# Supply Chain Executives Spoke.
# Blue Yonder Is Listening.

Blue Yonder Responds to the Key Findings
From Its 2024 Supply Chain Executive Survey

**BlueYonder**

# In Developing Our Solutions, Blue Yonder Goes to the Source

Every year, Blue Yonder conducts a survey of executives to ensure we fully understand the needs of the world's supply chain teams — and respond with value-added technology solutions and delivery models.

Of course, this survey complements our many personal interactions with our customers. We hear directly from hundreds of leading supply chain executives via our annual ICON conference, our User Groups, our Customer Advisory Boards and one-on-one customer meetings. But we find this third-party survey invaluable in reaching beyond our customer base and gaining a global perspective.

Blue Yonder's 2024 Supply Chain Executive Survey gathered responses from over 600 C-suite and senior executives in manufacturing, retail, third-party logistics, and government.

Respondents are responsible for supply chain strategy, planning, logistics, and manufacturing operations in eight countries spanning North America and Europe.

This companion e-book highlights the key survey findings, including the top challenges facing supply chain teams today. This e-book goes into greater depth about how executives can master those challenges.

**Read on to learn how Blue Yonder is responding to urgent customer concerns every day — with the industry's broadest, deepest and most advanced capabilities developed in direct response to real-world needs.**

# The Top Challenges Facing Supply Chain Teams Are Clear

No two supply chains are alike. But, based on Blue Yonder's 2024 Supply Chain Executive Survey, it's obvious that the world's supply chain teams share common challenges. The top three concerns expressed in this year's survey are summarized below.

## Ongoing Disruptions

Successfully managing frequent, ongoing disruptions is top-of-mind for executives. In Blue Yonder's 2024 survey, 84% of respondents said their company has experienced supply chain disruptions over the last year. These disruptions were caused by raw materials shortages (reported by 48% of executives), delivery lags from suppliers (47%), labor shortages (44%), and lack of transportation capacity (41%).

## Rising Costs

About half of the survey participants (46%) have watched their profit margins shrink over the past year due to cost increases. Among U.S. executives, that number rises to 60%. Price inflation is primarily affecting materials costs (cited by 43% of respondents), inventory costs (15%), transportation costs (14%), and labor costs (14%).

## Sustainability Pressures

Nearly half (44%) of respondents said their companies have increased their sustainability initiatives in the last year. Forty-seven percent of companies have maintained their sustainability investments. The number-one sustainability priority is reducing waste and excess — including production, inventory, raw materials, and transportation — cited by 57% of executives.

# The Strategy for Overcoming These Challenges Is Also Clear

While it's evident that supply chain teams have common concerns, it's equally clear that they share the same strategy for addressing these challenges: Investing in advanced technology and associated best practices. Of our respondents, 79% reported that their companies have increased their supply chain investments in the last year. Over half of companies (51%) are investing more than $10 million in supply chain improvements.

One of the largest focuses for investment continues to be the application of artificial intelligence (AI), machine learning (ML) and other advanced technologies. Why? Because manual analysis and human cognition have proven insufficient to profitably navigate today's volatile business landscape. As supply chain teams struggle to manage disruptions, control costs and operate more sustainably, only advanced technology can tackle the scope and complexity of this problem.

Over half of organizations are using AI and ML to improve their performance in supply chain planning (56%), transportation management (53%) and order management (50%). And 80% of companies are implementing generative AI, a subset of AI. Among those participants, 91% said generative AI has proven "moderately effective" or "highly effective" in optimizing supply chain processes and decision-making.

# Blue Yonder Weighs In:
# The Top Three Ways To Maximize Your Returns

Blue Yonder's 2024 Supply Chain Executive Survey showed promising trends, as companies are increasingly investing in technology to achieve positive results. When asked about the benefits of their supply chain investments, the top responses were improved efficiencies (named by 53%), revenue growth (37%), increased market share (37%), fewer disruptions (37%), and increased profitability (29%).

But we'd be remiss if we failed to make an important point: All technology implementations are not equal. Blue Yonder has developed not only the most capable and advanced technology solutions, but also associated best practices that enable customers to maximize their return on investment. When looking at the above results — like improved efficiency and revenue growth — we can confidently say that close to 100% of our customers are achieving these benefits, and more, from partnering with us.

