

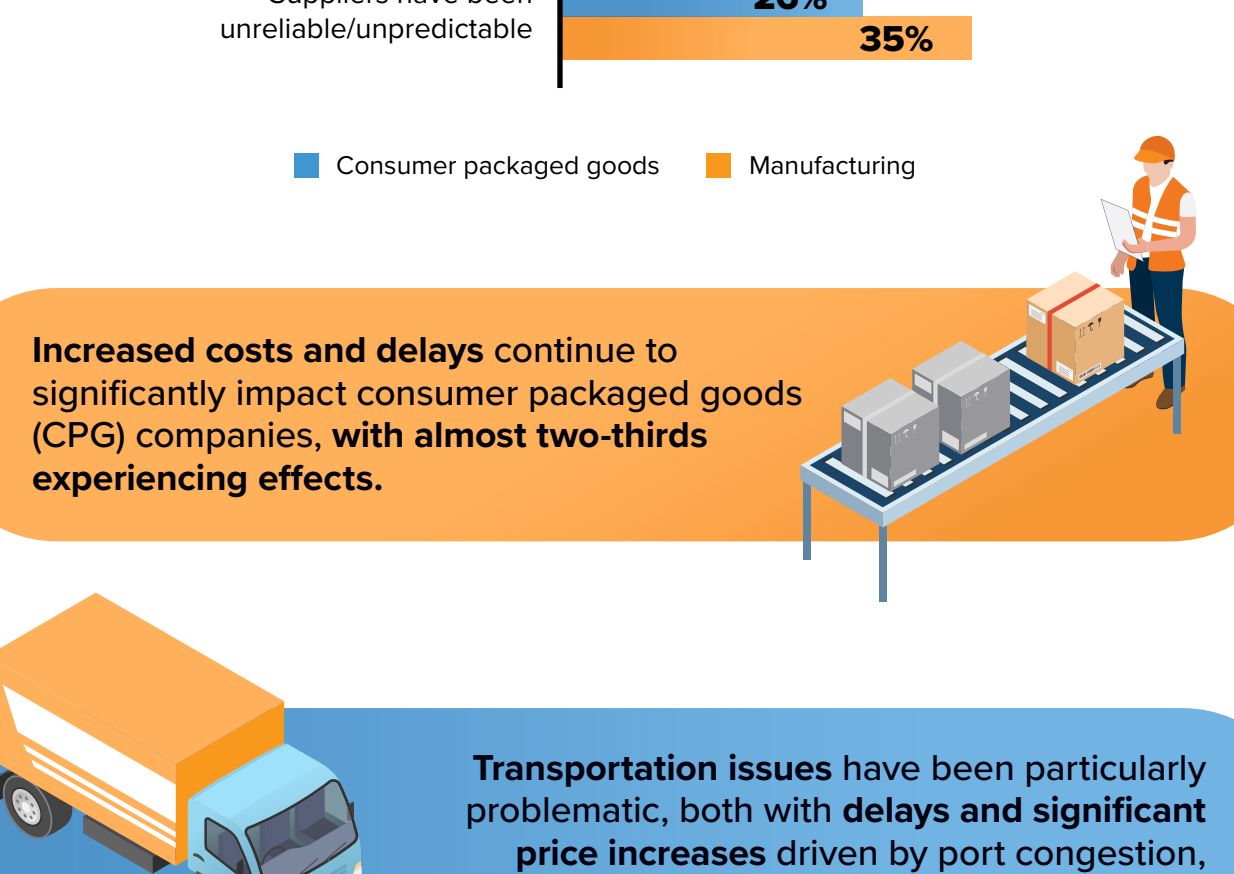
Managing Disruption Risk in Consumer Packaged Goods



Beyond the Surface: Unveiling the Complex Layers of Global Disruptions

How have the global disruptions affected your supply chain?

(% of respondents)



Increased costs and delays continue to significantly impact consumer packaged goods (CPG) companies, with almost two-thirds experiencing effects.

