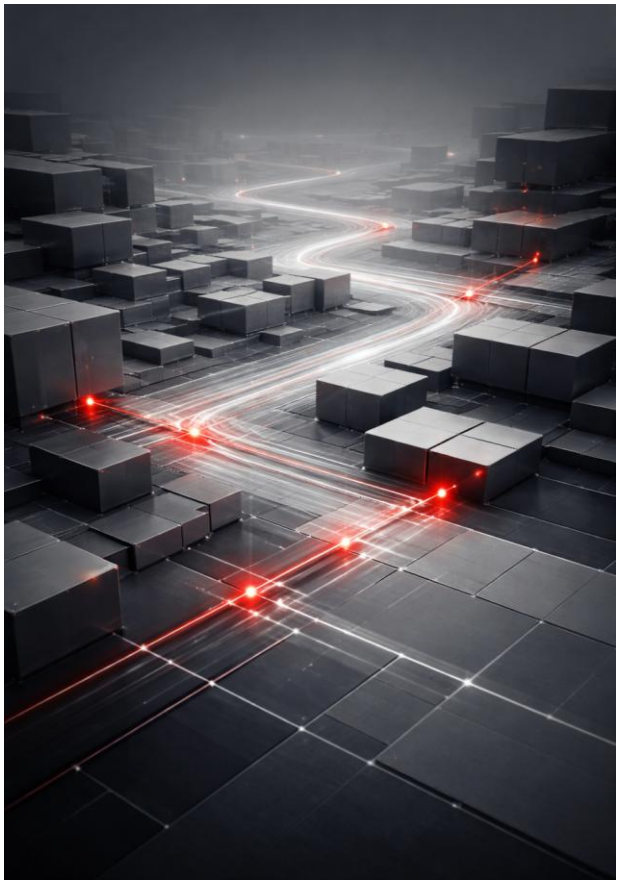

DESIGNING FOR YOUR COMPANY'S FUTURE

7 SUPPLY CHAIN TRENDS YOU MUST EMBRACE

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Executive Summary: Disruption Is Permanent; Resilience and Optionality a Choice

Most supply chain leaders and company executives already know where they struggle. The difference between securing competitive advantage and falling behind is action. Progress comes from redesigning how companies operate, how they make decisions and how quickly they can turn insight into movement.

This year's most important supply chain trends reflect that fact. Companies must build, test, adjust and execute, not wait for perfect information. This year's winners will anticipate disruption, harness technology and design networks that readjust as quickly as the world changes.

Here are the seven supply chain trends Tompkins Ventures sees shaping success in 2026:

1. **Generative AI moves from experiment to strategic capability:** Generative AI is becoming a core supply chain capability – one that generates scenarios, recommends actions and accelerates decision-making across planning, procurement, logistics and execution. Organizations that treat AI as infrastructure, not novelty, will move faster and adapt better.
2. **Automation inside the four walls crosses a point of no return:** Distribution and fulfillment operations can no longer rely on manual processes alone. Smart, targeted automation – designed around people, software and workflows – has become essential for throughput, consistency and resilience.
3. **ReGlobalization redefines how global networks are designed:** Globalization is not ending – it is being re-engineered. ReGlobalization is about building option-rich networks that reduce dependence on any single country or trade lane. Nearshoring, friendshoring, reshoring and regional manufacturing are pragmatic responses to a world where disruption is permanent.
4. **Labor strategy shifts from headcount to capability and flexibility:** Flexible labor models, faster training and credible accreditation are your answer to labor shortages. These solutions allow operations to scale up and down without burning out their core workforce. Companies that treat labor as a long-term asset will outperform those that treat it as a short-term constraint.
5. **Supply chain intelligence evolves into digital command centers:** Control towers helped us see. In 2026, supply chains must think and act. Digital command centers integrate data, predictive analytics and execution so leaders can anticipate disruption, test alternatives and orchestrate responses in real time – before small problems become enterprise-level failures.

6. **Optionality becomes a design principle across the enterprise:** Optionality is no longer just a supply chain concept. It is a way of running the business. The most resilient organizations build multiple plans in advance, define clear triggers and know exactly when to pivot. In a VUCA world, competitive advantage belongs to those who can adapt faster than their competitors.
7. **Customer-centric supply chains separate leaders from laggards:** Customers now expect speed, transparency and personalization as a baseline. That means designing supply chains around customer segments and journeys – not internal silos. The companies that align supply chain execution with the customer experience will win loyalty, margin and market share.

