

Five Changes Predicted for the Global Supply Chain

The global supply chain has endured extreme change in the wake of COVID-19. A recent report from Gartner shows five changes supply chain leaders may employ to adapt to the highly volatile economy.

Supply Chain Digitalization. The era of digitalization is continuously evolving and the shutdown helped accelerate this process. According to Gartner, only 1% of supply chain leaders expect to have a digital ecosystem today; however, they expect that number to increase to 23% by 2025.

Globalization and Offshoring. Gartner reports that 46% of supply chain leaders are anticipating a decline in globalization over the next five years, and 61% expect a decline in offshore manufacturing during that time as well. These predictions also are consistent with the increase in trade limits that may hinder overseas business. Therefore, companies may look to invest in more localized sourcing for more sustained growth in the future.

New Business Models. Changes in the supply chain call for changes in business models. This remains true with many supply chain leaders as 79% believe that an internet- or platform-based approach is the most critical new business model to utilize during post-pandemic recovery.

E-commerce Shift. Due to lockdowns and COVID concerns, many consumers have shifted to online shopping. In the case of a struggling supply chain, leaders in the industry are attempting to balance cost control with an improved customer experience. To execute this, they look to develop personalized, purpose-driven products and services to be delivered anywhere, anytime and in any supply condition, according to Gartner. This may help supply chains collaborate with product package development teams to create more sustainable, channel-appropriate solutions.

Remote and Distributed Teams. It's no mystery why 98% of supply chain leaders expect working from home to increase over the next five years. Building remote teams has required managers to develop new skills and programs—all while maintaining a positive working environment for all members of the team.