THE EXECUTION GAP

What Supply Chain Leaders Are Saying About Technology

FOURKITES

2025

EXECUTIVE SUMMARY

THREE UNCOMFORTABLE TRUTHS FROM 490 SUPPLY CHAIN LEADERS:

1. **65% of companies can't act on their visibility investments** because they lack basic SOPs for responding to alerts. The technology works. The organizations don't.
2. **Companies deploy AI exactly where they don't need it.** They use AI for demand forecasting (46% adoption) while avoiding autonomous action (27%), despite ranking risk as their #2 external threat. This misalignment directly undermines their stated top priority: working capital optimization.
3. **Working capital optimization beats everything else** as an investment driver (27.6%), including sustainability (8.4%) and competitive advantage (14.9%). If you can't show financial impact, you won't get funded.

THREE ACTIONS THAT MATTER:

1. **Fix your organization before buying more tech.** Create SOPs. Give teams authority to act. Stop adding dashboards to broken processes.
2. **Start AI where trust exists, not where value hides.** Decision support (52% adoption) builds confidence for eventual autonomous operations (27%).
3. **Speak cash, not transformation.** Frame every investment in working capital terms with 4-8 month payback targets.

One warning: don't wait.

The 2:1 gap between companies using AI for decision support (52%) versus autonomous action (27%) will close rapidly.

The survey shows 156 respondents already "strongly agree" with autonomous decision-making. These companies are implementing autonomous systems, while others evaluate options.

THE VISIBILITY TRAP

Supply chain technology has a dirty secret: most of it doesn't get used. Not because it doesn't work, but because organizations can't act on the backward-looking data.

A survey of 490 supply chain leaders, conducted by ABI research, uncovered a striking admission. When asked about barriers to translating real-time visibility into action, 65% ranked "lack of clearly defined Standard Operating Procedures" in their top three obstacles. That means that two-thirds of companies invested in visibility platforms without first figuring out what to do with the information.

65%

of companies lack SOPs to act on visibility data.

The problem is organizational, not technological. And it explains why supply chain transformation initiatives consistently disappoint.

The data gets worse. Beyond missing SOPs, 53% of respondents lack sufficient authority for operational teams to act on alerts. Another 70% struggle with weak cross-functional coordination. When a logistics manager sees a delay alert, she needs procurement approval, warehouse coordination, and customer notification. Each step adds hours or days. The technology delivered perfect visibility. The organization delivered perfect paralysis.

WHAT THIS MEANS FOR YOU:

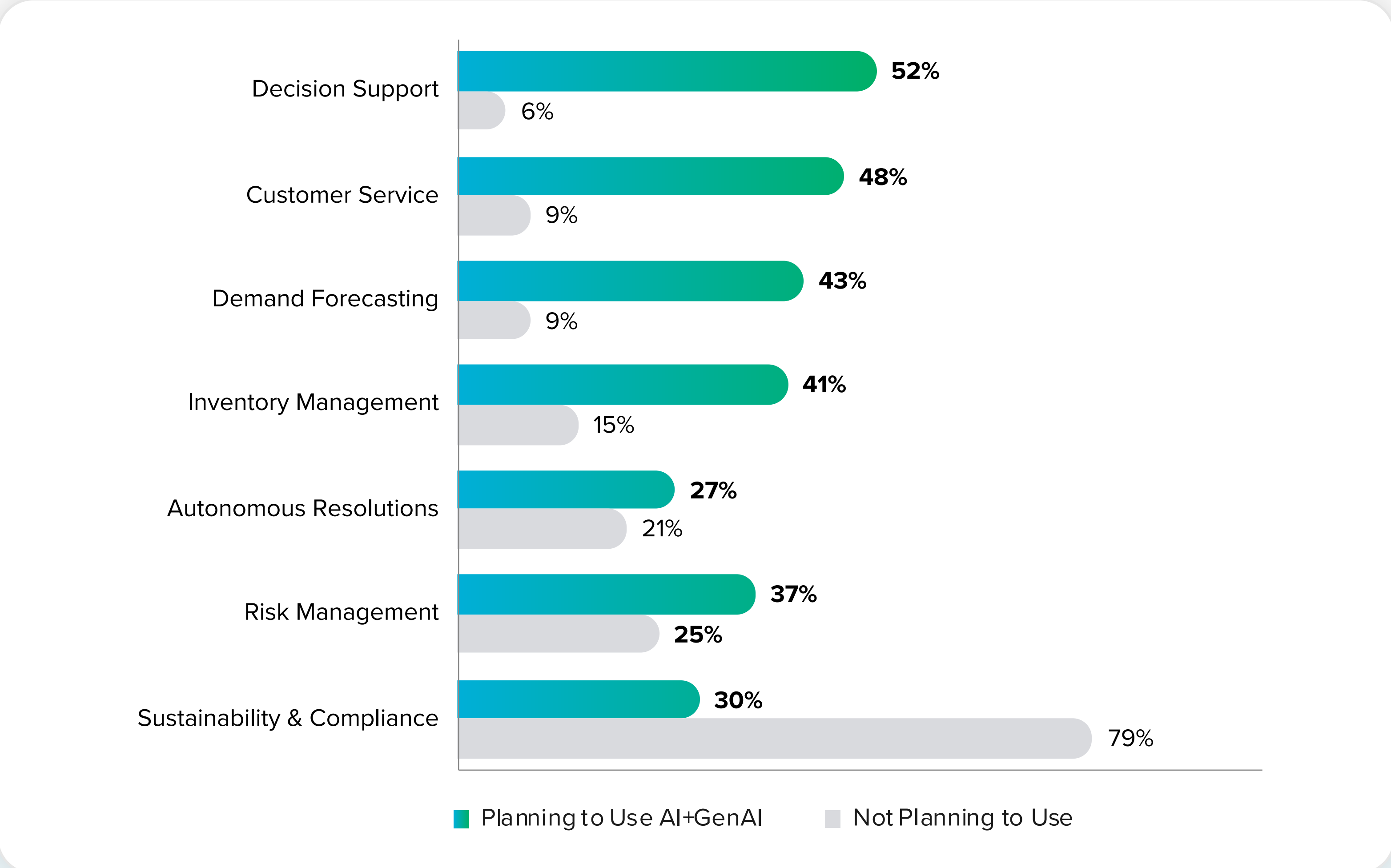
Before your next technology investment, audit your decision rights. Who can approve a supplier switch? How fast can they act? If the answer involves multiple meetings, fix that first.

THE AI TRUST GAP

The data shows companies limit AI to low-stakes applications.

The survey shows 52% of companies plan to use AI for decision support (suggestions and recommendations). Only 27% will let AI take autonomous action. That gap exists across every industry, every geography, every company size that was surveyed. Companies want AI to advise, not act.

Where does this show up? Companies plan to use AI for:

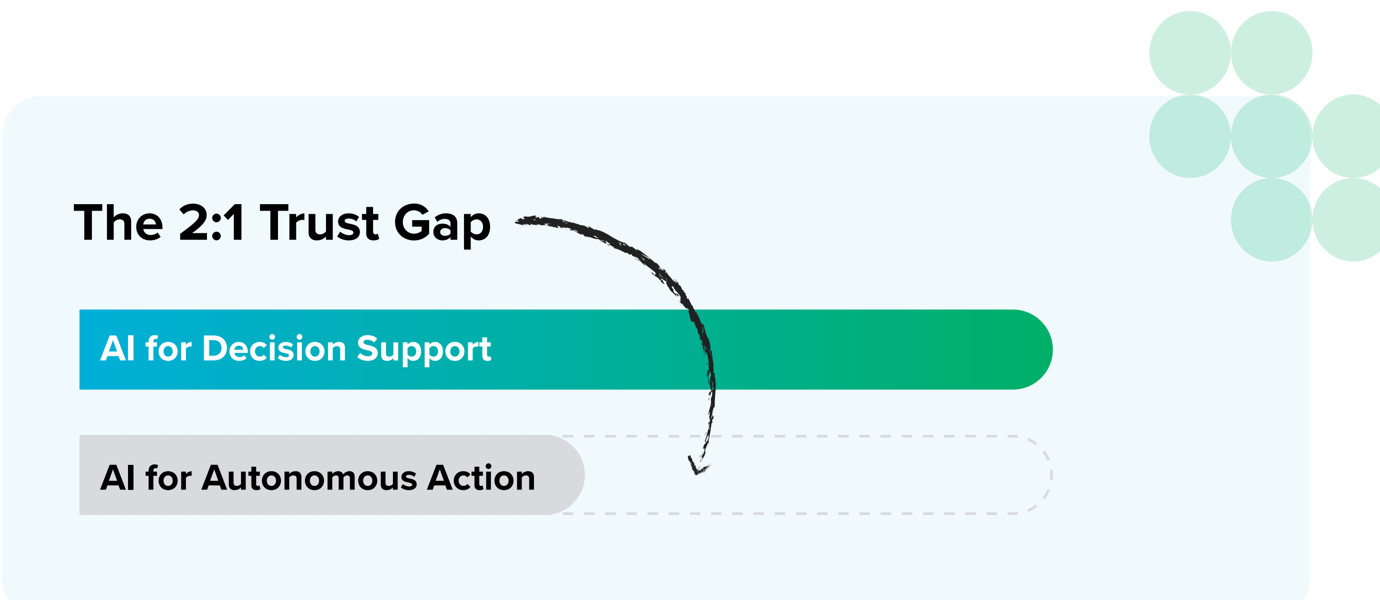


See the pattern? Companies deploy AI for predictable, low-stakes decisions.
They avoid it precisely where unpredictability makes AI most valuable.

The regional data sharpens this picture. North American companies show 31% adoption for autonomous AI, while Europe sits at 19.5%. For inventory management specifically, North America reaches 48% versus Europe's 31%.

When asked about external challenges, companies ranked risk mitigation third, behind only rising costs and geopolitical instability. Yet risk management sits at the bottom of AI investment priorities. Companies worry most about the areas where they're least willing to deploy advanced technology.

This avoidance of risk management AI directly contradicts their working capital goals. Every unmanaged risk becomes expedited freight, detention fees, or safety stock — the very costs that trap working capital.



