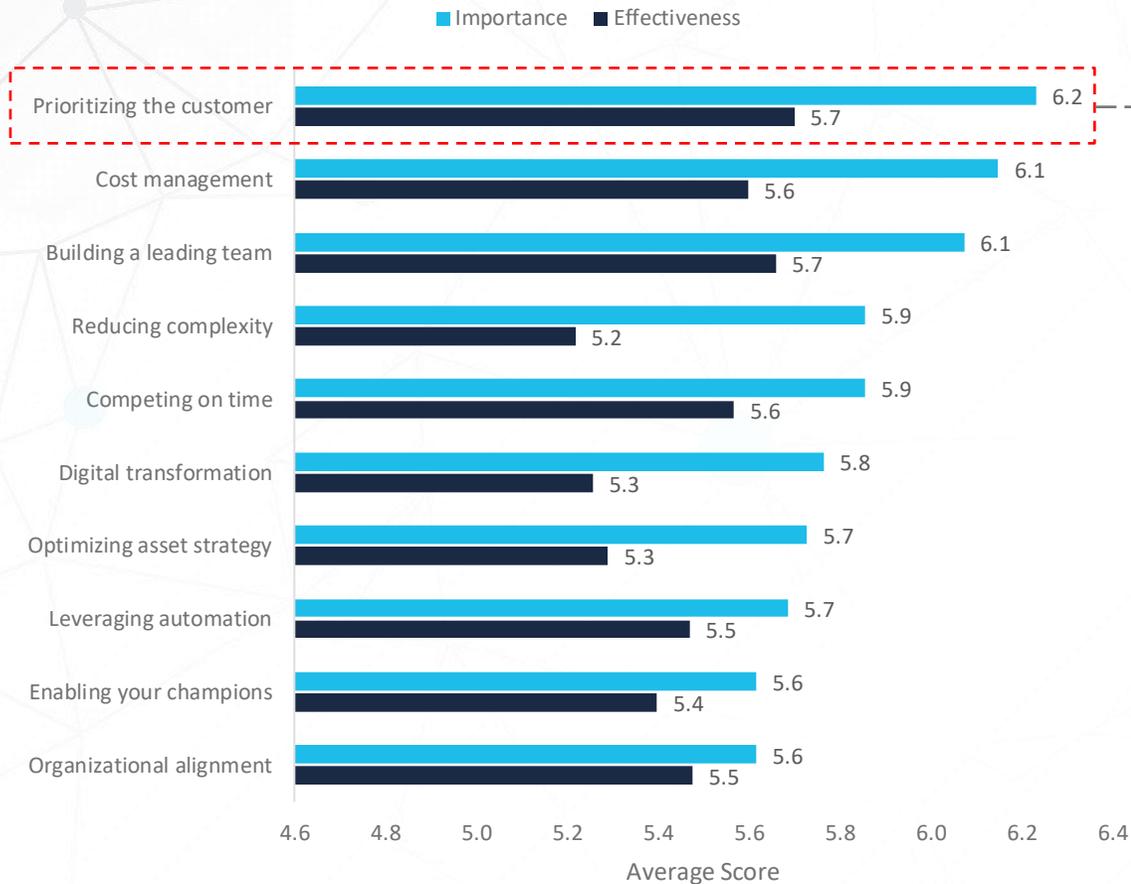
## Keep Cost Under Control Through Continuous Improvement Projects

- 81% of respondents identified cost management as a highly important to their supply chain strategy
- 98% of executives indicate that their company is undergoing continuous improvement programs, and target the programs to reduce costs by 4% on average

