

04/20/2023



WELCOME

2023 AAPN Regional Meeting • New York

hosted by  CGS[®]

A background image showing a person's hands holding a smartphone to scan a QR code on a brown paper tag. The tag has text and a recycling symbol. The scene is set against a blurred background of a person's torso and arms.

2023: SUPPLY CHAIN TRENDS & TECHNOLOGY REPORT

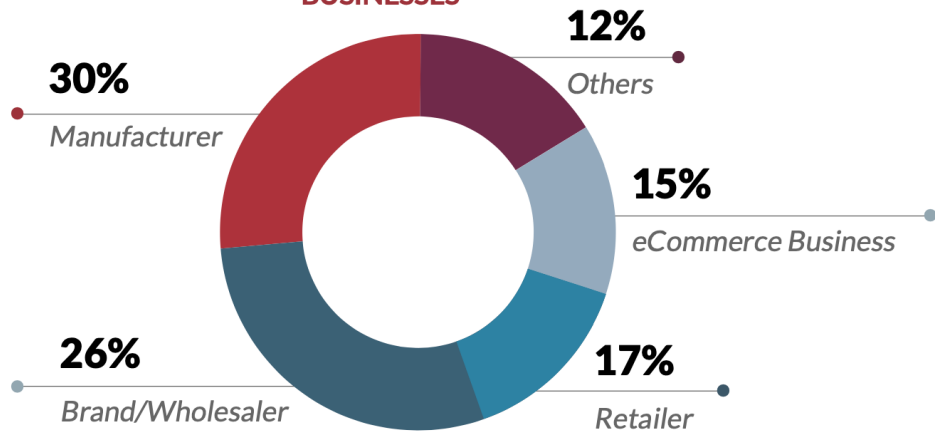
REALIZING YOUR BEST SUPPLY CHAIN
RETHINK. REMAP. RETOOL.

ABOUT THE SURVEY

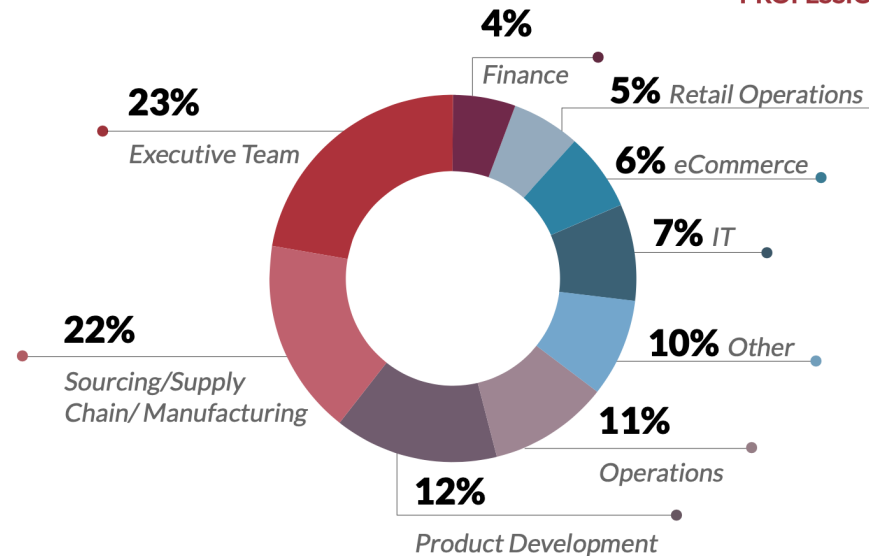
The CGS 2023 Supply Chain Trends and Technology Report highlights results of a market research survey conducted by CGS during November and December 2022. Approximately 350 industry professionals participated. The following graphics show the demographics of our survey sample population.