1. Generative AI in the Supply Chain: A CTO's Perspective on the Next Frontier of Intelligent Operations

By David Kramer

As organizations navigate increasingly volatile markets, supply chains have become both the lifeline of global commerce and one of its greatest points of vulnerability. At Tompkins Ventures, we work with enterprises facing daily pressures – from geopolitical shocks and constrained transportation capacity to labor scarcity and demand unpredictability. While traditional automation and analytics have delivered incremental improvements over the past decade, we are now entering an era where generative artificial intelligence (generative AI) has the potential to fundamentally reshape how we design, orchestrate and optimize supply chains.

Generative AI is not simply another analytical tool. It represents a structural leap in how digital systems understand, reason, predict and create. Unlike conventional machine-learning models trained solely to classify or forecast, generative AI systems generate new knowledge and operating scenarios, build supply-chain playbooks dynamically and even recommend or automate execution paths. As Dr. Andrew Ng notes in "Machine Learning Yearning," models that can reason about data – rather than merely label it – become "force multipliers for human capability." The supply chain is now the proving ground for this capability.

Transforming Core Planning Functions

One of the most transformative applications of generative AI is in integrated business planning (IBP). Historically, IBP has relied on siloed forecasts produced by demand

planners, procurement teams and finance analysts. These forecasts were then merged manually in workflows that were slow, error-prone and dependent on tribal knowledge. Generative AI is reversing that paradigm.

Modern systems can ingest historical sales, promotional calendars, macroeconomic indicators, weather patterns, distributor inventory and real-time consumption signals. From this, the model generates probabilistic demand scenarios, risk-adjusted supply plans and financial implications – all in minutes. Research from McKinsey's "The Supply Chain of the Future" highlights how AI-enabled planning can reduce forecast error by more than 30-50% while increasing planner productivity by 60-90%.

At Tompkins Ventures, we are seeing clients deploy AI solutions that generate multiple planning options automatically – each with its own constraints, sourcing implications, capacity considerations and transportation impacts. Instead of analysts interpreting spreadsheets, planners now evaluate AI-generated strategic scenarios, accelerating decision-making and improving resilience.

Autonomous Procurement and Supplier Intelligence

Generative AI is revolutionizing procurement in ways not seen since the introduction of e-sourcing platforms. Large language models can evaluate supplier risk by synthesizing publicly available information, ESG performance data, trade-lane disruptions and financial health indicators – tasks that once required full-time teams.

More impressively, generative models are now being used to *draft category strategies*, supplier scorecards, and negotiation scripts automatically. A recent MIT Sloan article by David Simchi-Levi underscores the importance of "algorithmic sourcing," where AI systems dynamically recommend optimal suppliers as markets shift. We are finding that generative AI enhances this by producing:

- AI-generated RFP templates tailored to category complexity
- Automated contract clause suggestions based on historical negotiation outcomes
- Real-time supplier performance narratives synthesized from disparate data streams

As a CTO, I view this not as automation replacing procurement talent but as augmentation that frees strategic buyers to focus on innovation, relationship management and value creation.

Warehouse, Logistics and Intralogistics Optimization

Generative AI is also reshaping the physical movement of goods. While robotics and automation provide execution capability, generative AI introduces a "thinking layer" capable of generating optimal workflows, layouts and resource allocations. For example:

- **AI-generated warehouse slotting plans** built from SKU velocity, cube dimensions, labor constraints and congestion simulations
- **Dynamic pick-path generation** optimizing human-robot collaboration in real time
- **Transportation routing copilots** generating multi-stop loads, backhaul opportunities and exception-handling workflows

Recent work by Dr. Mary L. Cummings on Human-AI teaming reinforces that autonomous decision-generation is most effective when paired with structured human oversight. This philosophy aligns with Tompkins Ventures' approach: generative AI proposes the moves, operations leaders approve or adjust – creating a hybrid intelligence model that is safer, faster and more profitable.