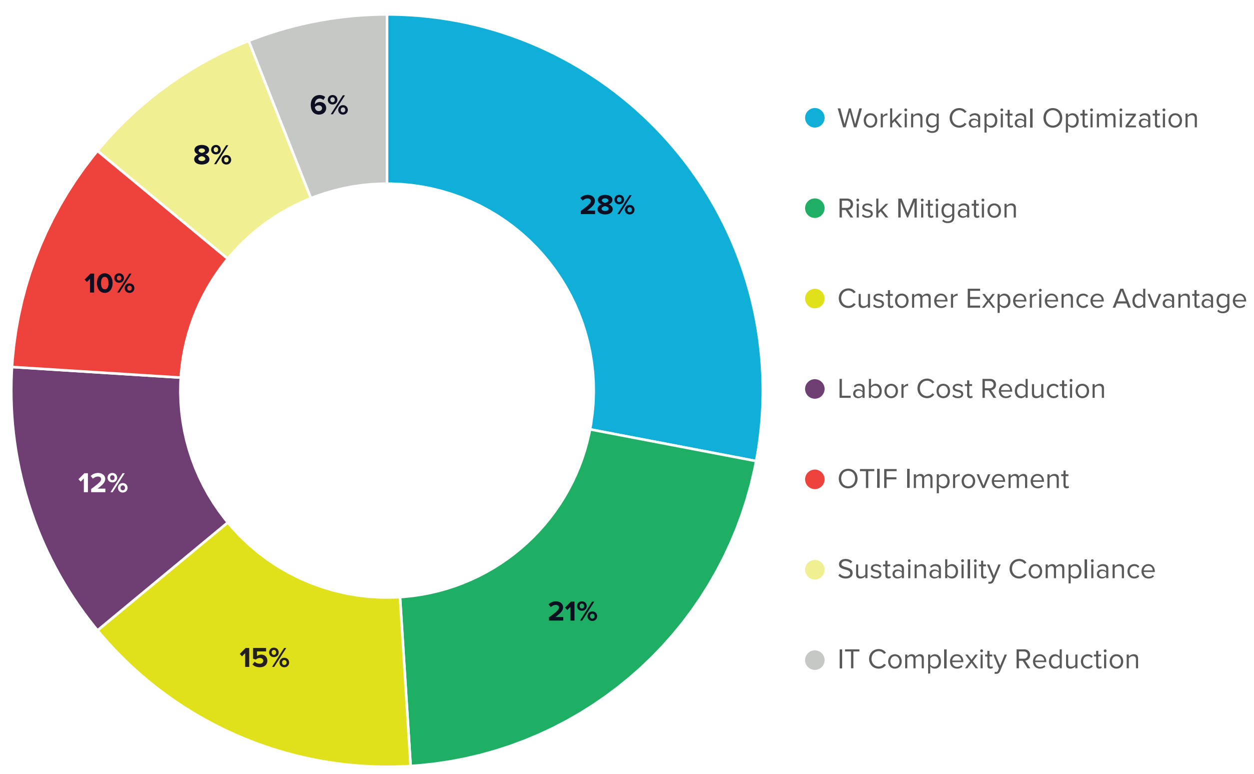
WHAT THIS MEANS FOR YOU:

The conventional wisdom says deploy AI for low-stakes work to free humans for high-impact decisions. But this ignores scale constraints.