## So what's the secret to our customers' success?

**Based on our experience with some of the world's leading supply chain teams, there are three keys to optimally implementing advanced technology:**

**#1**

Driving a synchronized, rapid response via
**CONNECTED PLANNING AND EXECUTION**

**#2**

Automating decisions via
**AI AND ML**

**#3**

Optimizing the supply chain for
**SUSTAINABILITY**

Keep reading to learn how you can leverage advanced technology more productively and profitably, using these three proven best practices.

# Best Practice #1:
# Drive a Synchronized, Rapid Response As Conditions Change

Many supply chain teams are leveraging advanced planning and logistics solutions — and, as evidenced by Blue Yonder's survey, many plan to add those capabilities soon.

About half (49%) of companies will invest in a transportation management system (TMS), while 41% will add a warehouse management system (WMS). The top planning solutions targeted for investment are sales and operations planning (named by 37% of executives), sales and execution (37%), and integrated demand and supply planning (34%).
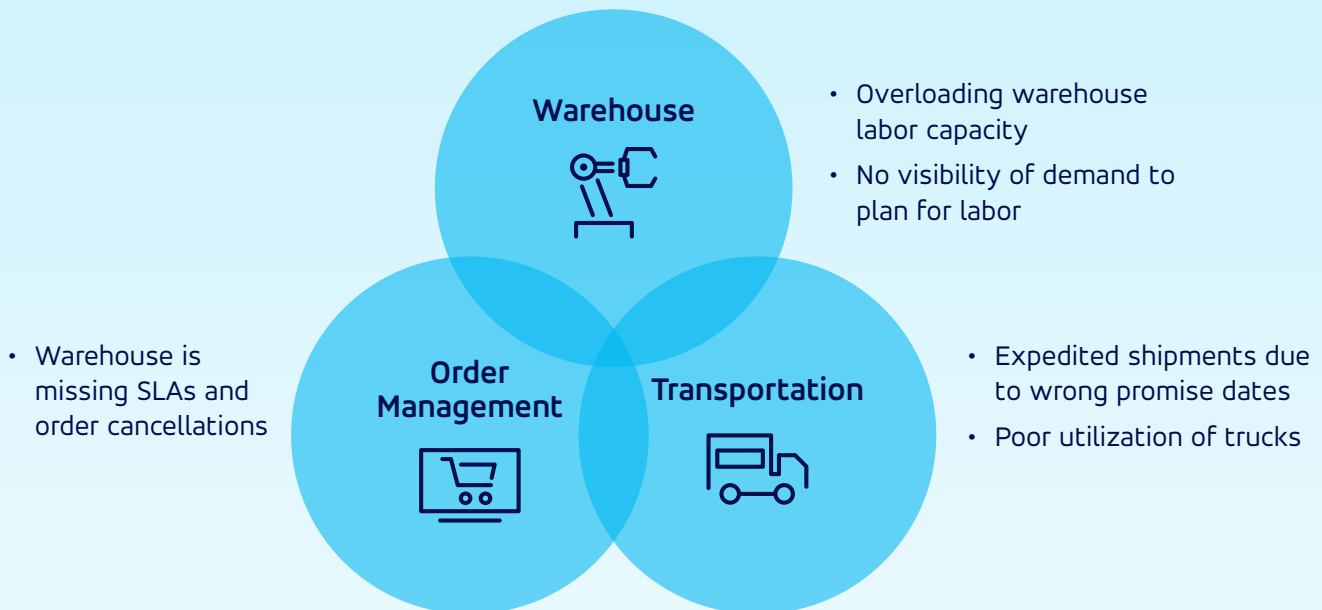
Acquiring individual technology solutions is a great first step. Enabled by AI and ML, today's advanced solutions can ingest real-time data, perform complex analysis and execute an optimal response. But even the most advanced solutions in planning and logistics can't perform to their full potential if they're siloed, disconnected and unable to share data.

As capacity conditions change in the warehouse or transportation fleet, order management solutions may make customer promises that simply aren't possible. And, if planning and logistics aren't aligned, new inventory may be added to the warehouse even as the forecast drops dramatically.

Any disruption, anywhere in the supply chain, has the potential to foundationally change end-to-end operations. If 84% of supply chain teams are experiencing disruption, then the supply chain must be purpose-built for resilience and agility. It must be managed as a single, fluid ecosystem that acts in concert — which means tightly integrating all technology solutions.