Control Towers Powered by Generative Intelligence

Traditional control towers provide visibility; generative control towers provide orchestration. Instead of simply flagging exceptions, these systems propose mitigation strategies such as:

- Alternate suppliers
- Dynamic inventory repositioning
- Mode shifts or carrier reallocations
- Production schedule re-sequencing

With generative simulation engines, control towers can produce "digital playbooks" for disruptions before they happen. Gartner's 2024 report on composable supply chains predicts that such AI-generated response plans will become standard practice by 2027 as enterprises seek proactive rather than reactive resilience.

In essence, generative AI-powered control towers can become digital command centers capable of orchestrating trade flows throughout entire hemispheres. (See more in Section 5 below.) For global firms operating across multiple time zones and regulatory

environments, this is transformative. The supply chain becomes a continuously learning organism – not a static function.

The Strategic Role of the CTO in the Generative AI Era

As CTO of Tompkins Ventures, I view generative AI not as a technology initiative but as a strategic capability that must be woven into the fabric of enterprise supply-chain design. Success requires:

1. **A modern data foundation** capable of real-time ingestion, harmonization and governance.
2. **Organizational readiness**, including upskilling, process modernization and AI literacy.
3. **Ethical and secure deployment**, balancing innovation with transparency and data-sovereignty requirements.
4. **A clear value-capture roadmap**, ensuring every generative capability ties directly to revenue growth, cost reduction or risk mitigation.

This is not experimentation for experimentation's sake. It is disciplined transformation guided by measurable outcomes – an approach consistent with the work of leaders like Tom Davenport and Nitin Mittal, whose book "All-In on AI" outlines enterprise patterns for successful large-scale adoption.

A New Era of Cognitive Supply Chains

The supply chain will always reflect the complexity of the world it supports. But with generative AI, we finally possess systems capable of thinking, reasoning and adapting alongside us. What once required countless hours of human analysis can now be generated instantly, enabling leaders to make more informed decisions at the speed of volatility.

This shift represents one of the most profound opportunities in the history of supply-chain innovation. And at Tompkins Ventures, we are committed to helping enterprises harness this new cognitive era – building supply chains that are not just automated, but truly intelligent, anticipatory and resilient.

The automated economy promises to upend traditional supply chain models. Generative AI is a catalyst for that shift, bridging data silos and enabling decisions that keep pace with disruption. By unlocking real-time data and analysis, generative models help

supply chain leaders develop the right strategic goals, equip their teams with tools that enhance customer experiences and capitalize on emerging opportunities.

2. Automation Gains Momentum Inside the Four Walls

By Jim Tompkins

Automation inside the four walls has crossed a critical threshold. Distribution and fulfillment centers are under pressure from rising labor costs, tighter service-level agreements, SKU proliferation and unrelenting volume volatility.

Manual processes alone cannot absorb that complexity at scale. Smart, targeted automation can enable throughput, consistency and resilience that strictly human systems find it difficult to sustain.

What has changed most dramatically is not the availability of technology, but how organizations deploy it. Early automation efforts often failed because companies treated robots and conveyors as plug-and-play solutions. Buying equipment without redesigning workflows simply amplified existing inefficiencies. Leading organizations in 2026 understand that they must integrate automation into end-to-end intralogistics design, where people, processes, software and machines operate as a single system. Automation works best when it complements human capability rather than competing with it.

Inside the distribution and fulfillment center, automation now shows up across multiple layers of operation. Autonomous mobile robots (AMRs) handle repetitive transport tasks, moving totes or pallets between zones and reducing unnecessary walking. Goods-to-person systems bring inventory to workers rather than sending workers searching for inventory, dramatically improving pick rates and accuracy. Automated storage and retrieval systems (AS/RS) maximize vertical space while increasing inventory density and speed. Conveyor and sortation systems manage high-volume flows with precision that manual handling cannot match.

Yet automation success in 2026 is defined less by the machines themselves and more by orchestration. Warehouse management systems (WMS), warehouse execution systems (WES) and warehouse control systems (WCS) increasingly act as the digital nervous system of the operation. These platforms dynamically assign work, prioritize orders, balance labor and machine capacity, and surface issues before they become failures.

Aligning software and automation gives operations visibility and control that were impossible just a few years ago.

Crucially, the most effective automation strategies are modular and scalable. Rather than betting the operation on a single massive deployment, companies are phasing automation in logical increments. This approach reduces risk, preserves operational continuity and allows organizations to validate ROI before expanding. A facility might begin with automated sortation, then add AMRs for transport, and later introduce robotic palletizing as volume grows. In 2026, flexibility, not maximum automation, defines best practice.