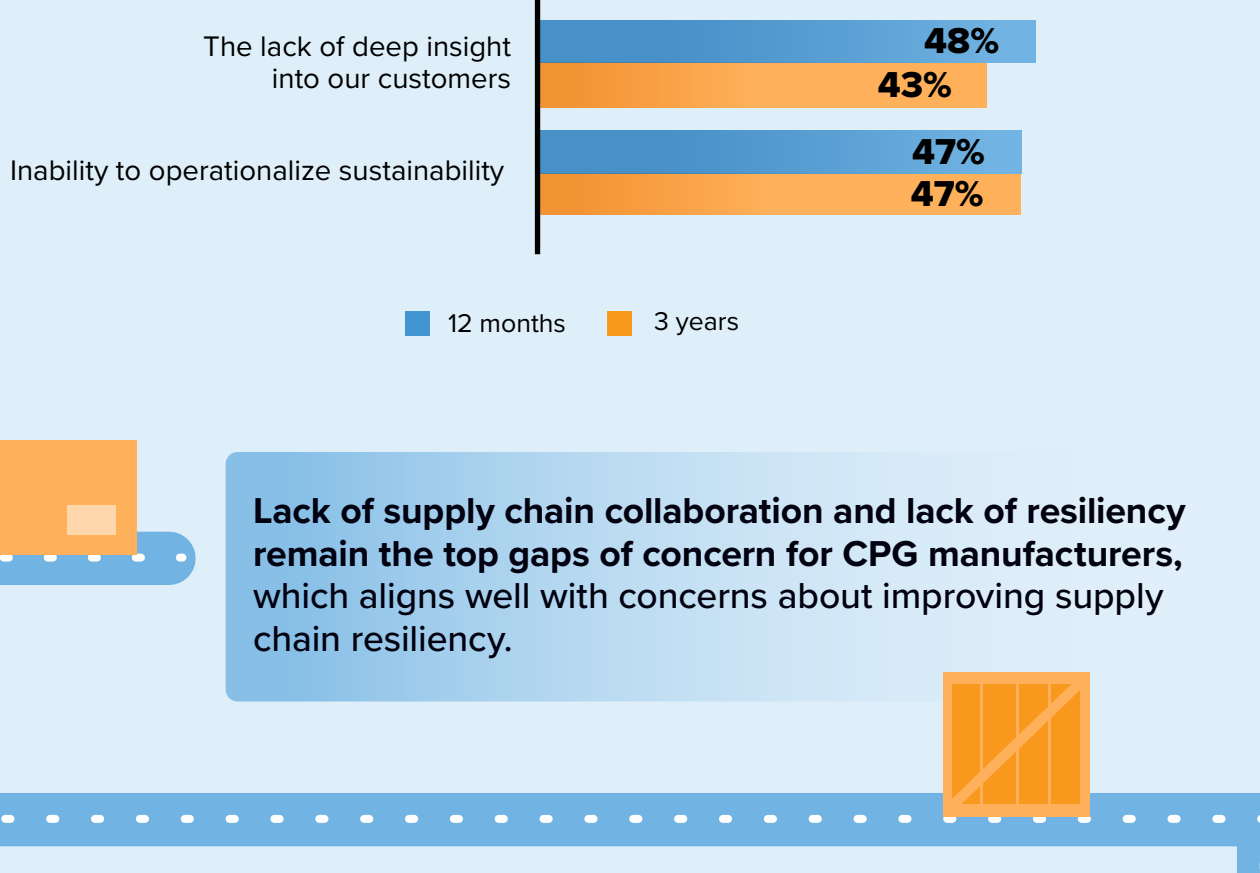
Transportation issues have been particularly problematic, both with delays and significant price increases driven by port congestion, driver shortages, and fuel price increases.

n = 175; Source: IDC's Supply Chain Survey, 2023

Critical Gaps to Be Addressed

Regarding your supply chain's future, what gaps are the most problematic if not addressed?

(% of respondents)



Lack of supply chain collaboration and lack of resiliency remain the top gaps of concern for CPG manufacturers, which aligns well with concerns about improving supply chain resiliency.

CPG companies must find ways to both improve and deepen their collaboration capabilities, position themselves to better react to unforeseen events, and leverage data more effectively.