## When Conditions Change...

- Overloading warehouse labor capacity
- No visibility of demand to plan for labor
- Warehouse is missing SLAs and order cancellations
- Expedited shipments due to wrong promise dates
- Poor utilization of trucks

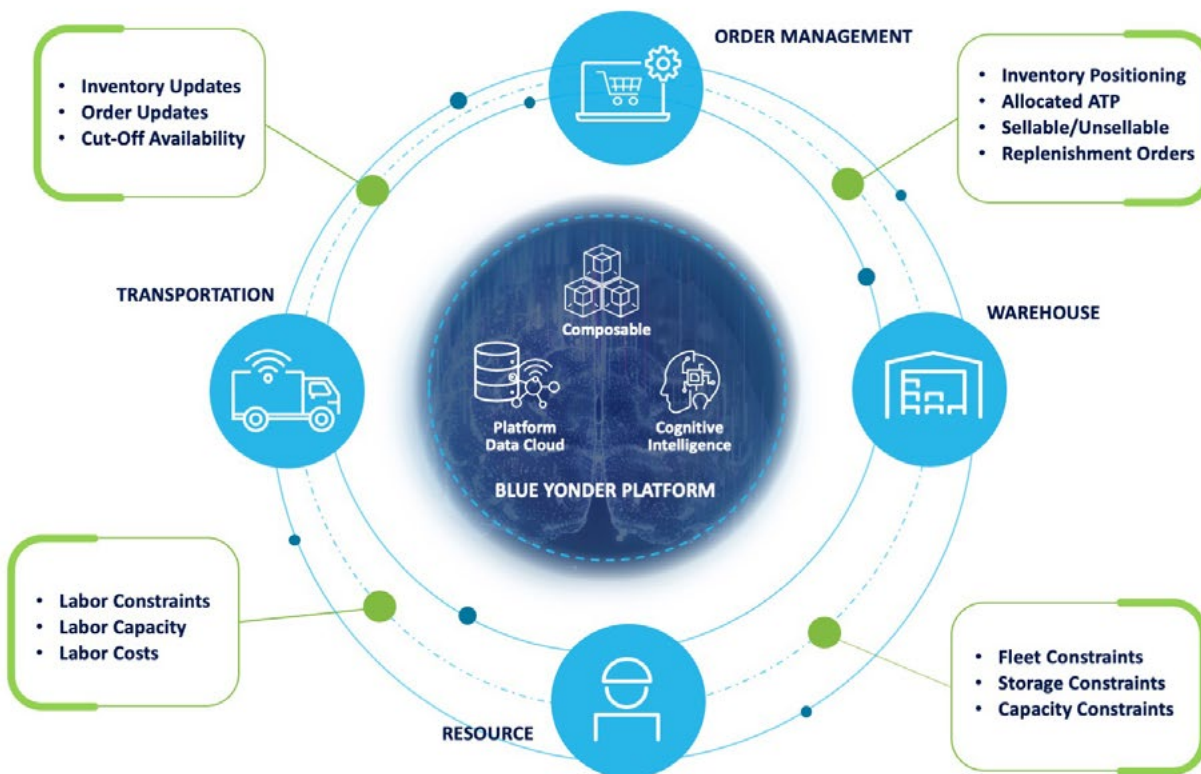Warehouse

Order Management

Transportation

It might sound impossible to tightly integrate all your technology solutions in real time, fed by a unified dataset, and connected by seamless, end-to-end execution workflows. But Blue Yonder makes it easy. By leveraging the Blue Yonder Platform, customers can connect all their software — across both planning and logistics — in real time, for a synchronized, rapid response to disruptions and exceptions.

By digitally connecting Blue Yonder's cloud-native solutions on a centralized platform, companies can create a seamless execution and planning environment in which every function shares the same priorities, constraints, visibility, and goals. If data is added in one solution, it instantly appears in other solutions. For example, if a shipping cost increase is logged in the warehouse, then the

fulfillment planning engine may choose an alternate delivery mode that protects profit margins — especially critical for the 46% of global supply chain teams challenged by margin shrink.

Enabled by Blue Yonder, synchronizing execution and planning allows the typical benefits of advanced technology solutions, such as improved efficiency, to be amplified exponentially across the supply chain. As the demand planning forecast changes, then execution resources — including labor, warehouse operations, inventory, trucks, and other assets — are continuously and automatically optimized for capacity and productivity. Costs are always considered and controlled, for improved profit margins. And customer service levels are maximized, for enhanced satisfaction and revenue growth.