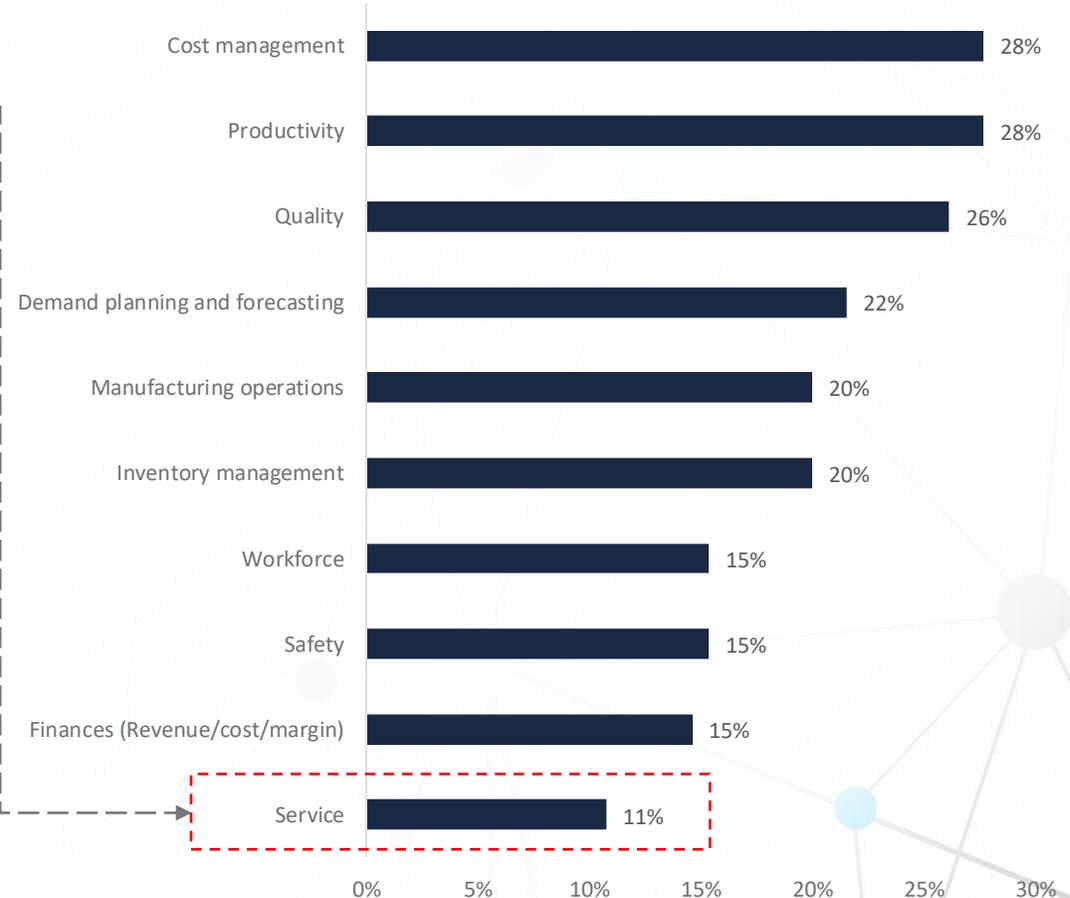
# Key Survey Findings

# Despite rating “Prioritizing the customer” as the most important strategic area, service is the least tracked KPI/Metric by supply chain leaders