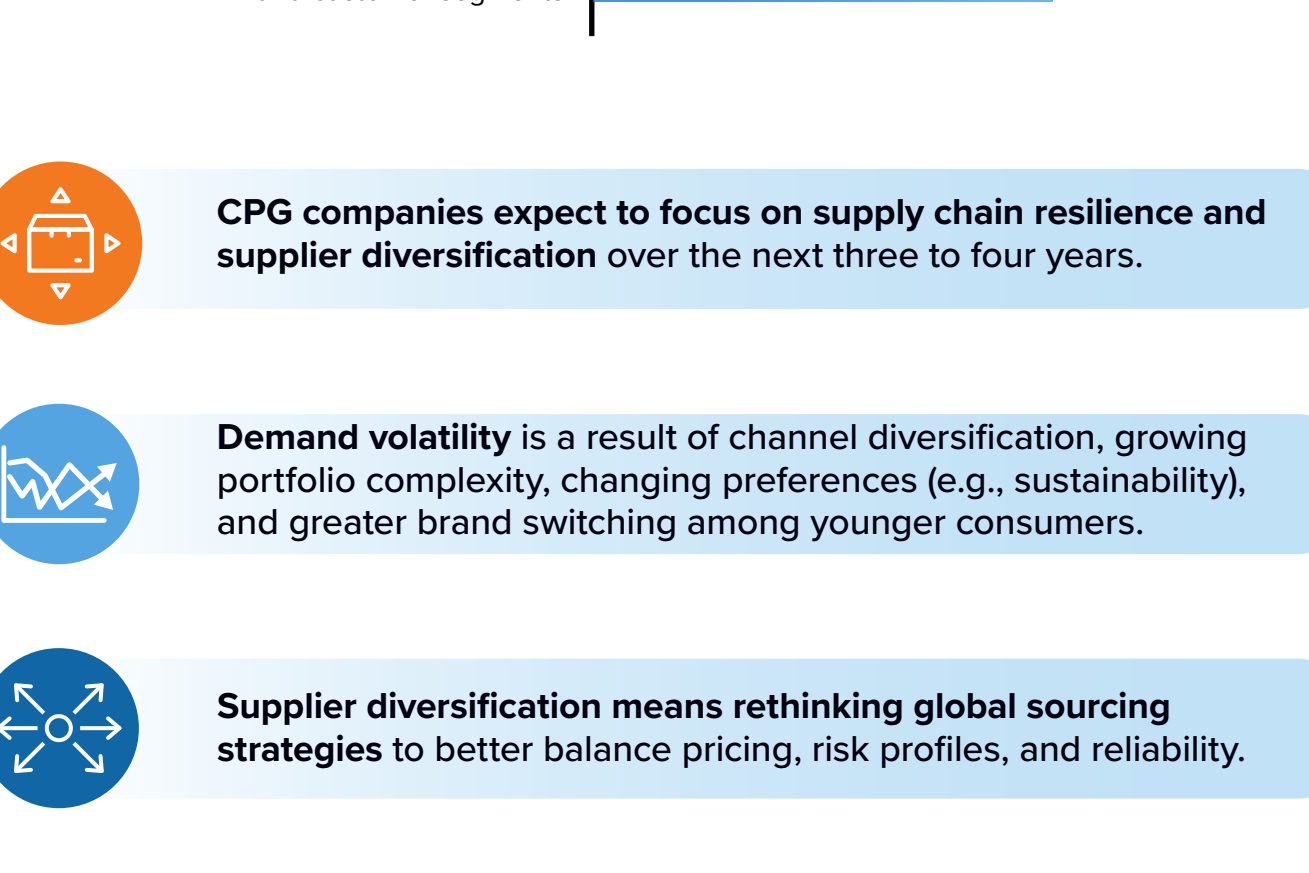
With data — from analytics to action — the goal must be to ingest data, apply comprehensive analytics, then take appropriate action quickly.

n = 175; Source: IDC's Supply Chain Survey, 2023

Top Business Priorities

In the next 3 years, what will be your organization's top three business priorities?

(% of respondents)



CPG companies expect to focus on supply chain resilience and supplier diversification over the next three to four years.

Demand volatility is a result of channel diversification, growing portfolio complexity, changing preferences (e.g., sustainability), and greater brand switching among younger consumers.

Supplier diversification means rethinking global sourcing strategies to better balance pricing, risk profiles, and reliability.

n = 175; Source: IDC's Supply Chain Survey, 2023

Key Functional Focus Areas for the CPG Supply Chain

What areas do you intend to focus on within the next year and in three years?

(% of respondents)



52%

of CPG manufacturers say that global disruptions have elevated the priority of their supply chain investment to provide greater resilience and agility, balanced with cost efficiencies, business process optimization, and employee productivity.