**ORDER MANAGEMENT**

- Inventory Updates
- Order Updates
- Cut-Off Availability

- Inventory Positioning
- Allocated ATP
- Sellable/Unsellable
- Replenishment Orders

**TRANSPORTATION**

Composable

Platform Data Cloud

Cognitive Intelligence

**BLUE YONDER PLATFORM**

**WAREHOUSE**

- Labor Constraints
- Labor Capacity
- Labor Costs

- Fleet Constraints
- Storage Constraints
- Capacity Constraints

**RESOURCE**

# Best Practice #2:
# Apply AI and ML To Automate Decisions

When most people hear the phrase "supply chain automation," they probably envision picking robots, conveyor belts or automated forklifts in the warehouse. These process automation solutions add huge value. But even more important from a strategic perspective is decision automation, enabled by AI and ML.

In a disrupted world, a strategic and speedy response is essential. Consider that, in Blue Yonder's survey, disruptions have far-reaching, and costly, repercussions across the entire supply chain. The top impacts reported by supply chain executives were customer delays (named by 42% of participants), stalled production (42%), regulatory compliance issues (39%), reputational and monetary damage (38%), and an inability to meet customer demand (38%).

Integrating functions for a synchronized response is essential — but how do the TMS, WMS, demand planning solution and other systems know how to respond? That's where AI and ML come in. Enabled by AI, ML, data science, predictive analytics, and proprietary algorithms, Blue Yonder's optimization engines can automate the resolution of even the most complex problem. They're able to ingest a range of real-time data from across the supply chain, as well as external feeds like news and weather, and arrive at an end-to-end, orchestrated resolution in microseconds.

Industry-leading AI and ML capabilities from Blue Yonder enable supply chain teams to easily and automatically manage the biggest challenges identified in our 2024 survey, including disruptions and rising costs.

As market trends change, Blue Yonder decision engines analyze consumer buying behaviors, then pivot logistics and inventory plans automatically. When a shipping route is blocked by weather or a geopolitical event, Blue Yonder enables predictive alerts and dynamic rerouting. Materials shortages, or transportation capacity shortfalls, are managed by executing predefined contingency plans, such as alternative suppliers or carrier networks. Blue Yonder's 24-7, always-on AI and ML capabilities ensure that the supply chain stays on track to meet service and profitability targets, no matter what disruptions emerge.

Blue Yonder's survey flagged an increasing interest in generative AI, a subset of AI that relies on predictive algorithms to automate responses to specific user queries. Blue Yonder Orchestrator is our generative AI capability, which allows supply chain teams to quickly access recommendations and predictive insights, so they can make intelligent decisions and generate the best outcomes for the entire supply chain.

**Blue Yonder is investing heavily in generative AI because we believe it's changing supply chain and logistics for the better.**

# Best Practice #3:
# Optimize the Supply Chain for Sustainability

Cost and service have always been standard top-level metrics for supply chain performance. But increasingly, sustainability is emerging as a priority as well. In Blue Yonder's 2024 Supply Chain Executive Survey, 48% of executives named sustainability as a key area of investment.

As noted earlier, 57% of companies are focused on reducing waste and excess across the supply chain. Over half (55%) of companies are increasing transportation efficiency by reducing fuel usage, optimizing network design and transportation routes, and lowering emissions. Other areas of sustainability investment include improving supplier sustainability (46%), enhancing the returns process (34%), and driving product innovations like reduced packaging (34%).

Often, the most profitable decision for the supply chain is also the most sustainable one. By optimizing routes to eliminate time, fuel costs and empty miles, TMS are also reducing environmental impacts. As the forecast becomes more accurate via leading-edge demand-planning algorithms, excess inventory and waste are naturally minimized. These are huge benefits that have been realized by many Blue Yonder customers.

In addition, as AI- and ML-enabled optimization engines determine the best course of action for the supply chain, they can be "tuned" to consider sustainability as a key performance metric. Decisions can be made on a weighted basis, in which targets like waste and supplier sustainability are considered alongside more traditional metrics.

With end-to-end capabilities across the supply chain, Blue Yonder is uniquely qualified to help customers install best practices in sustainability — including maximizing capacities and resource utilization, optimizing loads and routes, consolidating shipments for reduced miles and packaging, and streamlining the returns process.

