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REPORT /

Data-Driven Decisions: Why Many Supply Chains Are Falling Behind

Executives are increasingly asking supply chain leaders to manage multiple strategic priorities, yet many of these leaders find themselves ensnared in a perpetual cycle of responding to urgent daily matters. Now, they're looking to technology to break the cycle.

That's according to a survey of 500 supply chain leaders across every industry in the US and UK, conducted by YouGov in partnership with leading supply chain visibility provider FourKites.

In this report, you'll learn more about why these leaders are looking to increase investment in technology and how they can leverage supply chain data to make data-driven decisions that align with corporate objectives and drive bottom-line results faster than ever.

MEET THE EXPERT

Matt is the Founder and Chief Executive Officer of FourKites. He founded FourKites in 2014 after recognizing pain points in the logistics industry and designing elegant and effective systems to address them.

Prior to founding FourKites, Matt spent 7 years in the enterprise software space working for market leaders such as Oracle Corp and i2 Technologies/JDA Software Group. Matt has led high-impact teams that implemented logistics strategies and systems at P&G, Nestle, Kraft, Anheuser-Busch Inbev, Tyco, Argos and Nokia across North America, Western Europe and Latin America. Matt is passionate about logistics and supply chain management and has a keen sense for how technology can disrupt traditional silo-based planning and execution.

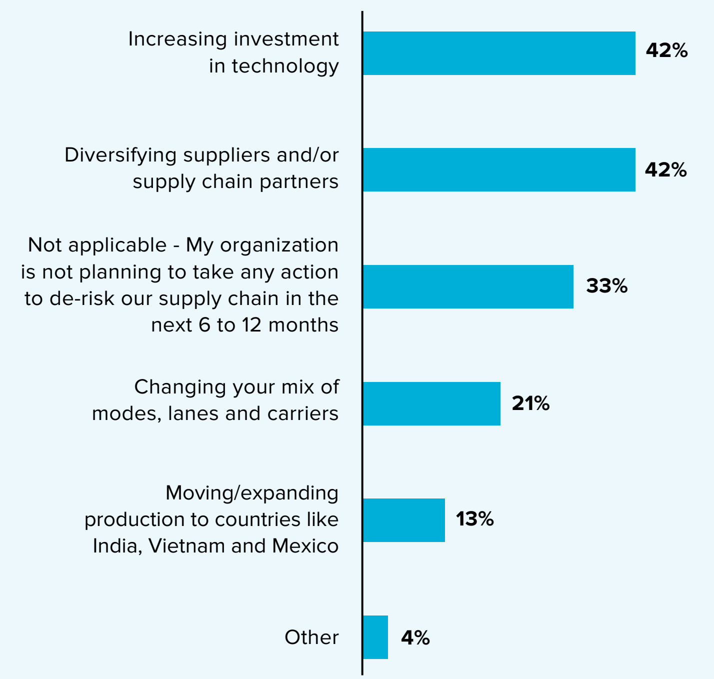
BLURRY VISION AND COMPETING PRIORITIES

Supply chain teams are under constant pressure to reduce costs and rationalize tech stacks, mitigate risk, hit sustainability targets, and much more, all while navigating uncertain macroeconomic factors like softening consumer demand, policy changes, geopolitical conflicts and a seemingly recovering freight market.

Unfortunately, many supply chain leaders are navigating these challenges and priorities with blinders on. According to the survey, fewer than half are leveraging their supply chain data to inform their strategy, while 14% aren't using supply chain data at all to make decisions. This massive intelligence deficiency will exacerbate the risk associated with leaders' current mandate to de-risk supply chains. As companies expand their carrier networks, scale their services to new regions, and deal with ever more demanding stakeholders, a lack of comprehensive, connected data across every mode, node and signal in the supply chain can significantly hinder progress.

With so many competing priorities, it's difficult to stay on top of the finer details of your operations. While each supply chain is affected by macroeconomic factors, over-indexing on those and not leveraging other supply chain metrics can significantly slow your path to true transformation.