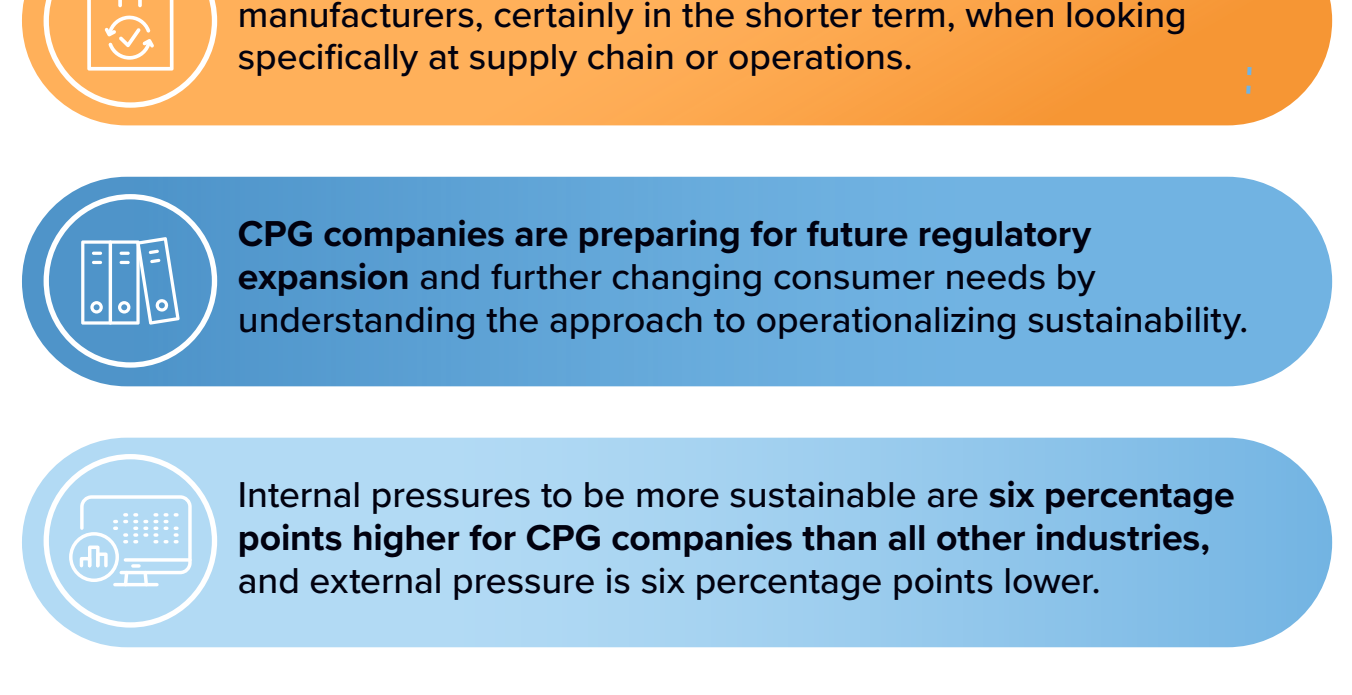
IDC expects to see continued migration to the cloud.

n = 175; Source: IDC's Supply Chain Survey, 2023

Operationalizing Sustainability

To what degree are you operationalizing sustainability within your supply chain?

(% of respondents)



Sustainability remains somewhat tactical for most CPG manufacturers, certainly in the shorter term, when looking specifically at supply chain or operations.

CPG companies are preparing for future regulatory expansion and further changing consumer needs by understanding the approach to operationalizing sustainability.

Internal pressures to be more sustainable are six percentage points higher for CPG companies than all other industries, and external pressure is six percentage points lower.

n = 175; Source: IDC's Supply Chain Survey, 2023

Managing Risk in the Global Supply Chain

What steps are you taking to mitigate risk in your supply chain?

