

Exploring Top Supply Chain Trends at NASCES22



If you've traveled by plane lately, you've been able to fly the friendly skies thanks to the *six million parts* required to build your typical Boeing 747. Those parts are procured from 1000s of suppliers from 48 countries across the globe, representing a multi-tiered, highly sophisticated supply chain that may be disrupted at a moment's notice.

It comes as no surprise that challenges in the supply chain sector are top of mind at Boeing, as they are at every manufacturer in today's world. Raw materials shortages, the fuel crisis, labor shortages, pandemic-reduced production, geopolitical circumstances, digital disruption, evolving customer expectations, and unprecedented inflation: These are just a few of the obstacles that arise at every turn (or tier), and even laymen outside the supply chain are suddenly

catching onto the complex ways in which products are designed, built, and distributed.

Consider the Russo-Ukraine war. Prior to the Russian invasion, just 24% of supply chain leaders ranked geopolitical risk in the top 3 considerations of evaluating suppliers. Post-invasion, that number more than doubled to 56%.

COVID, without a doubt, made an even heavier dent on the consciences of supply chain leaders; 88% of decision makers now say that global supply chain visibility is more important than it was pre-pandemic.

These statistics and anecdotes were just a few that stood out at the [North American Supply Chain Executive Summit of 2022](#). This recent gathering of over 400 supply chain leaders was an outstanding opportunity to tap into the top minds in the industry to share key insights and experiences. Below we discuss some of the prominent trends in today's supply chain; namely, resiliency, technology, and next generation talent.

Resiliency in the Supply Chain

According to [Timothy White](#), Supply Chain Risk Management Industry Principal at Interos, most supply chain disruptions happen between the 2nd and 6th tier. Unsurprisingly, the lower the tier, the less visibility and awareness leaders have about what is happening in real time.

Operational resiliency is essentially the only way to overcome this shortcoming. Organizations must be able to manage risk strategically and proactively to “prevent, respond to, and recover quickly from disruptions that could impact its customers, brand reputation, or financial performance,” White says. This approach will also allow a company to identify and seize new business opportunities as they arise.

Boeing agrees. [Janene Collins](#), VP of Contracts, Sourcing and Category Management at Boeing, comments that sub-tier visibility and management is the number one supply chain strategy to employ. This is quickly followed by driving safety and stability, simplifying parts management, and increasing transparency and communication throughout the supply chain.

Chipotle's supply chain looks substantially different from that of Boeing, but they agree that we're living in a “VUCA” world—in other words, one differentiated by volatility, uncertainty, complexity, and ambiguity. [Carlos Londono](#), VP of Supply Chain at Chipotle, says that a resilient response requires focusing on people, embracing thoughtful change,

collaborating with like-minded partners, and managing risk more effectively.

The Future of Supply Chain Technology

If resiliency depends upon visibility, then it's critical to understand that visibility largely depends upon technology. Timothy White at Interos reports that just 19% of supply chain organizations have the technology in place to increase supply chain visibility.

There are few specific genres of technology that can drive resiliency. Cloud is one inexpensive and widely accepted option. AI and automation are others—inarguably higher value but also requiring more complex strategies to implement. An organization needs to evaluate value, cost, risk, impact, and competitive advantage in their decision to implement transformational supply chain technology.

[David Warrick](#), former Global Supply Chain & Supply Chain Technology Officer at Microsoft, spoke at NASCES22 about what it takes to transform the supply chain through digital disruption. In his view, the first step is streamlining and connecting the business by leveraging cloud technology. Second is using big data, machine learning, and IoT to graduate from reactive to predictive decision-making. And third is scaling the business through automated and algorithmic execution.

The use cases, Warrick says, vary far and wide. Consider transportation management, inventory management, transactional processes, and inventory security. Transforming all these areas would quickly result in a smarter (and more resilient) supply chain.

The Next Generation of Supply Chain Talent

The labor shortage is not a unique challenge to the supply chain sector, but it is one critical area that will determine how resilient your supply chain is. [Paul Gallagher](#), Chief Supply Chain Executive at General Mills, spoke extensively about how to respond to the labor shortage and what it looks like to nurture the next generation of supply chain talent.

It starts at the ground level. Investing in the employee experience in order to increase engagement and lower turnover is one of the most impactful ways to address this challenge. Corporate culture has not historically been a focus in the supply chain, and that must change. Creating a culture of belonging and inclusion is essential.

Subject matter experts from [Daugherty Business Solutions](#) and the [Global Supply Chain Institute](#) (GSCI) at the University of Tennessee presented on supply chain leadership—specifically, transformational leadership and what the supply chain leader of the future will look like.

These individuals must be highly tuned into the disruptive mega-trends in the industry and have an acute understanding of the recent period of unparalleled change. An “inspirational character” will serve them best; which is to say, they must be high-speed decision makers who are operational experts while also prioritizing lasting, trusting relationships through transparent communication. These are people with a thirst for learning, strong digital capabilities, and the courage to initiate bold change.

Notably, these leaders—and the supply chain as a whole—have historically functioned in the background, but are now moving to the forefront of the organization where they need to be nimble and responsive in the face of a complex, rapidly evolving landscape.

Finally, the next generation of supply chain talent is highly sensitive to DEI. Understanding the impact of a diverse workforce and leveraging opportunities like mentorship programs, cross-training, and career development will be an integral part of the supply chain culture moving forward.

Exploring Today's Supply Chain Trends

The supply chain organization is evolving fast. This year's NASCES event was a valuable opportunity to hear from top leaders in the sector and share experiences. It's clear that regardless of the changing trends, becoming a *resilient* supply chain is the only way to thrive. Technology and talent are just two ways, among many, to get there.

What trends are you experiencing in the supply chain?