How Companies Are Reducing Supply Chain Risk



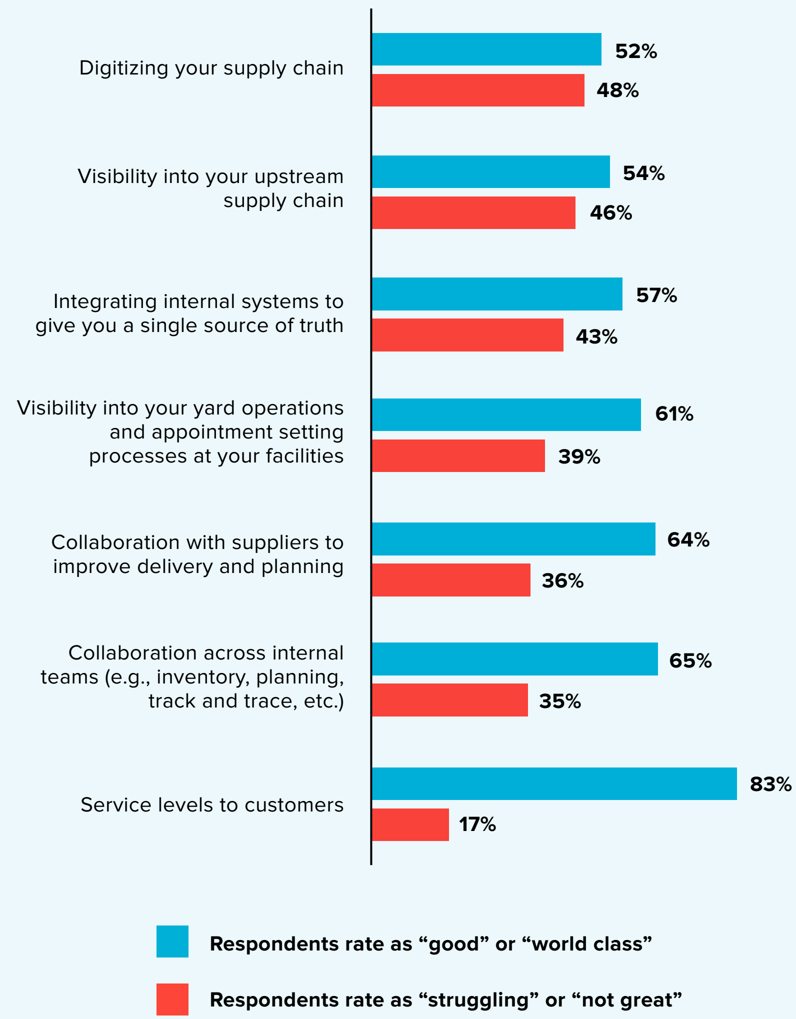
A LACK OF INFORMED DECISION-MAKING

Many organizations may view “informed decision-making” as a goal that is easily reached by simply investing in more technology. However, 43% of survey respondents said they are struggling to integrate their supply chain systems into a single source of truth, and many more don’t realize the untapped potential of the data they are sitting on. In fact, 48% rate themselves as “not great” or “struggling” to digitize their supply chain.

Worse yet, many supply chain professionals don’t have a clear picture of their upstream supply chain and yard operations, which can further impair top-line growth and end-to-end efficiencies.

> **Visibility allows us to make well-informed decisions when the unplanned or unexpected happens. And to ensure we are happy with our own processes but also make our customers happy as they can rely on us.**
>
> **JIRANAN PINYOSAP**
> CUSTOMER SERVICE AND DISTRIBUTION MANAGER
> BAYER CROP SCIENCE