**Supply Chain Strategy: Importance vs. Effectiveness**



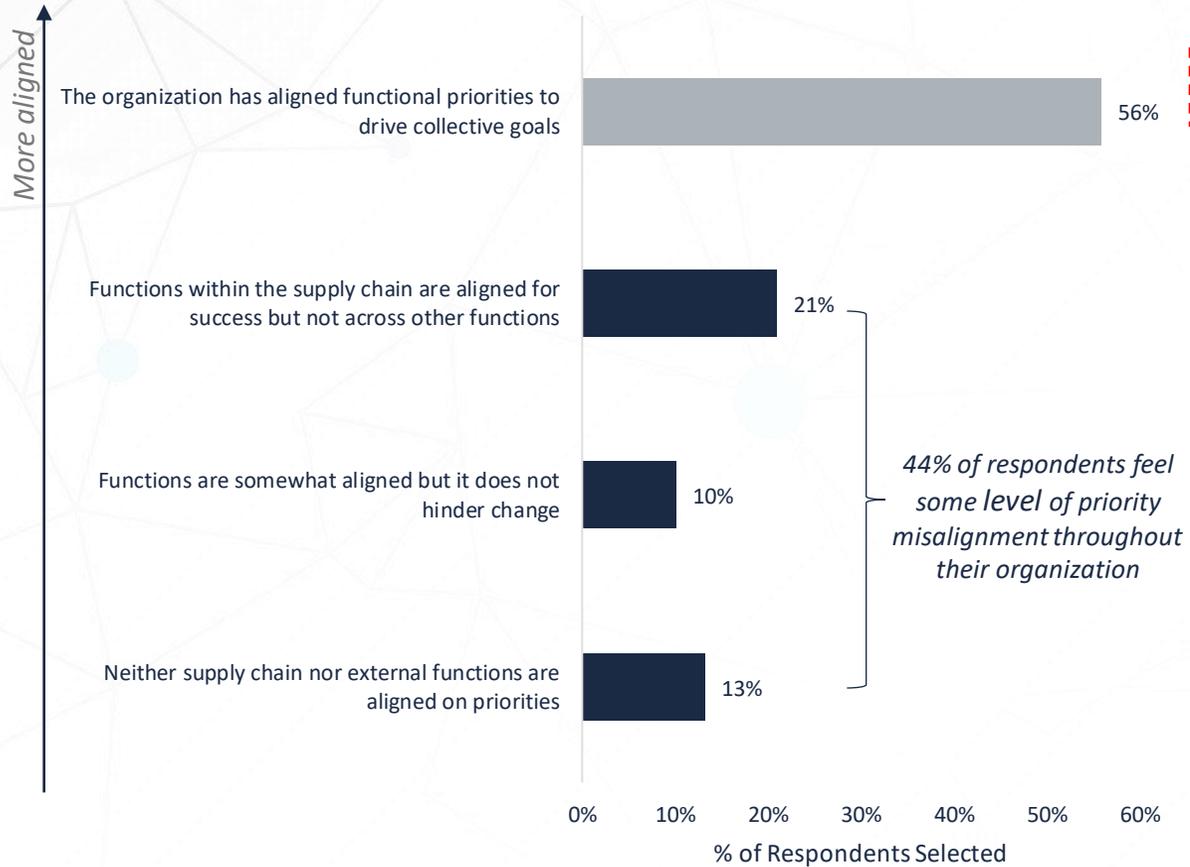
**Most Tracked KPIs/Metrics**  
[Respondents select their top 2 most tracked KPIs]



**Respondents believe that relative to its importance, their organization is ineffective at prioritizing their customer. Despite this, only 11% cite service as one of their two most tracked KPIs**

# 44% of organizations experience some form of misalignment between supply chain and their organization, making S&OP and IBP a top functional priority