In response to our customers' growing focus on sustainability, we are creating a Sustainability Roadmap that matches our advanced technology capabilities to opportunities for greener operations across the end-to-end supply chain.

Blue Yonder is already supporting its customers' sustainability goals. One customer that is using Blue Yonder Transportation Management and Warehouse Management solutions to optimize its global logistics network was able reduce its Scope 3 transportation emissions by 40%, eliminating 11 million highway miles while avoiding warehousing waste through improved inventory management.

Using integrated solutions, Blue Yonder will be able to help you implement innovative practices like electric fleet integrations and waste reduction programs in warehouses. Blue Yonder is focused on building solutions to match customers' sustainability priorities.
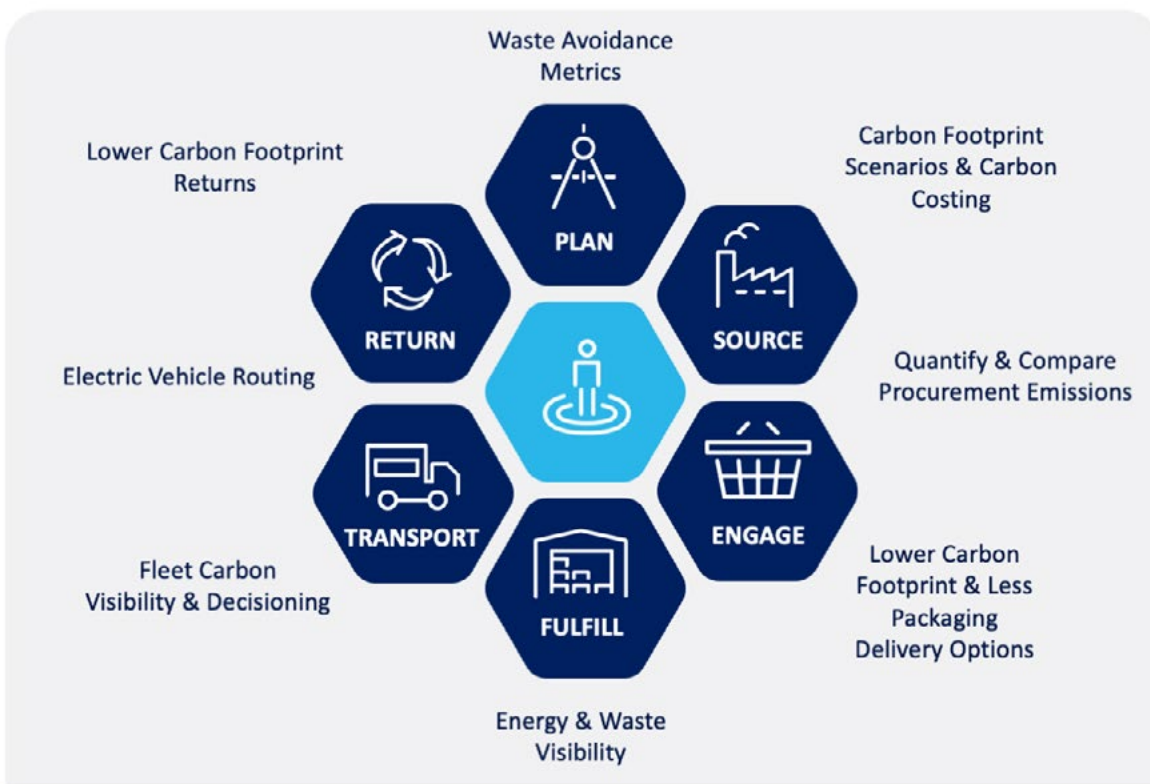
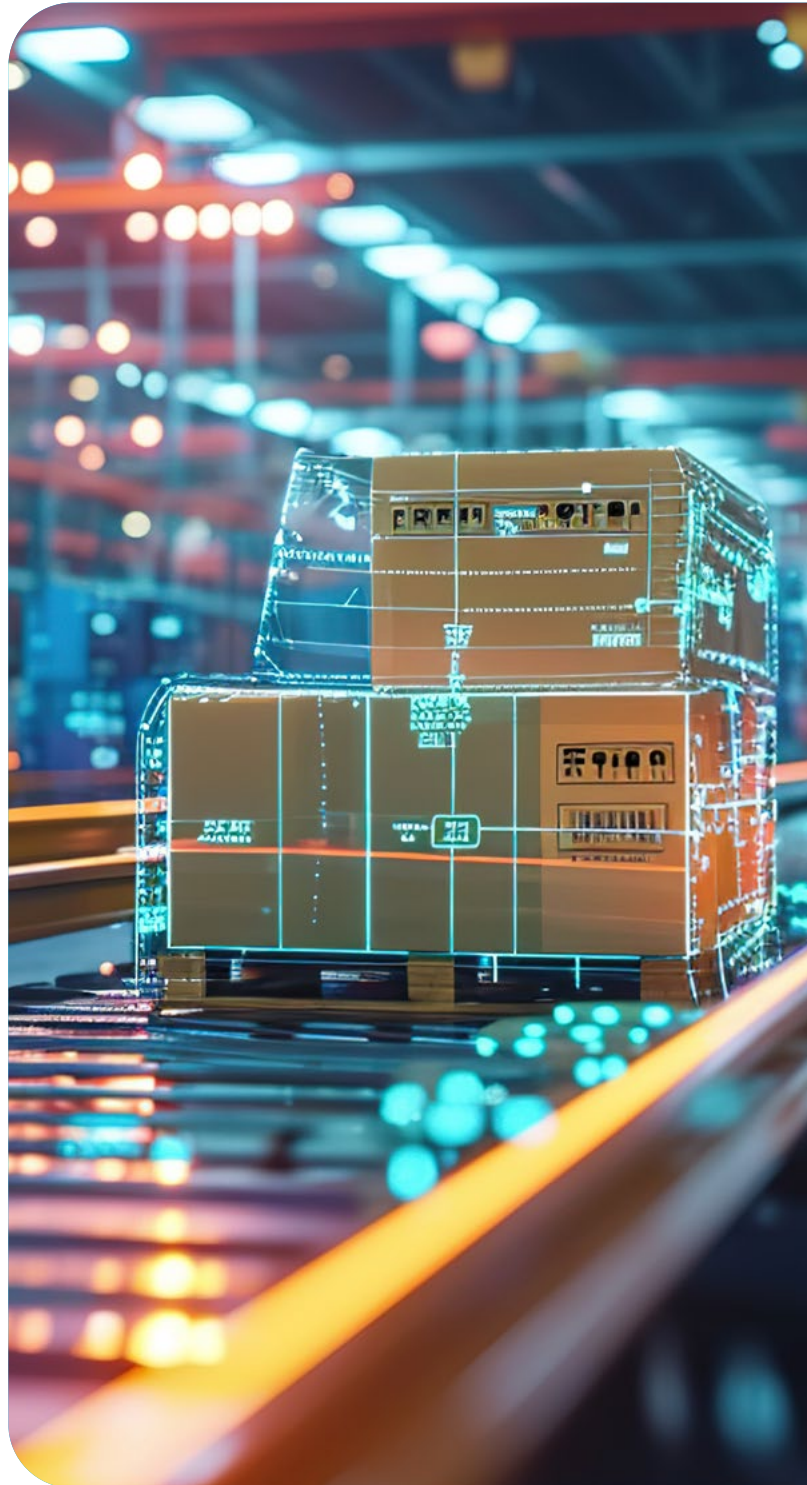## About the 2024 Supply Chain Executive Survey

Sponsored by Blue Yonder and conducted by a third-party provider, the 2024 Supply Chain Executive Survey was conducted from March 1–15, 2024. The study gathered responses from over 600 C-suite and senior executives in manufacturing, retail, third-party logistics, and government. Respondents are responsible for supply chain strategy, planning, logistics, and manufacturing operations in the United States, United Kingdom, DACH (which includes Germany, Austria and Switzerland), and France/BENELUX (which includes Belgium, the Netherlands, and Luxembourg).

# Looking for a partner who's invested in your success?

## Look no further.

Like the participants in our 2024 Supply Chain Executive Survey, Blue Yonder believes the future success of the world's supply chains depends on advanced technology. That's why we are investing $1 billion over three years in innovation, including next-generation AI and ML. Wherever your supply chain is headed, we'll help you get there with the most advanced capabilities and innovative delivery models that accelerate your return on investment.

**Visit blueyonder.com to learn more.**



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