How Organizations Rank on Key Capabilities



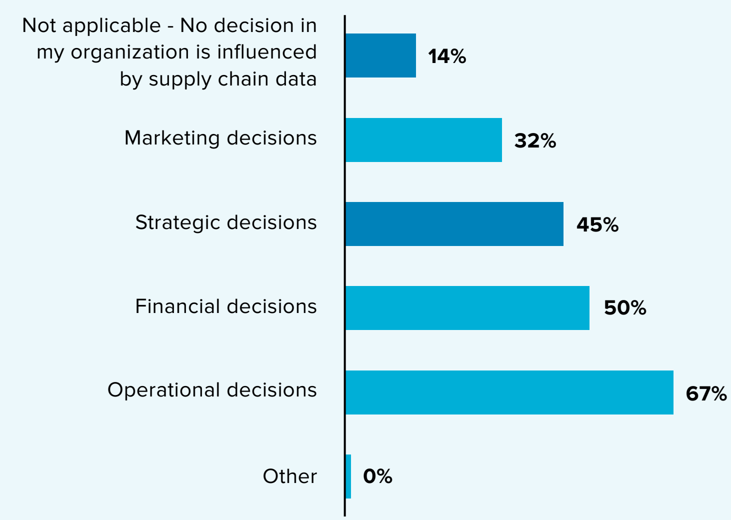
DATA-DRIVEN STRATEGY POWERED BY A UNIFIED SOURCE OF TRUTH

The time has come for organizations to start rationalizing their investment in technology. Whether it's sunsetting products that didn't deliver their intended value or trimming back their core of solutions to operate more nimbly, tech bloat has significantly hindered many businesses from extracting the full ROI of their investments.

When polled, 70% of companies said that connecting data from different sources was a significant priority. They recognize the power of being able to feed order management information back to their ERP, for instance, but they need the context of the data from their TMS to influence key alerts that their ERP surfaces.

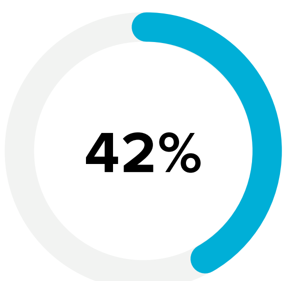
Two-thirds of responding companies are using supply chain data only for simple, day-to-day tasks — many have yet to realize the opportunity to look at their supply chain end-to-end to make informed, strategic decisions. At the root of this issue is the ongoing struggle to fully digitize the supply chain and have a single source of real-time information. Leaders need to more effectively collect, interpret and act on their data from across disparate systems.

Decisions Influenced by Supply Chain Data

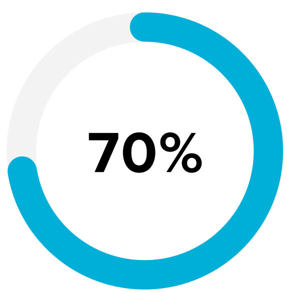


INVESTING FOR THE FUTURE

Despite ongoing uncertainty across the fundamental aspects of the economy and the greater supply chain, a significant portion of businesses recognize that the cost of doing nothing is significantly higher than any technology investment they can make.



Plans to invest in technology in the next 6-12 months



Plans to increase investment

The overwhelming majority of large companies polled report that they will be making ongoing investments in technology. As they do so, they should remain committed to obtaining a single source for insights across every facet of their supply chain. Rather than waiting for an analyst to manually connect the dots, platforms that can automatically interpret inputs (e.g., order information), compare it to commitments from another system (e.g., an ERP), and factor in real-time data (e.g., the supply chain) to uncover advanced warnings of costly exceptions, are those that will drive the most value for today's supply chain leaders.

So, where do you go from here? A conservative approach might be to avoid any additional investments until you have the opportunity to rationalize your tech stack. Unfortunately, that strategy will do little to move your business forward. A more effective alternative is to dig into change management, identify gaps between your existing solutions, teams and partners, and align your business with a provider that can separate the signal from the noise and empower leaders to make rapid, data-driven decisions that can be quickly operationalized in the field.

Businesses that are taking advantage of the latest supply chain technology stand the greatest chance of minimizing the impact of a slowdown or being first to accelerate growth in an upswing. But with so many sources of data influencing decision-making, having a regimented, trusted method to help distill, analyze and contextualize insights across the entire supply chain and business operations is imperative.

FourKites helps shippers and carriers make real-time data-driven decisions by surfacing actionable insights based on data from every critical system, helping teams avoid risk and freeing up time to drive their strategy forward. FourKites' large and diverse network of high-quality supply chain data — tracking more than 3 million shipments for more than 1,200 of the world's most recognized brands, encompassing more than 6,000 data points per shipment and over 18 million ETAs per day — combined with AI-powered insights and recommendations unlocks the power of strategic decision making for everyone.