Automation also plays a central role in workforce strategy. Labor shortages are structural, not cyclical. Automation absorbs the most physically demanding and repetitive tasks, reducing injury risk and burnout while allowing workers to focus on higher-value activities such as exception handling, quality control and supervision. Rather than eliminating jobs, automation reshapes them. Operations that invest in training and change management see higher adoption, better morale and stronger performance.

Perhaps most importantly, automation has become a resilience tool. When demand spikes unexpectedly or disruptions constrain labor availability, automated systems provide continuity. They deliver consistent throughput regardless of shift variability, absenteeism or seasonal peaks. In an environment where disruption is permanent, automation creates stability inside the four walls even when the external world is volatile.

By 2026, the question is no longer whether to automate, but where and how much. Organizations that treat automation as a strategic capability – integrated, data-driven and human-centered – will outperform those that still view it as a tactical cost-reduction exercise.

Intentional, thoughtful automation can be the foundation for scalable, resilient intralogistics and a prerequisite for competitive supply chains.

3. ReGlobalization and the Rise of Supply Chain Optionality

By Steve Robinson

Despite all the headlines, globalization has not been retreating over the last few years – it has been redesigned. The defining supply chain shift of ReGlobalization continues into 2026.

ReGlobalization is not simple reshoring: it is a more distributed, option-rich model that prioritizes flexibility over lowest unit cost. ReGlobalization encompasses the right combination of nearshoring, friendshoring, reshoring and technology adoption.

Years of disruption – from pandemics and geopolitical conflict to climate events and trade volatility – have exposed the fragility of highly concentrated, cost-optimized supply chains. In response, companies are rearchitecting networks to maximize choice.

For decades, supply chain strategy centered on efficiency. Lowest labor cost, longest production runs and just-in-time inventory dominated decision-making. That model delivered impressive margins but left little room to maneuver when disruption hit. When factories shut down, ports clogged or trade policies shifted, companies discovered that efficiency without flexibility is risk. The new mandate continues for 2026: supply chains must be designed to adapt, not just perform under ideal conditions.

ReGlobalization reflects this shift. Companies are diversifying production and sourcing across regions rather than abandoning global networks altogether. Nearshoring, reshoring and friend-shoring are pragmatic moves, not ideological statements. The goal is not to eliminate overseas production, but to reduce dependence on any single geography. Optionality – the ability to pivot quickly between suppliers, plants, and transportation modes – has become a core strategic asset.

Nearshoring to the Western Hemisphere has emerged as a cornerstone of optionality. Countries such as Mexico, the Dominican Republic and Panama offer a powerful combination of proximity, manufacturing capability, logistics infrastructure and preferential trade access. These locations allow companies to serve North American markets with shorter lead times, greater visibility, and reduced exposure to transoceanic disruption. Just as important, they provide multiple operational models, from owned facilities to contract manufacturing and hybrid structures, enabling faster entry and scalable growth.

Trade agreements amplify this advantage. Frameworks such as USMCA and CAFTA-DR create a network of tariff and regulatory benefits that increase flexibility across borders. Manufacturers can distribute production stages across countries while maintaining favorable trade treatment, effectively creating a regional portfolio of optionality. This architecture supports resilience by allowing companies to rebalance volumes as conditions change – whether driven by cost, capacity, risk or demand.

ReGlobalization also accelerates responsiveness. Shorter supply chains reduce lead times, lower inventory exposure and enable faster reaction to market signals. Companies can introduce new products more quickly, adjust configurations closer to demand, and recover faster from disruptions. Visibility improves when teams operate in similar time zones and can physically access facilities without transcontinental delays. These advantages translate directly into service performance and customer trust.

Technology reinforces this trend. Automation, advanced planning systems and digital visibility tools reduce the labor-cost differential that once drove extreme offshoring. Smaller, regionally distributed facilities can now operate efficiently at lower volumes, making multi-node networks economically viable. Governments are further supporting this transition through incentives, infrastructure investment and industrial policy aimed at strengthening domestic and regional manufacturing capacity.

However, ReGlobalization is not without challenges. Talent availability, infrastructure readiness and supplier maturity vary by region. Concentrating too much capacity in a single "nearshore" country simply replaces one risk with another.