≈ 100 professionals from AAPN's network participated in this survey

SURVEY RESPONDENTS' BUSINESSES



SURVEY RESPONDENTS' PROFESSIONAL DEPARTMENTS



2023: RETHINK. REMAP. RETOOL

1 VISIBILITY

3 COMPETITIVENESS

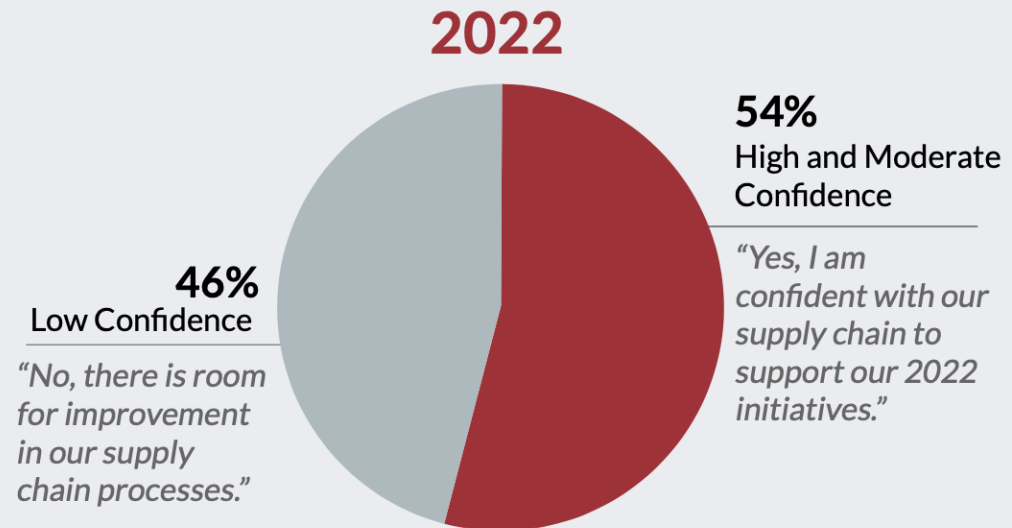
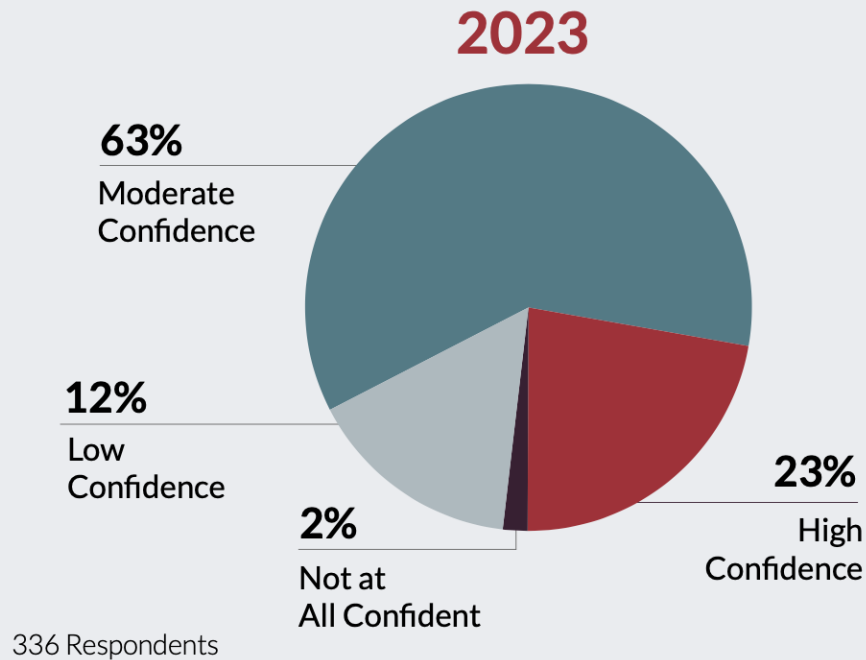
2 AUTOMATION

4 CYBERSECURITY

BENCHMARKS

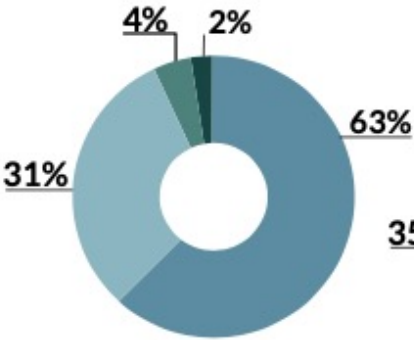
SUPPLY CHAIN CONFIDENCE

Rate your level of confidence in your end-to-end supply chain to support your 2023 business growth initiatives