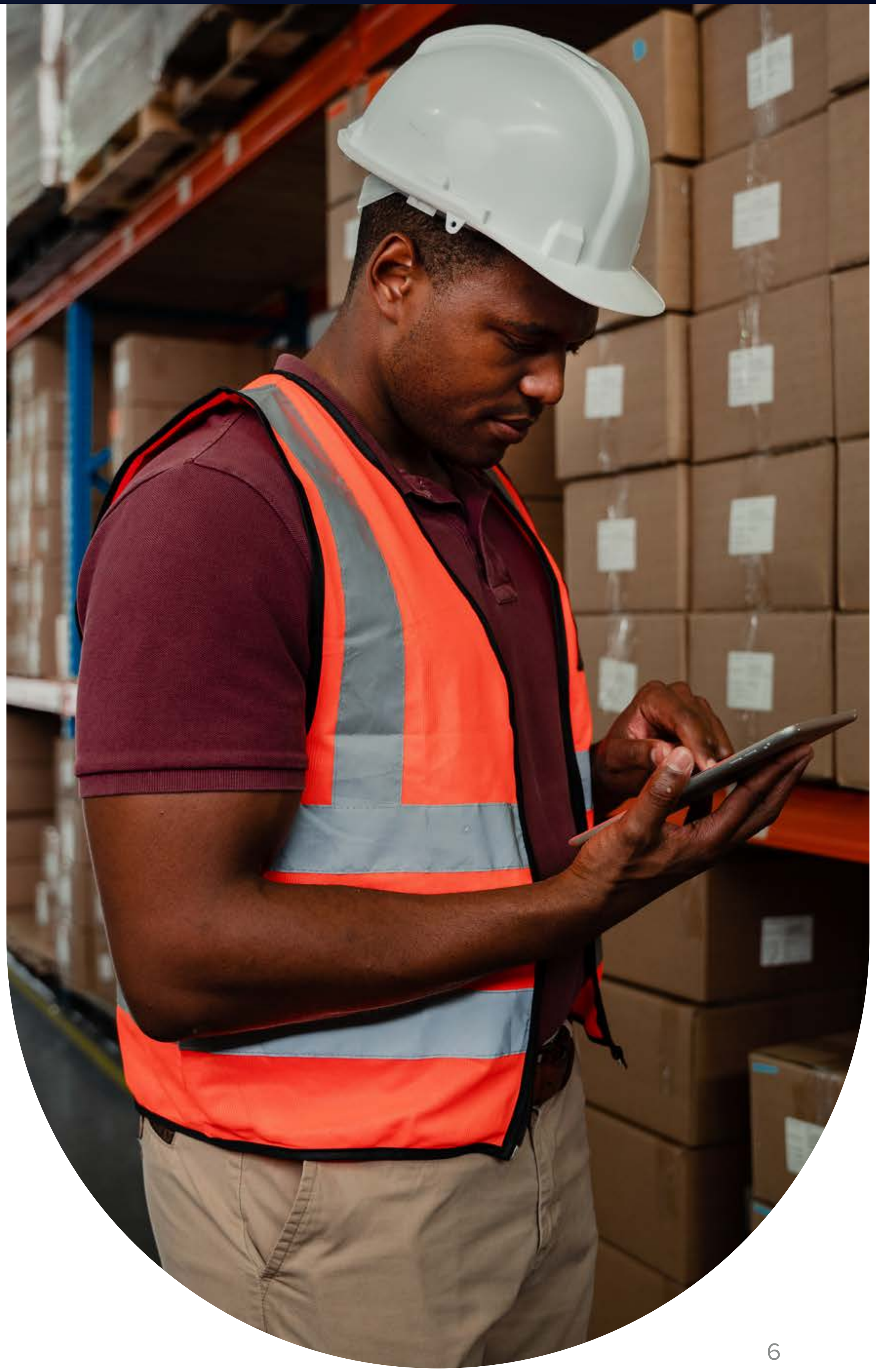
The real opportunity is to amplify human judgment, not replace it, through human-in-the-loop systems. While competitors keep humans completely out (too risky) or completely in (too slow), you could deploy AI that flags the 10% of risk events requiring human expertise while autonomously handling the routine 90%. This scales human judgment rather than replacing it.

THE WORKING CAPITAL IMPERATIVE

Forget digital transformation. Forget competitive advantage. If you want supply chain investment approved, show inventory reduction.



When asked which value driver best secures leadership approval, 27.6% chose working capital optimization through inventory reduction. This beat risk mitigation (21%), competitive advantage (14.9%), and even labor cost reduction (12.4%). Sustainability compliance — despite mounting regulatory pressure — motivated just 8.4% of investment decisions.



This focus transcends industries and geographies. Process manufacturers in Germany care about working capital. Retailers in Malaysia care about working capital. Logistics providers in Mexico care about working capital. It's the universal language of supply chain investment.

CFOs prioritize cash flow metrics. A control tower that reduces inventory by three days isn't selling efficiency or visibility or digital transformation. It's selling cash flow. And as higher interest rates persist, cash flow wins every argument.

Investment levels cluster in telling ranges. Nearly half of control tower investments fall between $50,000 and $250,000. Only 6.9% exceed $500,000. This suggests companies have found the sweet spot — enough capability to drive meaningful improvement without betting the farm.

WHAT THIS MEANS FOR YOU:

Stop pitching transformation. Start calculating days of inventory saved, detention fees avoided, expedited freight prevented. Those numbers get budgets approved.

WHERE IMPLEMENTATION STALLS

While strategy and adoption are always in the spotlight as barriers, the biggest friction is actually connecting modern tools to existing systems and making them run reliably at scale.