True optionality requires deliberate diversification and disciplined network design. The companies that succeed are those that treat supply chain design as a portfolio strategy – balancing cost, risk, service and flexibility rather than optimizing a single variable.

By 2026, supply chain leaders understand that optionality has measurable value, even when it is not fully utilized. Like insurance, its worth becomes clear only when disruption strikes. Organizations that invest in flexible, multi-regional networks will not just survive volatility; they will turn it into competitive advantage.

ReGlobalization is not a retreat from global commerce. It is its next, more resilient evolution.

4. Labor: Flexible Labor and Training Are Your Keys

By Chuck Moyer and Agnes Watkinson

Labor shortages will be a structural constraint through 2026 and into the foreseeable future. Historically, warehousing and fulfillment operations have struggled to find reliable people, and overtime is often a default solution. That approach is unsustainable.

Fatigue increases errors and safety incidents, productivity erodes and managers spend more time covering gaps than developing talent.

The solution is not to push people harder, but to treat workers as long-term assets and redesign labor systems so capacity flexes with demand. Three levers are central to sustaining productivity in 2026: reducing overtime through variable labor models, accelerating skill development and using accreditation to verify competence.

Reducing overtime through variable labor models

Fixed staffing models are poorly suited to environments with volatile demand. Seasonal peaks, promotions and unexpected disruptions create spikes that a static workforce cannot absorb without excessive overtime. Variable labor models address this challenge by giving organizations access to supplementary labor to scale up or down quickly, allowing for operational continuity.

The key distinction is quality. Best-in-class labor-on-demand providers do not supply "warm bodies." They recruit, vet, train and supervise workers who are prepared to operate safely in modern, technology-enabled facilities. Advanced matching and rating systems allow leading providers to achieve:

- Fill rates near 99%
- Turnover rates below 20%

Those metrics far outperform traditional staffing agencies. Such reliability allows organizations to flex capacity without exhausting core employees.

A true variable labor partner like Task4Pros operates more like a strategic extension of the operation than a temp agency. Transparent dashboards, performance metrics and app-based scheduling give supervisors real-time visibility into who is working, how tasks are progressing, and where labor can be redeployed. This "Uber-like" labor experience allows managers to cover peaks efficiently and reduce overtime before it becomes entrenched.

High-quality variable labor improves both cost control and scalability. With consistent fill rates and low turnover, managers spend less time scrambling to cover shifts and less money retraining replacements. Scaling for peak season no longer requires burning out full-time associates; it means tapping a ready pool of trained professionals when demand surges.

Risk management is equally important. Many organizations have experimented with independent contractors to fill labor gaps, but regulatory scrutiny has increased sharply. Updated Department of Labor rules require companies to evaluate multiple factors when determining worker classification, and misclassification lawsuits can be costly even when companies prevail. States may impose fines of $5,000 to $15,000 per violation, with additional penalties for repeat offenses, and several high-profile companies have paid hundreds of millions of dollars to settle claims.

To mitigate this risk, organizations should work with labor-on-demand providers, like Task4Pros, that employ workers as W-2 employees. Task4Pros takes responsibility for compliance, training and supervision, allowing companies to maintain flexibility without exposing themselves to legal and financial risk.

Flexible labor only works long term when workers feel valued and connected. Providers that invest in thorough vetting, orientation and ongoing development deliver associates who align with the organization's culture. Rating systems enable managers to invite high performers back repeatedly, creating continuity and loyalty. Over time, this reduces supervision needs, improves productivity and further limits overtime by ensuring experienced workers are available when demand spikes.

Training and Accreditation Address the Skills Gap

Even with flexible labor, you must equip your core workforce to operate in an increasingly automated, data-driven environment. The labor challenge is fundamentally a skills challenge. The spread of automation and AI are changing job requirements faster than traditional education pipelines can respond. Organizations must take a more active role in continuous learning.

Task4Pros has a rating and invitation model that lets managers repeatedly request high performers, creating familiarity, cultural alignment and trust. Over time, this reduces supervision requirements, improves productivity and ensures experienced workers are available.

In addition, microcredentials and short, stackable programs are becoming essential tools. Rather than sending associates away for extended courses, leading companies partner with training providers and universities to deliver targeted, job-specific learning. These programs allow workers to acquire relevant skills quickly while remaining productive. Workers value these credentials, and employers increasingly recognize them as credible indicators of capability and commitment.