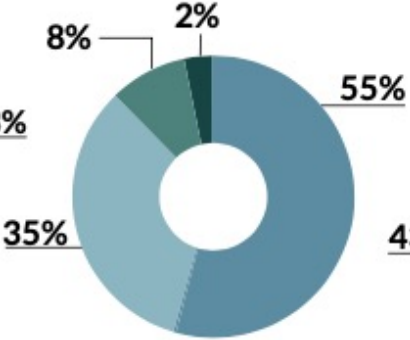


GREATEST CHALLENGES

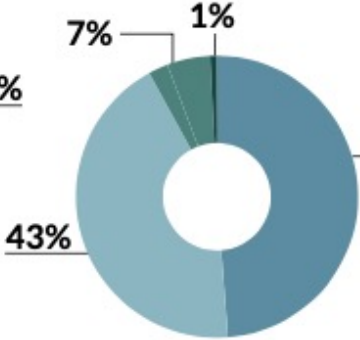
1st INFLATION/
ECONOMIC
UNCERTAINTIES



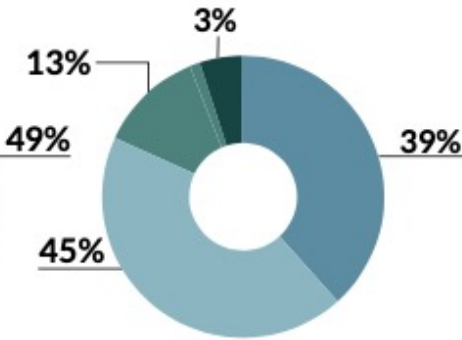
2nd LABOR
SHORTAGES
OR RISING
LABOR COSTS



3rd PRICE/
MARGIN
PRESSURES

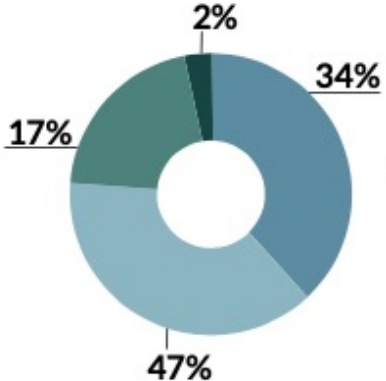


4th U.S. CHINA
RELATIONS

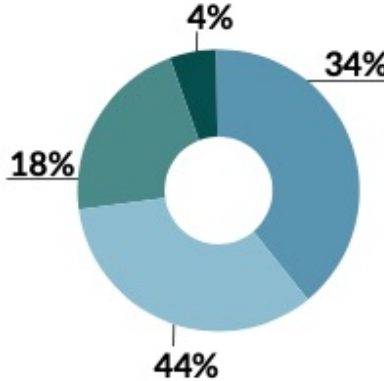


● Serious Problem ● Moderate Problem ● Minor Problem ● Not a Problem

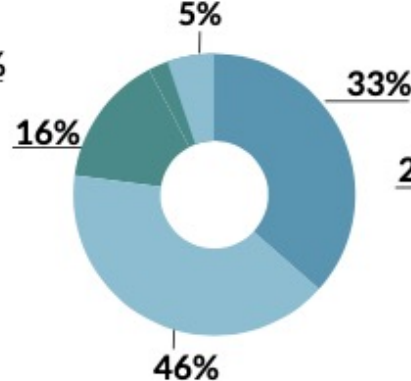
5th TRUCKING
AND CARGO
SHIPPING
CHALLENGES