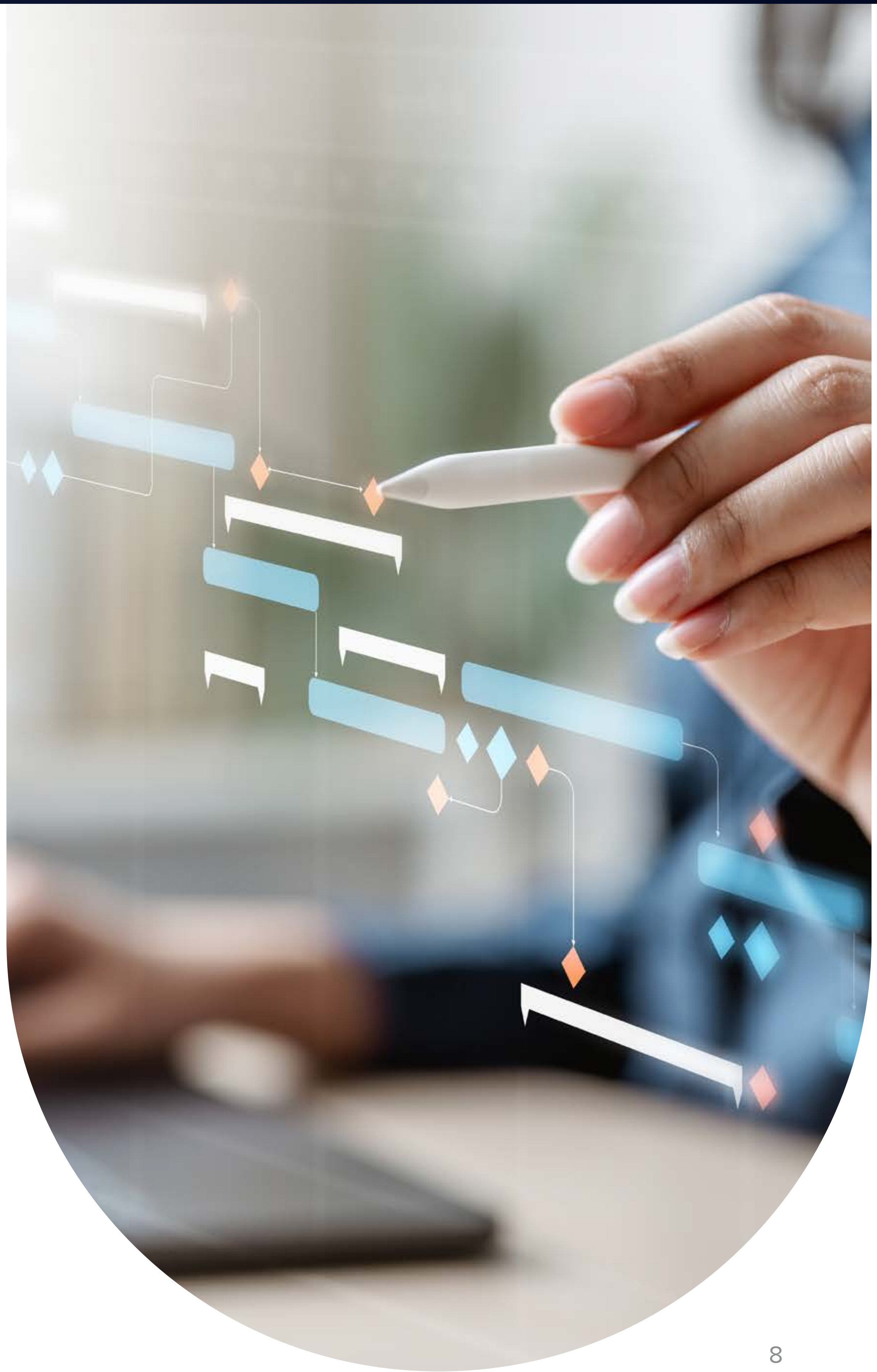
The bottleneck has shifted from data to orchestration. In our study, respondents most often put legacy integration, tool fit, skills, and security/privacy at the top of their obstacle list. Data quality and availability is still a factor, but it rarely takes the #1 spot, appearing more often as the second barrier.