Stackable credentials also support career pathways. Entry-level associates can progress into equipment operation, coordination, planning and control-tower roles as they accumulate skills. This approach improves retention while reducing reliance on external hiring for advanced positions.

Training is most effective when embedded in daily operations. Apprenticeships, structured cross-training and peer mentoring accelerate skill transfer and reinforce standards. Digital learning platforms make it possible to deliver short modules during a shift – covering safety refreshers, new automation procedures, or basic data literacy – without pulling workers off the floor for extended periods.

Certifications and formal accreditation remain critical in high-risk and high-complexity roles. Equipment operators require OSHA-compliant certification, and planners and analysts benefit from industry-recognized credentials that validate expertise across the supply chain. Many organizations now cover the cost of these programs as part of tuition assistance or workforce development initiatives, recognizing that investment in skills pays dividends in performance and retention.

The greatest impact comes from combining variable labor with disciplined training and accreditation. Overtime declines when a flexible supply of trained professionals can absorb demand spikes. At the same time, upskilled core employees move into higher-value roles, enabling automation and process improvement without constant external hiring.

Consider a distribution center preparing for peak season. Core associates are cross-trained and certified, allowing them to rotate across functions. As volumes rise, managers tap a labor-on-demand platform that supplies vetted, trained workers who integrate quickly. App-based tools provide visibility into performance and compliance, while preferred workers are invited back repeatedly. Overtime becomes the exception rather than the rule, burnout declines and productivity remains stable.

Labor models built for 2026 must balance flexibility with capability. Reducing overtime requires variable labor that can scale reliably and compliantly. Closing the skills gap requires continuous training and credible accreditation that create clear career pathways.

5. Supply Chain Intelligence: From Control Towers to Command Centers

By Jim Tompkins

For the last decade, supply chain leaders have invested heavily in control towers. These platforms brought long-overdue visibility to global networks by consolidating data from transportation, inventory and order management systems. That visibility mattered. It allowed organizations to see shipments in motion, identify delays faster and respond with fewer surprises.

But visibility alone has reached its limit.

In 2026, supply chains are simply too complex, too interconnected and too exposed to disruption to rely on dashboards and alerts. Knowing there is a problem is not the same as knowing what to do about it. The next evolution is clear: control towers must mature into digital supply chain command centers that combine visibility with decision-making, orchestration and execution.

A command center is not a prettier control tower. It is a fundamentally different operating model. Instead of passively monitoring events, a command center actively directs flows across suppliers, manufacturing, transportation, distribution and customers. It integrates data, analytics and governance into a single operational nerve center that helps leaders anticipate disruption, test alternatives and act with speed and confidence.

This shift reflects the broader reality that disruption is no longer episodic. Weather events, labor disruptions, geopolitical shocks, cyber risk, capacity constraints and regulatory changes are now part of normal operating conditions. In this environment, reacting faster is not enough. Supply chains must be designed to sense, decide and respond in real time.

Digital command centers enable that shift by unifying four capabilities that control towers rarely deliver together.

First, they integrate data across the entire network. Transportation, ports, customs, warehouses, suppliers, carriers and customers all feed into a shared digital backbone. IoT sensors, GPS, RFID, satellite data and external risk signals provide continuous situational awareness. This is not just end-to-end visibility, but shared truth across stakeholders.

Second, they apply predictive and prescriptive analytics. Historical data and real-time signals are used to forecast congestion, delays, weather impacts, capacity shortages or geopolitical risk. More importantly, the system generates recommended actions –

rerouting freight, repositioning inventory, adjusting production schedules, or reallocating capacity – before disruption cascades through the network.

Third, command centers orchestrate execution. Decisions are not left trapped in slide decks or emails. Integrated workflows rebalance transportation modes, handle customs documentation, redirect inventory and notify partners. In mature environments, smart contracts and digital documentation reduce friction and dwell time, dynamically adjusting flows.

Finally, command centers enable collaboration. Secure access allows shippers, logistics providers, ports, government agencies and internal teams to operate from the same playbook. Instead of fragmented responses, the network moves as a coordinated system.

Across the globe, companies are building versions of this capability internally. But geography still matters. Some locations are better positioned than others to host command centers that operate at regional or hemispheric scale. Panama stands out as one of those locations.

