



Solving a Supply Chain in Crisis



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SUPPLY CHAIN TECHNOLOGY STUDY 2021

PREPARING FOR THE SUPPLY CHAIN OF TOMORROW

By Joe Skorupa

STUDY HIGHLIGHTS

62%

Optimizing fulfillment
to improve margins
tops the list of
investment strategies
in 2021

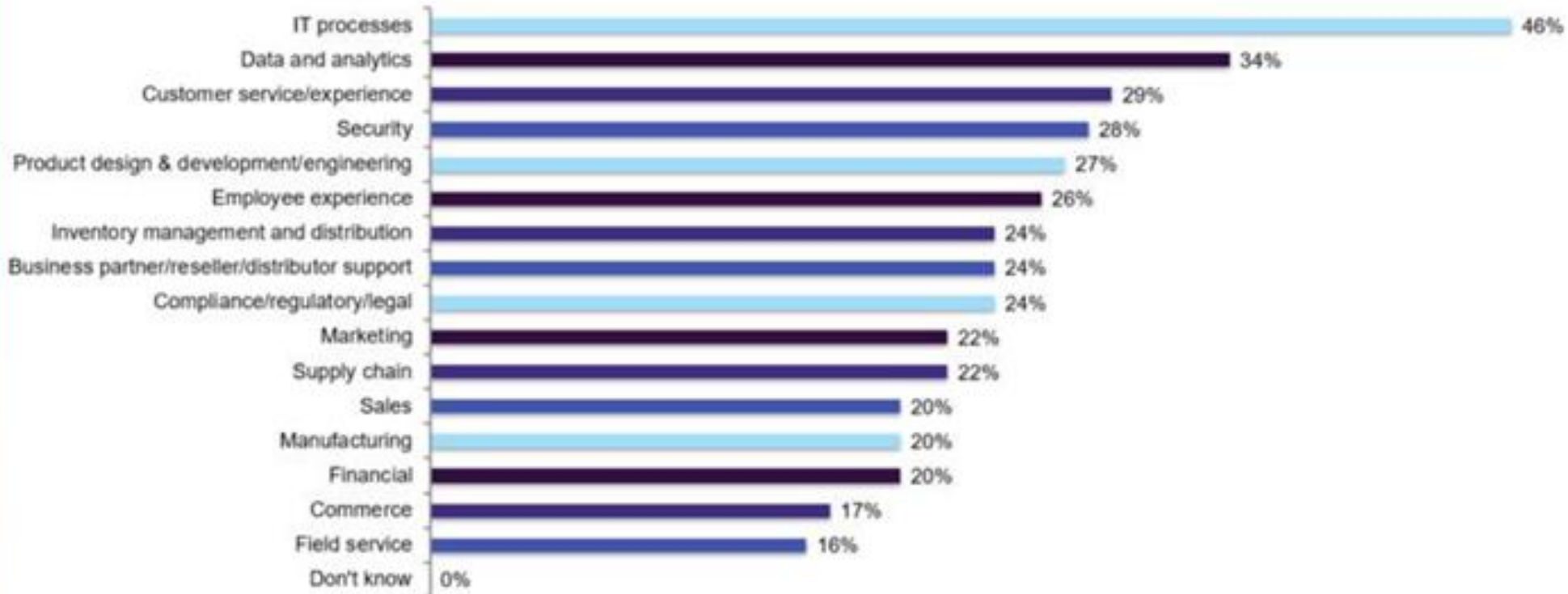
Top 3 Obstacles to Overcome That Impede Efficiency and Productivity



Which is/will be the focus of your organization's digital business transformation?

Source: Forrester Analytics Business Technographics Business And Technology Services Survey, 2021

Base: 2252 Services decision-makers who are involved in their organization's digital transformation efforts



Top Supply Chain Investment Strategies

2021

Optimize fulfillment to improve margins	62%
Expand local fulfillment/micro-fulfillment	57%
Improve responsiveness to demand fluctuations	57%
Maximize digital channel support	57%
Expand collaboration with supply chain partner	56%

2022

Diversify the supplier base	44%
Improve ability to leverage shopper behavior data	39%
Digital transformation	39%
Expand in-sourcing to become more self-sufficient	38%
Expand collaboration with supply chain partner	33%

EXTRACT

What are your firm's plans to adopt the following types of sales and fulfillment software? (Adopting vs. Not Adopting)

■ Not adopting (1,2)
 ■ Planning to adopt (3)
 ■ Adopting (4,5,6)
 ■ Don't know

Sales Enablement



Supply chain management (SCM) software



Sales Ops



Base: 2962 Software technology decision-makers or Business decision-makers whose firms are prioritizing software priorities around sales and fulfillment technologies
 Source: Business Technographics Software Survey, 2020

TOP 6 EMERGING SUPPLY CHAIN TECHNOLOGIES

Partnering with tech-driven delivery services

1.