## Alignment of priorities between supply chain function and key constituents



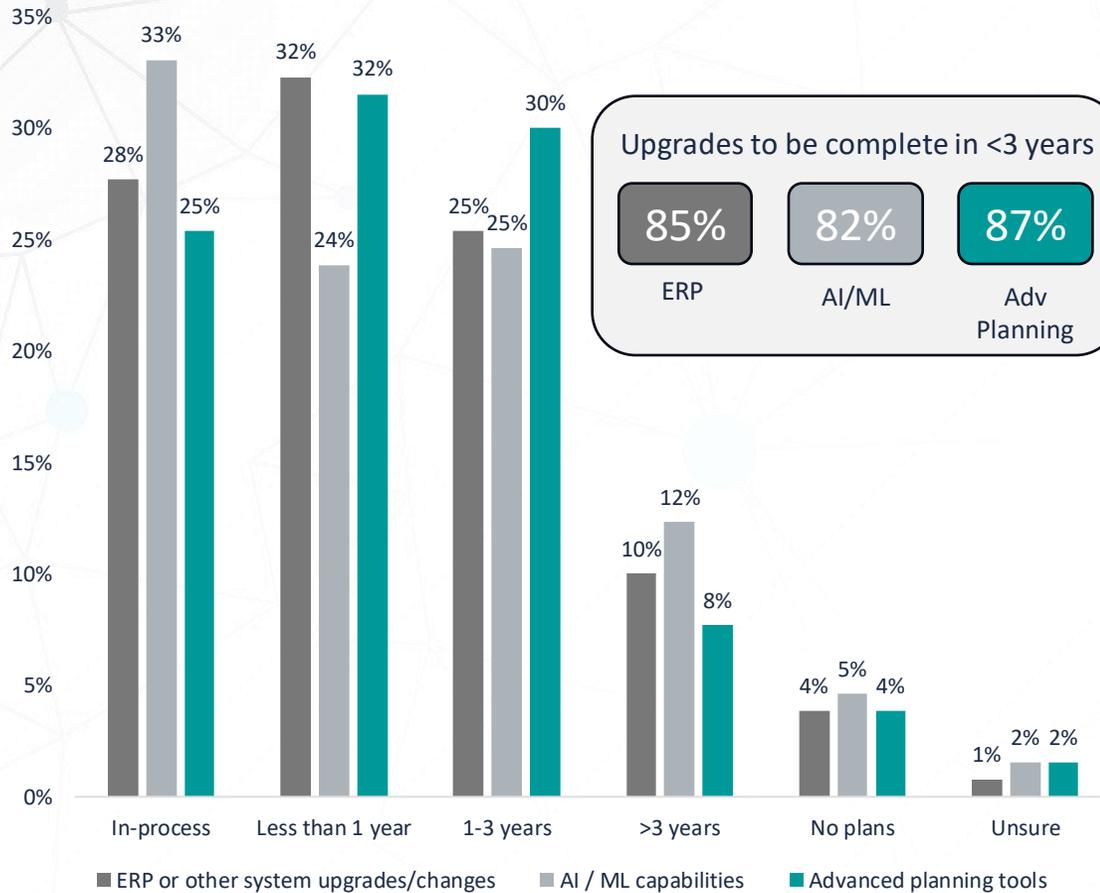
## What are your top functional priorities over next 24 months?

[Respondents select 3]