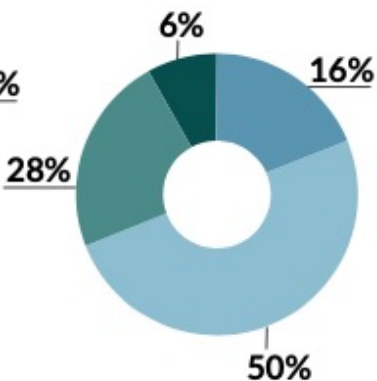
6th PANDEMIC-
RELATED
DISRUPTIONS



7th SUPPLY
CHAIN
DISRUPTIONS
DUE TO WAR

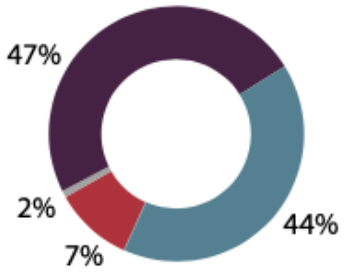


8th DIVERSIFICATION
IN NEW MARKET
SEGMENTS/
CHANNELS

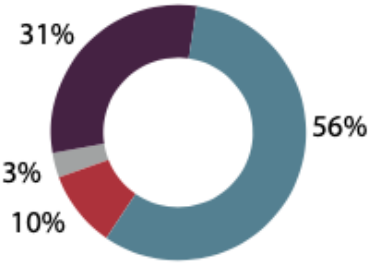


GREATEST CHALLENGES WITH ACTIONS TO TACKLE THEM

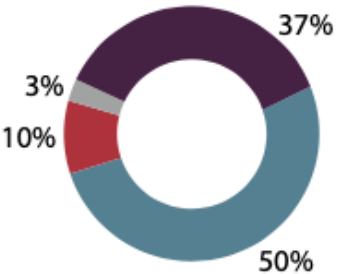
1 STRENGTHEN SUPPLY CHAIN RELATIONSHIPS



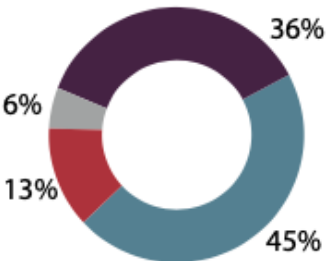
2 IMPROVE SUPPLY CHAIN VISIBILITY



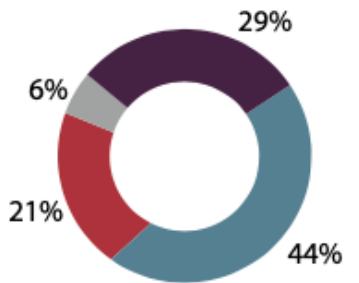
3 IMPROVE DEMAND PLANNING



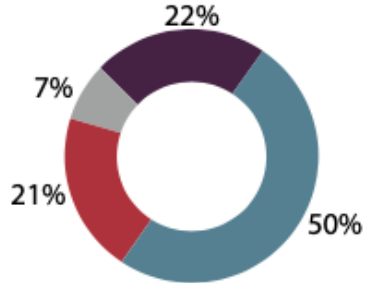
4 DIVERSIFY MATERIALS/ COMPONENTS SOURCES



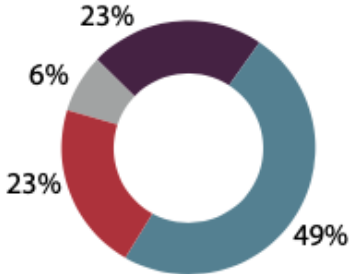
5 INVEST IN SOURCING CLOSE TO CONSUMER MARKETS (NEARSHORING)



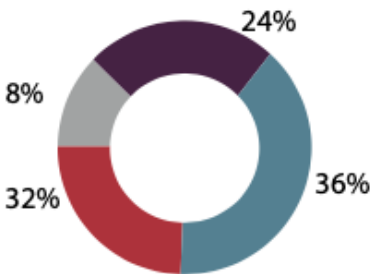
6 DIGITALLY TRANSFORM SUPPLY CHAIN OPERATIONS