2.

Micro-fulfillment centers

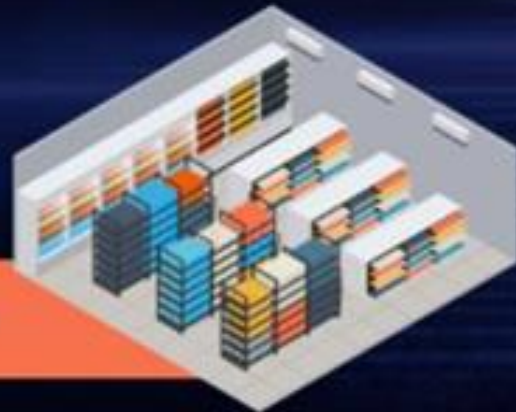


3.

Robots for picking and packing

4.

Dark stores



Robots/computer vision for shelf stock

5.



6.

Drone or self-driving customer delivery

Top 5 Social, Political or Environment Challenges to Supply Chain Operations

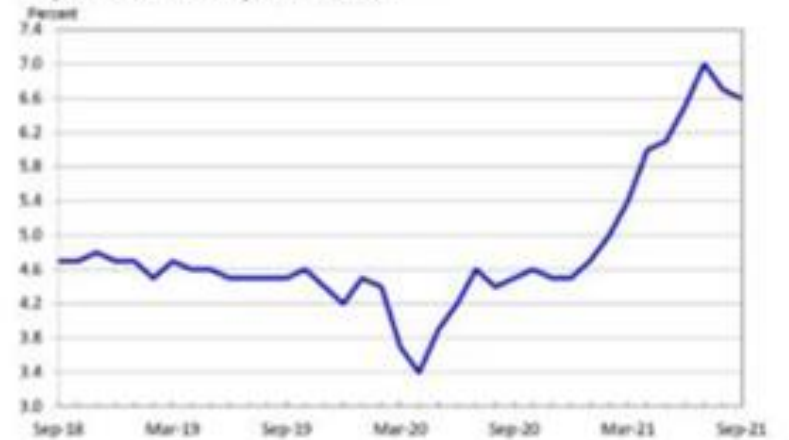


Labor Shortages



Source: <https://loveincorporated.blob.core.windows.net/contentimages/gallery/3ce49612-917c-42ec-920d-099b71ac7408-labor-shortage-FREDERICJBROWN-Contributor-Gelty.jpg>

Chart 1. Job openings rate, seasonally adjusted, September 2018 - September 2021



Job Openings

Source: <https://www.bls.gov/news.release/pdf/jofa.pdf>

Top 10 Key Findings and Recommendations

1. Diversify the supplier base to expand options in times of disruption, a strategy that emerged as the best way to grow revenue or profits over the next two years.	2. Create real-time inventory visibility to overcome the obstacle of gaps and blind spots cited as the highest priority on a list of current supply change challenges.	3. Devote 30% of tech budgets to supply chain maintenance, improvements, and new technologies to keep pace with the average competitor in the retail landscape.	4. Invest in distributed order management or order orchestration and replenishment solutions to match the top technology investment areas in 2021.	5. Invest in RFID at the case or pallet level and AI/machine learning solutions to match the top technology investment areas in 2022.
6. Develop micro-fulfillment centers and partner with home delivery technology platforms to maintain a competitive edge in the area of emerging technologies.	7. Reduce the impact of inventory distortion by focusing on efficient replenishment of fast-moving products, rapid restocking of store shelves, and avoiding overages of slow-moving products.	8. Top fulfillment opportunities to increase sales and margins are to optimize processes for speed and efficiently ship products from the store to the consumer.	9. Focus on health and safety procedures for workers to resolve the top issue of social, political, or environmental concern among retailers in 2021.	10. Intelligently manage labor issues by focusing on employee retention, education and training, wages and benefits, and diversity of the workforce.



High business value	INVEST Delivery networks Demand signal repositories Integrated business planning (IBP) Intelligent order management Supplier risk management Supply chain risk, event, exception management Warehouse management	MAINTAIN 3PL/4PL services Source-to-contract suites Supply chain visibility and IoT Supply planning and collaboration
Low business value	EXPERIMENT Automated material handling Blockchain Warehouse execution systems (WES)	DIVEST Forecasting Multiechelon inventory planning Sales and operations planning Supply chain analytics Supply network optimization Transportation management systems (TMS)