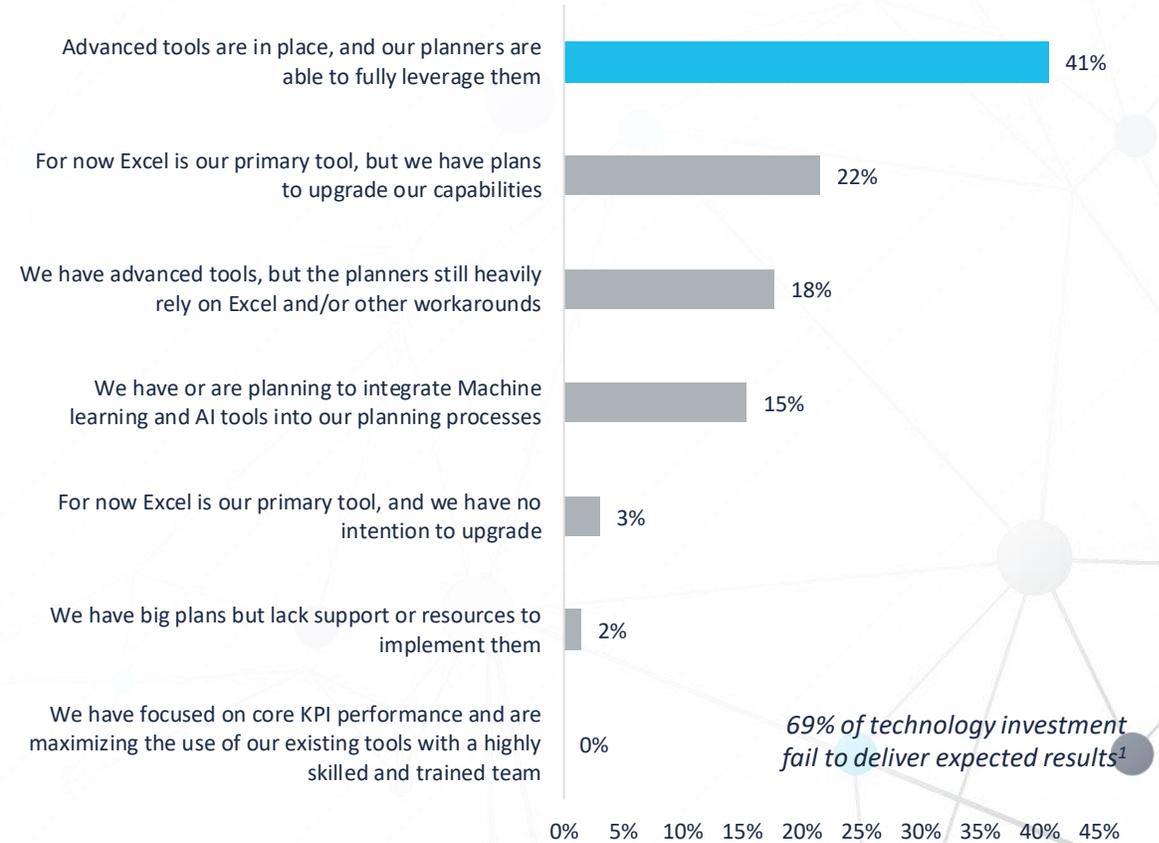


# Majority of respondents have planned or ongoing investment in supply chain technologies but only 40% are able to fully leverage them

Current Timeline for Each Investment Area



Within Supply and Demand Planning functions, which of the following statements best applies to your company?

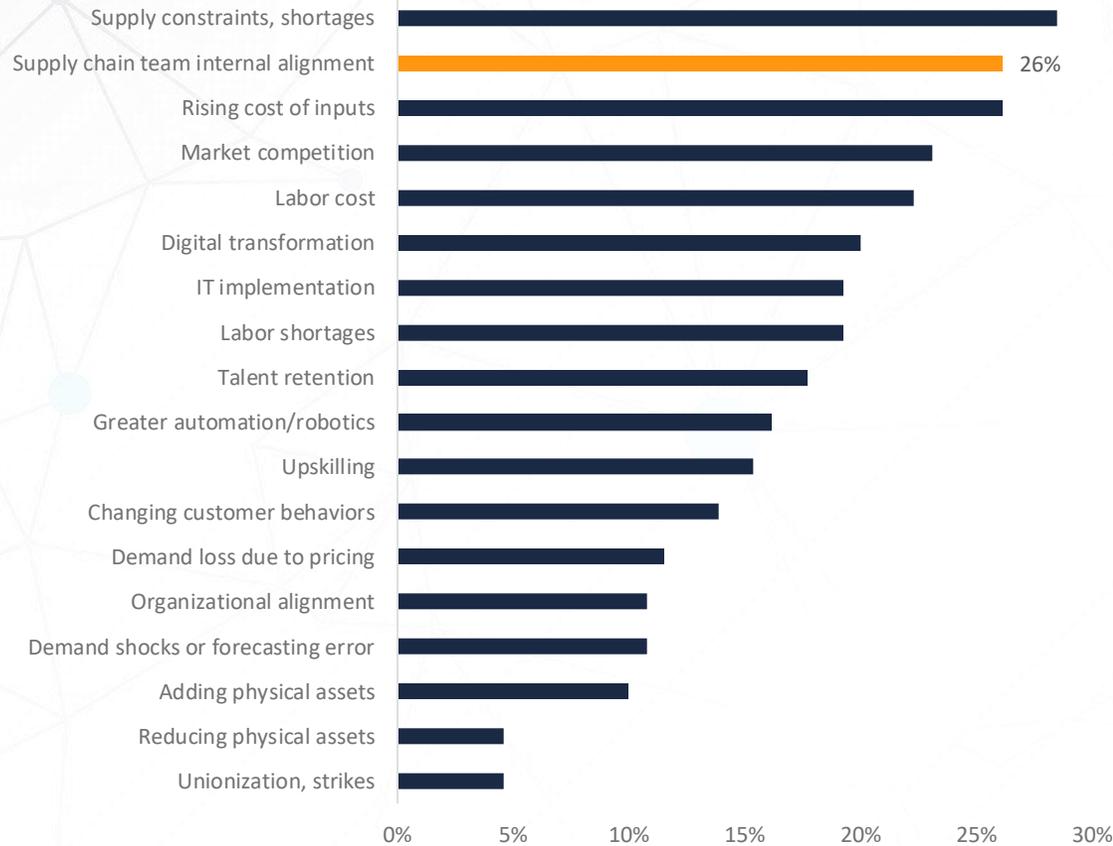


**Supply chain leaders need to leverage structure, planning, and training to fully utilize current and upgraded ERP systems**