Panama's value goes far beyond the Canal. It sits at the intersection of ocean, air and land routes that connect North and South America. It already hosts regional headquarters and control towers for many multinational companies. Its ports, airport, rail connection and free trade zones form a dense logistics ecosystem. Just as important, Panama has made deliberate investments in digitization, data integration and logistics intelligence.

This combination makes Panama a natural candidate for a Western Hemisphere supply chain command center – one that goes beyond tracking cargo to actively guiding trade flows. Similar to what Singapore accomplished in the Eastern Hemisphere, Panama has the opportunity to evolve from a physical hub into a digital nerve center that supports orchestration across borders, modes and industries.

That said, the broader lesson extends well beyond Panama. Whether centralized globally, regionally or within a single enterprise, command centers will define how leading supply chains operate in 2026 and beyond. They provide the structure needed to manage optionality – multiple sourcing paths, transportation modes, and fulfillment strategies – without drowning in complexity.

The organizations that succeed will not be the ones with the most data, but the ones that turn data into coordinated action. They will design command centers as living systems that evolve with the network, supported by clear governance, skilled people and disciplined processes.

Control towers helped supply chains see. Digital command centers help them think and act. That evolution is already underway, and by 2026 it will separate reactive supply chains from those that consistently stay ahead of disruption.

6. Optionality Injects Agility Across the Enterprise

By Jim Tompkins

As Steve noted in the ReGlobalization section, companies are diversifying sourcing and production across regions because the ability to pivot quickly among suppliers, plants and transportation modes has become a core strategic asset. ReGlobalization is really about creating that kind of optionality.

But optionality is bigger than supply chain design. It is a way of thinking about the entire enterprise.

Purdue trained us industrial engineers to optimize everything. Early in my career, and for decades after, my teams and I worked relentlessly to squeeze inefficiency out of supply chains.

That discipline still matters. But the definition of success has changed.

Today, we don't measure performance by how perfectly a system runs in steady state. We measure it by how well it adapts when the ground shifts beneath it. In a VUCA world – one defined by volatility, uncertainty, complexity and ambiguity – the "best" option today can quickly become the wrong one tomorrow. Competitive advantage now lies in sensing change early, simulating alternatives and activating the right choice faster than your competitors.

That requires intentionality. It means building multiple plans in advance, each with clearly defined triggers that tell you when to act.

Interest in scenario planning surged after so many organizations were blindsided in 2020. Done well, you can model how tariffs, pandemics, cyberattacks or sudden demand swings could force change – and identify the specific conditions that would require a pivot.

For each scenario, we define the data points that matter: tariff thresholds, inventory positions, port congestion indices, supplier lead times. Pair each trigger with a ready-made response. A spike in lead times from a primary supplier might automatically shift orders to a qualified secondary source. A major cyber incident might immediately activate disaster recovery and continuity protocols.

Tools can quantify the financial impact of losing a key customer, seeing two suppliers go offline simultaneously or sudden demand surges. That knowledge allows leaders to make inventory and capacity decisions based on data rather than intuition. Strong contingency planning outlines alternative suppliers and transportation routes, inventory reallocation strategies and clear communication protocols to keep customers and partners informed when conditions change.

This strategic optionality creates poise. When leaders know they have multiple viable options – and a disciplined process for choosing among them – they are less likely to panic and more likely to respond deliberately, based on facts.

Today's AI age helps fuel optionality. Advanced analytics, Internet of Things sensors and artificial intelligence provide the visibility and insight needed to pivot before disruptions cascade through the network. At their best, modern digital platforms function as decision-making engines, identifying viable alternatives when the unexpected occurs.

Optionality also applies to people and processes. As Chuck noted earlier, demographic shifts and changing workforce preferences make it increasingly difficult to rely solely on traditional hiring models. The flexible labor platforms he detailed allow distribution and fulfillment operations to scale quickly for peak periods by tapping part-time or gig workers without sacrificing service levels.

Diversifying suppliers, building flexible digital and human systems and practicing disciplined scenario planning and designing modular operations do more than reduce risk. They create opportunity. When competitors stumble, the ability to continue delivering wins market share.

You can build optionality throughout your entire span of operations. The technologies you deploy, the way you structure your workforce, the markets you serve, the suppliers you pick, the partners you choose – all play a part. So in every major decision, ask yourself a simple question: are we building optionality, or are we locking ourselves in?