- **Legacy integration: 46%**
- **Right tools/tech: 46%**
- **Skills availability: 46%**
- **Security & privacy: 44%**

Success hinges less on "amassing cleaner data" and more on wiring decisions into existing systems — ingesting unstructured inputs, normalizing to shared entities, and triggering reliable actions across ERP/WMS/TMS.

WHAT THIS MEANS FOR YOU:

These are practical blockers — interfaces, data mapping, and operational competence. If AI is going to reduce manual work and shorten cycle times, the connective tissue has to be in place.



COMMON SUCCESS FACTORS

Based on the survey findings, a blueprint for successful implementations emerges:

1 START WHERE TRUST LIVES

- Don't wait too long to embrace autonomous action — the 27% of companies already doing so will quickly surpass you.
- Focus on inventory and execution where ROI is clearest
- Accept that you'll deploy AI backward by focusing on safe applications first, critical ones later

2 FIX THE BASICS (THE THREE-QUESTION AUDIT)

- Do we have SOPs for responding to common alerts?
- Can operational teams act without multiple approvals?
- Can functions coordinate without meetings?

If you answered no to any, stop shopping for software.

3 MEASURE WHAT ACTUALLY MATTERS

Track these monthly:

- **Detention fees** (total dollar impact)
- **Expedited freight** (% of transport spend)
- **Overtime hours** (triggered by supply chain delays)
- **Customer credits** (from late deliveries)

These numbers make better business cases than any vendor PowerPoint.

4 SCALE TO YOUR REALITY

- Successful deployments range from $50,000 to $500,000
- The difference is organizational fit, not the amount
- A well-adopted $100,000 system beats an ignored $500,000 platform every time

WHAT TO MAKE OF THE DATA

Visibility is table stakes. The gap is execution.

Working capital optimization drives 28% of investment decisions. Companies expect 4-8 month paybacks, not multi-year transformations. And 32% of respondents strongly agree their organizations need autonomous decision-making to scale.

One manufacturer automated proof-of-delivery collection and invoice generation. They accelerated cash flow, eliminated manual tracking of expired loads, and gained real-time visibility into cost-per-unit metrics. In-transit inventory tracking improved through automated workflows that handled the repetitive coordination across systems.

Companies using AI for autonomous action (27%) focus on specific operational pain points — document collection, appointment scheduling, shipment tracking. AI agents read emails, interpret documents, and coordinate responses using unified data from ERP, WMS, and TMS platforms. Real-time networks that consolidate orders, shipments, inventory, and facilities provide the context AI needs for accurate decisions.

The survey shows most companies aren't there yet. They use AI for decision support (52%) but hesitate on autonomous execution (27%). Yet working capital improvement — their stated top priority — requires exactly this kind of automation. Detention fees, expedited freight, and excess inventory don't wait for human review. They accumulate every hour a shipment sits untracked or a document goes uncollected.

If working capital drives investment decisions and autonomous AI delivers working capital improvements, the path forward is clear. Build trust in AI through controlled deployments. Start with supplier collaboration or appointment scheduling. Measure the impact in days of inventory saved and fees avoided. Then expand.

The technology works. The ROI is there. Companies just need to let it run.

About This Research

This report analyzes responses from 490 supply chain professionals across manufacturing (40%), retail/wholesale (30%), and logistics (30%) in the United States, Germany, Mexico, and Malaysia. The survey was conducted by ABI Research in 2025 and commissioned by FourKites.

Are you ready to embrace AI for autonomous actions? Learn how US Cold Storage used AI to transform the appointment scheduling process, achieving an 87% success rate in booking appointments and 96% accuracy in securing requested delivery dates while processing over 600 shipments.