# Alignment within supply chain teams is cited as the second largest challenge in 2024, driving difficulty in achieving strategic objectives

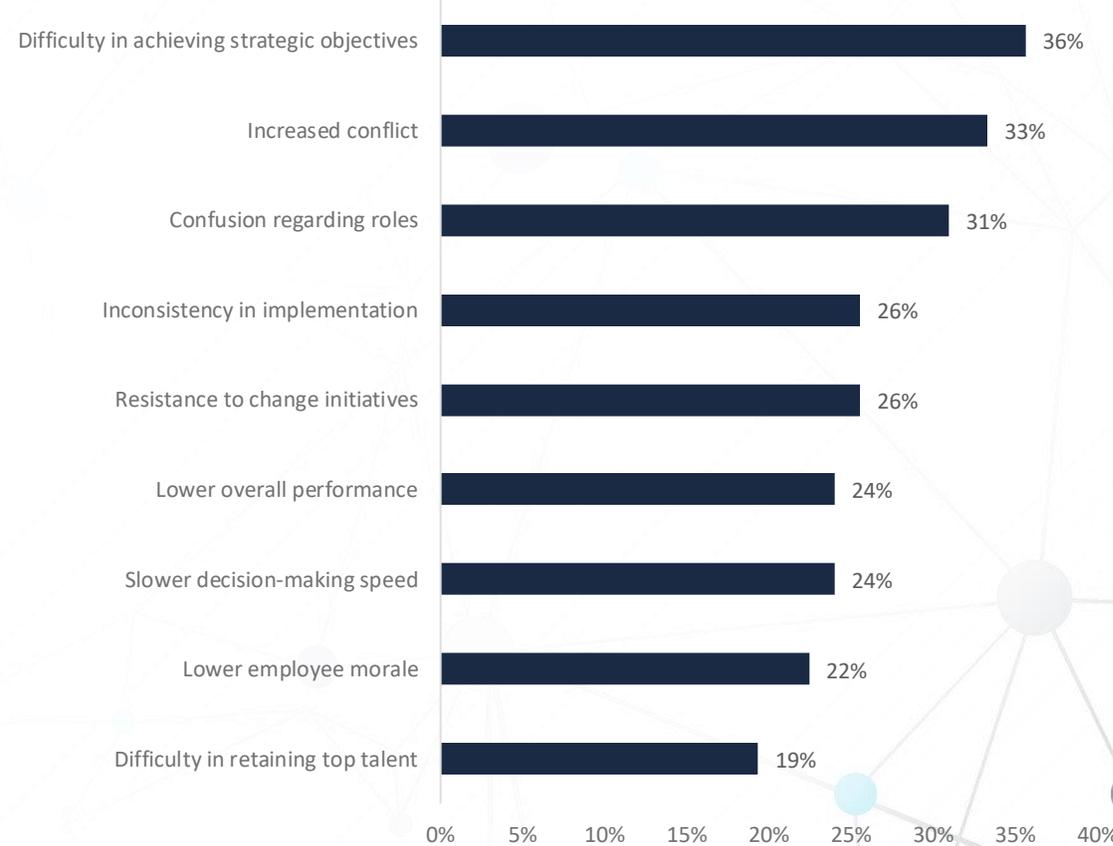
## Biggest Challenge in 2024

[Select 3]