If you are building optionality, you are not just preparing to survive disruption. You are positioning your organization to thrive in the next era of global commerce.

7. Customer-Centric Supply Chains: Enhancing The Consumer Experience

By Gene Tyndall

Achieving customer satisfaction, or "delight," is a topic and goal of most companies that sell a product or service. Supply chain managers learn early in their careers that achieving this goal is a top three priority, and supply chains now strive to sit at the center of their customers' experiences.

The reality, however, is that many supply chain managers or their companies do not understand what customer centricity means; how to best understand their customers' journeys and preferences; and how to know what criteria their customer segments actually use for buying decisions. Further, they do not segment their customers properly and thus have to treat all equally.

Customers are not all equal. They differ in many ways, whether they are in-store shoppers, online buyers or business customers. Their buying behaviors vary, as do their product interests, and as do their values. Moreover, generational gaps often translate into different weights on criteria as well as product selection. The best brand companies work to understand their customers values, habits and unmet needs, along with how those factors affect corporate profitability.

It is generally accepted that today's customers, regardless of segmentation, expect speed, transparency and personalization. Overall, these preferences can be positioned within the following contexts:

- **Speed:** Defined primarily as the turnaround time from order to delivery. Amazon, of course, has led the way in eCommerce, but Walmart and many others offer stellar service as well. Same-day turnarounds are currently being challenged by pilot tests of two to three hours. Speed also refers to customer contacts, inquiries, problem resolutions, technology issues, etc.
- **Transparency:** Visibility into products, availability, orders and status has become the standard. Customers expect portals that are effective, efficient and informative. They do not want to wait for a call back from a customer service representative.
- **Personalization:** Customers expect personal treatment – whether they are online or in person. Companies need CRM (customer relationship management) systems that provide personal information at each point of contact.

With these general expectations in mind, it is important to design customer strategies and performance metrics to interact with customers and consumers. Meeting their needs, anticipating their wants and fulfilling their "must-haves" are mission critical in today's price-sensitive and highly competitive markets.

Here are five top strategies to become customer-centric and a preferred supplier:

1. **The customer journey:** Identify what your customers and/or consumers do to plan, evaluate, decide to buy, return, use, inquire and rate your products and services from the end-to-end view. Why do they buy from you and what are their processes? Make this a continuous examination, investing in learning from them over time.
2. **The customer experience:** Invest in the experience, whether online or in person, and by segment. Interact with customers in each segment to obtain feedback on how you are doing to streamline your customer interaction process. Consider benchmarking competitors for their customer experience practices. Returns are often cited as a customer headache. Many customers will avoid providers that complicate the returns process.
3. **Customer preferences:** This strategy involves drilling down even further to better understand and anticipate customer preferences. This strategy takes on the generational differences to ascertain preferences with products, brands, extensions, packaging and advertising. Social media is of course an informative choice, as are interactions with key influencers.
4. **Selling to sellers:** If you are selling to retailers, wholesalers, marketplaces or resellers, you have business customers who have their customers. Your strategies then should be about services as well as preferred products for your customer's customers (sell through). Supply chain managers have a critical role here in pursuing high on time-in-full performance, as well as perfect orders and delivery choices. Innovative services are often game-changers for supply chain managers to become preferred suppliers.
5. **Use of AI:** This strategy is of course evolving; however, the use of agentic AI is gaining in effectiveness for functions associated with customer shopping, customer interactions and customer inquiries. Finding the right mix of personalized customer support and agentic AI chatbots will be a continuous challenge but a necessary one for a preferred supplier.

Enhancing the customer experience is a customer-centricity goal. Supply chain managers need to collaborate with sales and marketing and merchandising to determine customer needs and design customer relationship strategies that are cost-effective and

have measurable value. High service levels at reasonable costs and investments can make a difference for a preferred supplier and thus a revenue growth driver.

Redefining Supply Chain for the Future

2026 is not a return to the past – it is an opportunity to envision and design what comes next.

Across these seven trends, a common theme emerges: supply chains must be intentionally designed to sense change and respond with speed. From rethinking network design and building operational optionality, to applying digital intelligence, reimagining labor models, strengthening partnerships and embedding resilience into planning and execution, each trend reinforces the same message.

Incremental improvement is no longer enough. Advantage will come from treating supply chain as a dynamic system – one that can be reconfigured as conditions change.

Authors

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