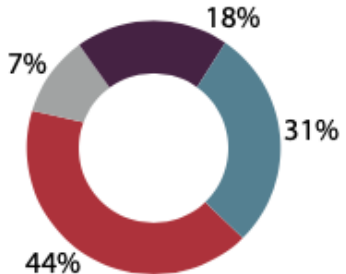
7 ENHANCE OMNICHANNEL FULFILLMENT EFFICIENCY/PROCESSES



8 INCREASE STOCK (INVENTORY) LEVELS



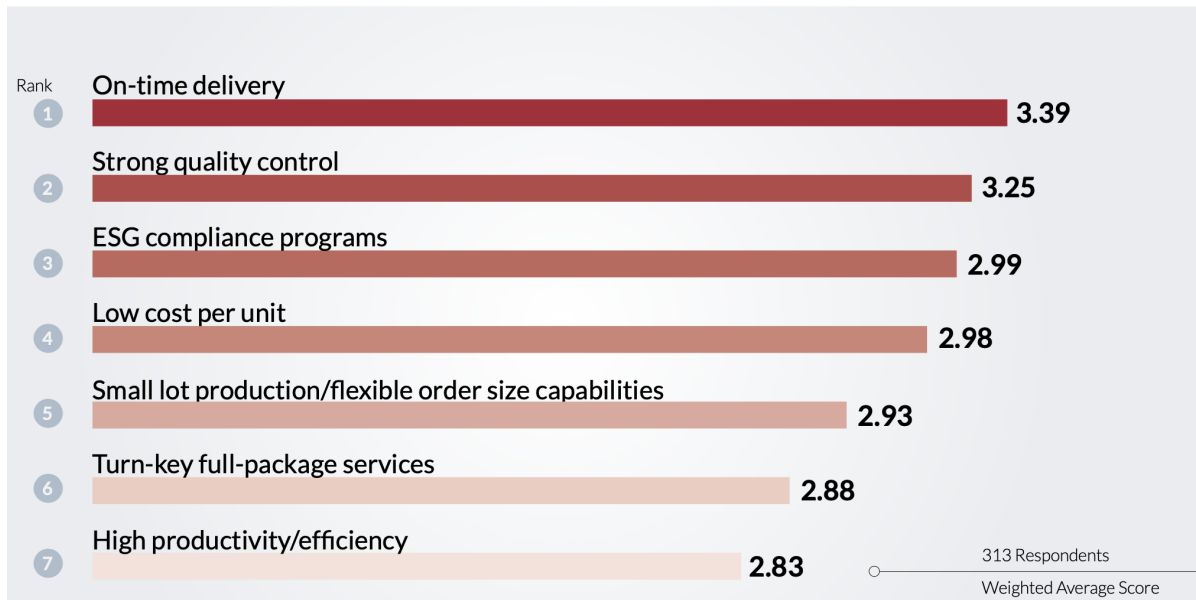
9 INCREASE AUTOMATION/ROBOTICS



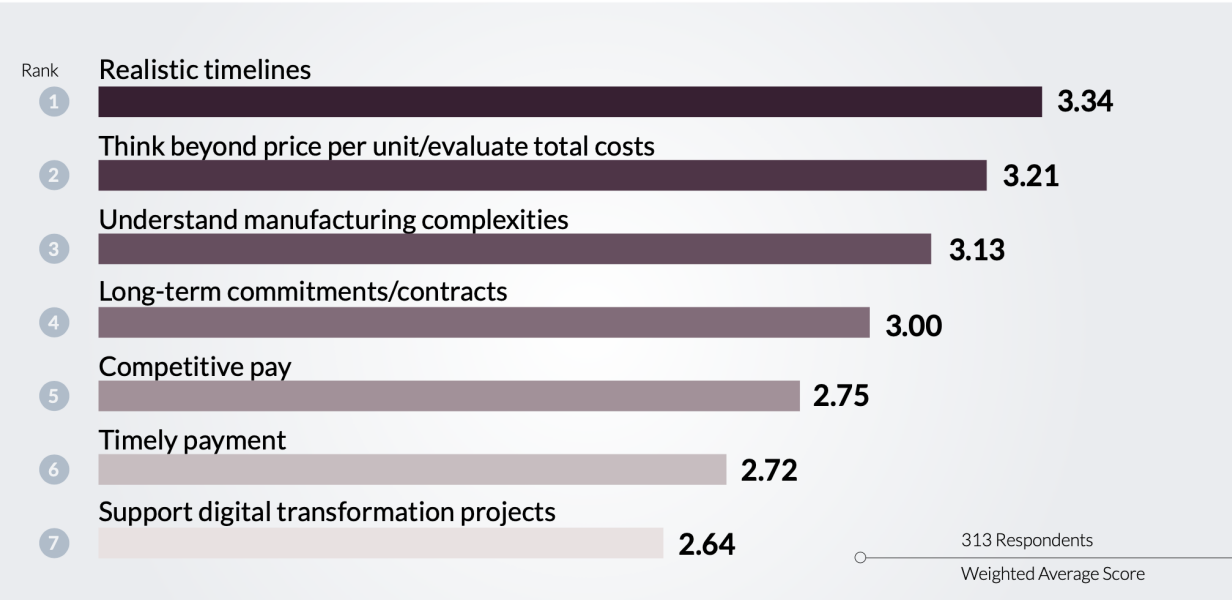
● Actions Already Taken ● Actions Planned ● Not a Priority ● Others