## How does misalignment manifest?

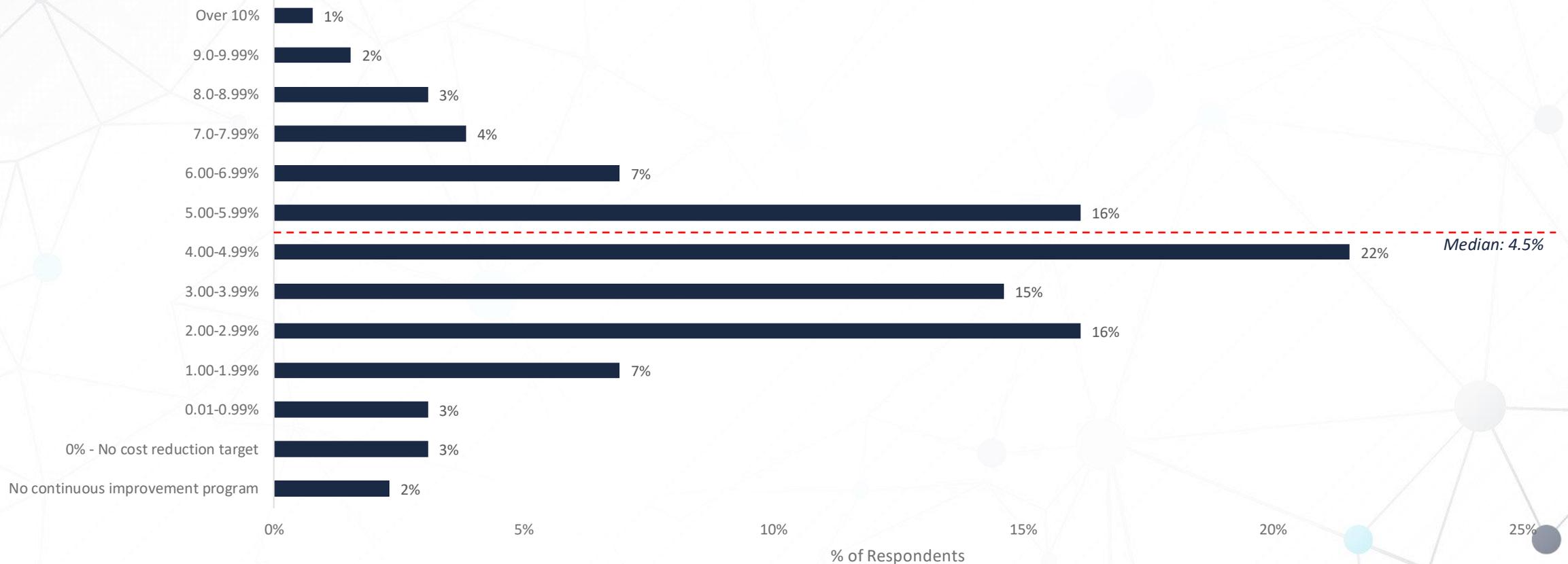
[Select up to 3]



Beyond posing challenges in service, planning, and leveraging investment, misalignment hinders achievement of strategic targets and increases organizational conflict, impeding change and value creation

# 98% of executives have continuous improvement process in place to reduce costs, but the targeted impact of these programs varies

What percent of cost savings do you target annually as part of your continuous improvement program?



Executives who frequently track their cost management KPIs expect programs to reduce cost by 0.5% more than those who do not

# Pursuing Success

# Success is driven by prioritizing the customer, commercial and supply chain alignment, and maximizing tech investments. Leaders will...

## Emphasize Service



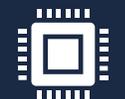
Supply chain has moved towards a balanced set of metrics between service, cost, and quality. Ensure customer-centric supply chain by adjusting KPIs to track and pursue customer service

## Elevate Processes



S&OP is an integral piece of an aligned organization. Leaders should elevate S&OP processes, driving cross-functional planning to and ensuring the commercial and supply chain teams 'row together'

## Utilize Technology



As new technology, capabilities and strategies are implemented, ensuring full utilization and value capture is key. Human elements like communication, training, and incentives will drive successful adoption