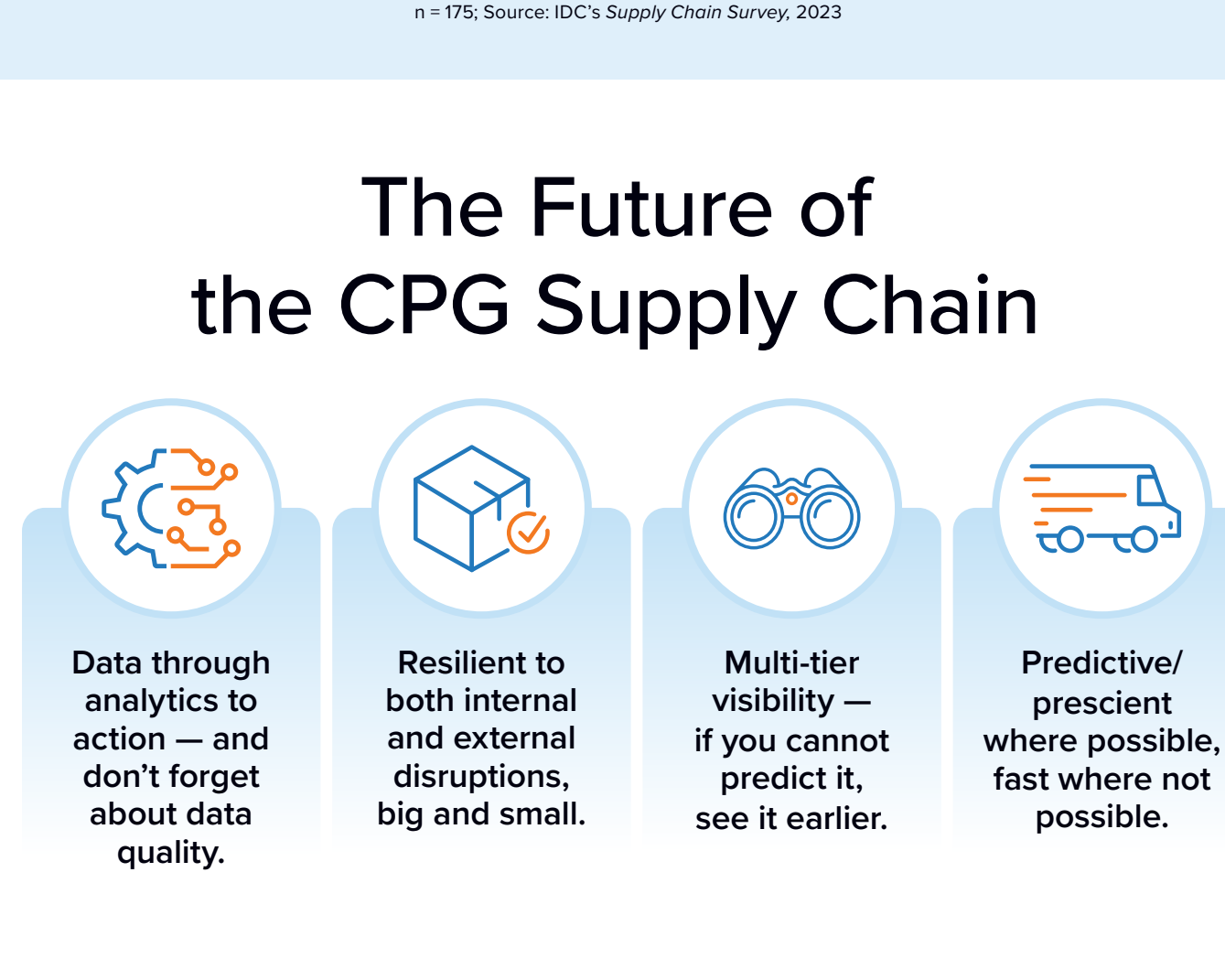
(% of respondents)



Visibility, as always, remains number 1 — particularly multi-tier visibility.

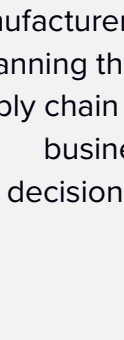
For CPG companies to be resilient to supply chain risk, they must see what is happening, understand the implications, and be agile enough to respond effectively.

Predict risk where you can, but be prepared to respond quickly to those risks you cannot predict.

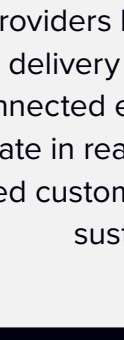


n = 175; Source: IDC's Supply Chain Survey, 2023

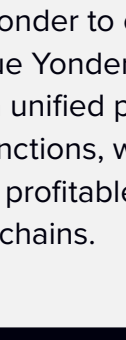
The Future of the CPG Supply Chain



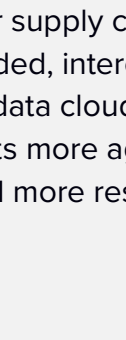
Data through analytics to action — and don't forget about data quality.



Resilient to both internal and external disruptions, big and small.



Multi-tier visibility — if you cannot predict it, see it earlier.



Predictive/prescient where possible, fast where not possible.

Message from the Sponsor



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