STRATEGIES TO STRENGTHEN SUPPLIER-BUYER RELATIONSHIPS

TOP 7 Things Manufacturers can do to Improve Supply Chain Performance



TOP 7 Things Buyers/Sourcing Teams can do to Improve Supply Chain Performance



GROWTH OPPORTUNITIES: SUSTAINABILITY SURGES UP THE AGENDA

Second Only to Digital Sales as Most Important for 2023 Growth

2023		2022		
Ranking	1	eCommerce/Digital/Online Sales	1	Ranking
	2	Sustainability/Environmental/Social Initiatives	6	
	3	Diversification in New Market Segments/Channels	N/A	
	4	Product Category Expansion	4	
	5	International Expansion	5	
	6	Brick and Mortar/Physical Stores Sales	7	
	7	Mergers & Acquisitions	8	

346 Respondents

N/A = Not applicable. Answer option not included in prior year's survey.

TOP PRIORITIES FOR IMPROVEMENT

Please rank the business priorities for 2023 that you most want to improve upon by level of importance.

2023		2022
Ranking 1	Reduce Costs*	N/A
2	Increase Sustainability, ESG	7
3	Better Identify and Respond to Consumer Demand	4
4	Find New Areas of Growth	2
5	Increase Sourcing Closer to Consumer Markets**	9
6	Improve Quality	1
7	Streamline End-to-End Supply Chain Processes*	5
8	Improve Supply Chain Visibility and Resiliency	3
9	Improve Omnichannel Fulfillment Efficiency	8
10	Strengthen Business Intelligence/Analytical Capabilities	6

346 Respondents

* New answer choice for 2023



TECHNOLOGY PRIORITIES

- **Logistics management and supply chain visibility/tracking technologies** are a priority for businesses due to recent supply chain and shipping challenges.
- **Demand planning/predictive analytics** is the third most popular technology category for survey respondents in 2023.
- **Strengthening supplier relationships and improving supply chain visibility** are the top actions survey respondents have taken or will take to overcome supply chain challenges.
- **More than 48% of respondents** either have or plan to implement technology to support process digitalization, including **PLM, ERP, inventory management, demand planning, supply chain tracking and logistics management.**

KEY TAKEAWAYS

1. **Reducing costs** is the top improvement priority
2. **eCommerce** remains the most important growth opportunity for the year.
3. **Sustainability and ESG initiatives** are high on the survey respondents' radars
4. **Investment in infrastructure, materials and technologies** that achieve environmentally sustainable product life cycles
5. **Consumers care about sustainability, and companies are taking ESG issues seriously**
6. **Strengthening supplier relationships**
7. **Improving supply chain visibility**

CGS EXECUTIVE INSIGHTS: STRENGTHENING SUPPLY CHAINS, OPENING OPPORTUNITIES

Winners Take Risks, Pushing Against Headwinds

- Increase automation and reshoring of manufacturing
- Improve time and action calendars to limit effects of delays
- Think global and act local to produce closer to distribution centers
- Increase visibility into supply chain and implement EDI system
- Find areas in the supply chain most likely to break and reinforce them

GET YOUR COPY!





THANK YOU!