## Align Organization



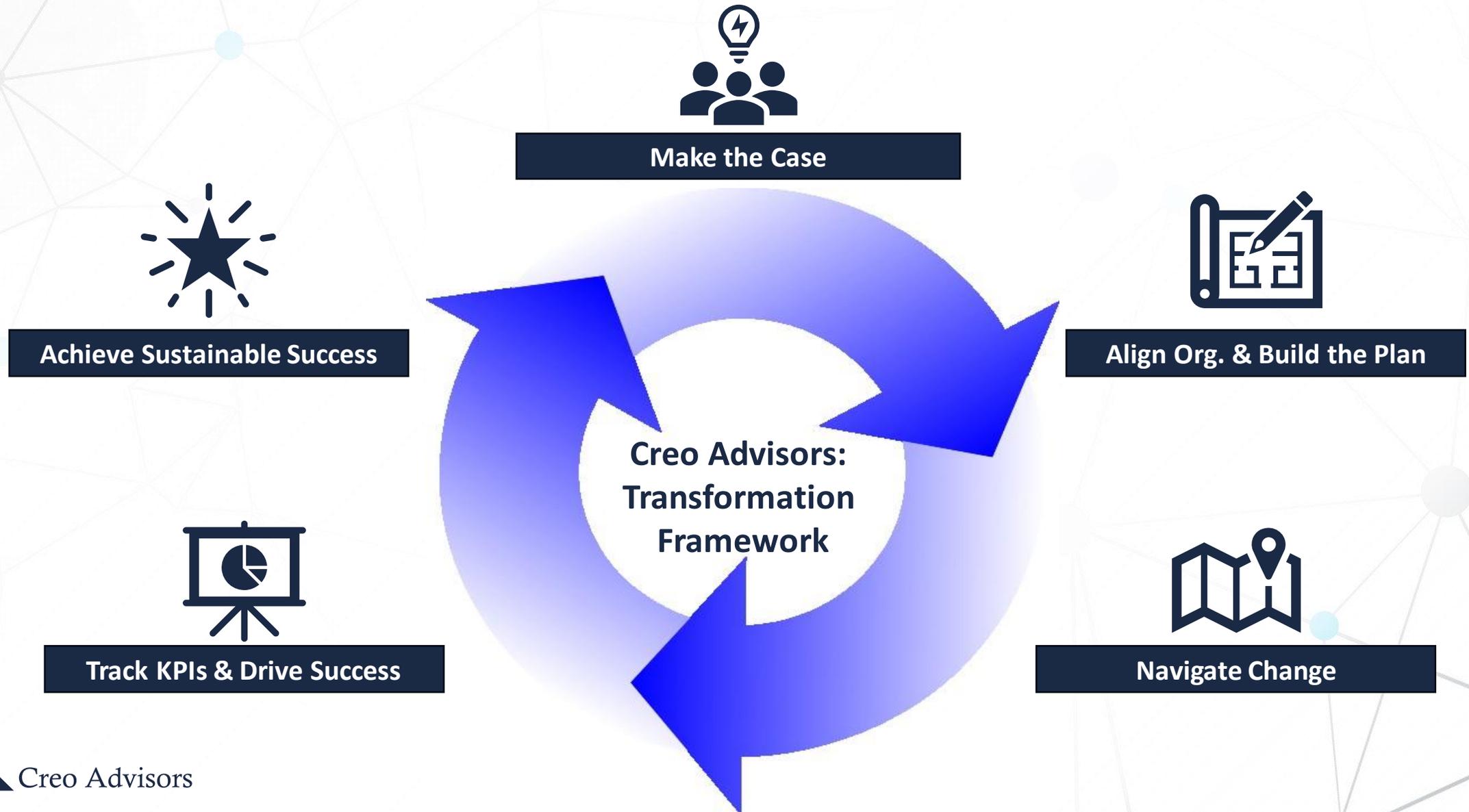
An influx of technologies and the growth of hybrid work have made organizational alignment harder to achieve in recent years. Successful leaders will make a conscious effort to build alignment around their priorities and demonstrate how current/planned actions will enable long-term goals

## Manage Cost



Balance cost management initiatives – identify and realize efficiencies while maintaining human capital and capacity needed to successfully execute changes

# We have a proven approach to transform supply chain teams into aligned, high performing, customer centric organizations





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