

New survey highlights opportunities to future-proof supply chains

According to new research from Orange Business Services, supply chains in 40% of multinational corporations were unable to cope with the crisis created by the pandemic. The report, [Real-time Intelligence and the Future of Supply Chains](#) surveyed 320 enterprises, focusing on the manufacturing, transport and logistics sectors, across 18 countries between August and October 2020.



Image source: [Gallo/Getty](#)

The survey, carried out for by independent research group Longitude, a Financial Times company, revealed how the global Covid-19 crisis has dramatically changed attitudes to industry risks.

Eighty-three percent of respondents said they are more aware of supply chain risks, such as raw material shortages, manufacturing shutdowns, or transport blockages than twelve months ago.

The pandemic has woken them up and made them realise they need more speed, agility and innovation to cope with change. Building resilience and sustainability into supply chains through digitalisation and real-time data insights is a priority for transformation strategies and essential to the survival of many companies.

Reinforcing the supply chain

Nearly eight in 10 say they have accelerated their digital supply chain strategies. In addition, almost 50% of companies surveyed said they are now looking at overhauling risk procurement and risk management strategies within the next two years.

Automation is also set to increase in prominence to handle rapidly changing demand levels. Currently, 42% of enterprises surveyed say they are using automation to manage risks, and this will double over the next two years.

Two out of five respondents to the survey said their supply chain could not cope at the height of the crisis. Technological enablers, including artificial intelligence (AI), cloud, 5G and big data analytics will now play important roles in strengthening supply chains through enhanced planning and execution.

Collecting and sharing real-time data will improve efficiencies and visibility across the entire supply chain while supporting relationships between suppliers and manufacturers for smart decision making.

"The global health emergency has made organisations accept the fragility of their ecosystems. Critical gaps must be plugged to ensure end-to-end visibility on a global scale and minimise the risk to the business. Digital technologies and capabilities are key in allowing enterprises and their partners to reimagine their supply chain securely," said Kristof Symons, executive vice president, International, Orange Business Services.

"Digitalisation and data collection will also be primary enablers to become more sustainable and save costs as well as the planet," added Symons.

Reenergising sustainability programmes

Although the crisis has pushed sustainability down the corporate agenda, the survey still had 59% of respondents saying that not running an ethical and sustainable business was a significant business risk affecting their bottom line. Smart factories can realise a 30% saving in energy costs, for example.

Moving forward, 85% of respondents said their business is investing to become more sustainable. This includes new data collection technologies to give better insight into sustainability metrics and managing and controlling factors such as energy usage.

"The pandemic will stop, somehow. But climate change, sustainability – those trends and risks are here for the next few decades," explains Erwin Verstraelen, CDO and CIO at the Port of Antwerp. "For example, The European Green Deal is going to put more pressure on all stakeholders to identify the origins of emissions and minimise their environmental footprint. The supply chain is an important element of that."

If actions by organisations follow their ambition, digitally-driven sustainability management programs will become near-universal within two years.

For more, visit: <https://www.bizcommunity.com>