



Future of supply chain

20 January 2022 | 5 min read

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Two years into the pandemic, many believe supply chain worldwide will continue to be affected by the impacts of COVID-19 for many months to come. The sector has certainly been struggling to cope, as peaks and troughs of demand, logistics bottlenecks, border restrictions and workforce challenges are contributing to severe disruption. Research shows that more than 90 percent of the Fortune 1000, including many technology companies, have been affected by supply chain issues¹.

The pandemic has exposed endemic weaknesses, such as limited valuable data, insufficient risk management and a fundamental lack of agility. There has never been a greater need to put focus on transforming the supply chain function in your organisation. With consumers hoping for a return to the norm – where they can buy what they want, when they want – and businesses anxious to satisfy those needs, supply chain leaders have the opportunity to reset their plans, processes, technology and people.

A robust data collection system, that's integrated with AI and predictive analytics, can provide you with a cohesive picture of every element of your supply chain, enhancing your ability to plan, predict possible threats and response to these threats efficiently. Other digital technologies also offer many benefits you should take advantage of – understanding customer needs, effectively manage new partnerships and more. [Read more](#)

A customer centric supply chain acknowledges that in this day and age, customers expect flexible, anytime and anywhere delivery service. The new delivery service model requires a sophisticated supply chain system that integrates the front, middle and back offices. But more importantly, your supply chain system needs to be built with customer insights at the core. [Read more](#)

With the need of digital technologies to transform supply chain from the old operating model to the new operating model, upskilling your employees is an important next step that cannot be overlooked. Hiring more digital talents is not always the best way to solve the problem. As you go through the transformation process, developing strategies that enhance your workforces' ability to continuously adapt is key. [Read more](#)

Under-utilised assets are an operational burden. The rise of digital platforms provides your business with access to a whole new world of highly efficient and cost effective services. It also creates an opportunity to become an as-a-service provider, which generates potential new revenue streams and monetises surplus asset capacity. Becoming an as-a-service provider can mitigate costs via these new revenue streams. [Read more](#)

Up until recently, supply chain control towers were designed to look at the supply chain in isolation. However, with the development of multi-party, consumer-driven networks, cognitive decision centres (CDCs) replace the old supply chain towers and provide real-time visibility, facilitate multi-party collaboration. Allowing for more autonomous control through AI and machine-learning. [Read more](#)

Geographical expansion into emerging markets has become a common strategy for many businesses wanting to maximise sales, however, it comes with complexities and extra costs. Micro supply chains help your business balance the cost of complexity with the value gained from offering variety. They enable manufacturers to switch sources, production and delivery at short notice, to introduce new products and scale volumes up or down swiftly to adapt to changes in demand. [Read more](#)

How KPMG can help

KPMG Powered Enterprise | Supply Chain

Future success for supply chains depends upon being purpose-built and built to last. To help make this happen, [KPMG Powered Enterprise | Supply Chain \(Powered Supply Chain\)](#) includes a pre-built operating model based on six 'layers' of change with pre-configured processes. The KPMG Target Operating Model (TOM) helps organisations execute an operational re-set, and implement cloud technology, across the changes already highlighted above – and more.

The six layers include:

- **The overall functional process:** Within this layer sits the hundreds of predefined processes for finance, HR, IT, customer operations, procurement, supply chain, cyber and risk.
- **People:** Containing aspects of an organisation's supply chain workforce. Upskilling employees for the digital age is an essential part of building supply chain resilience.
- **Technology:** There are several approaches and technology solutions that can be used to provide precision visibility into supply chains. These include advanced tracking and tracing predictive analytics, cognitive decision centers, and intelligent automation. Each of these, when deployed correctly, can streamline processes and help change the fundamentals of supply chain management.
- **Performance, insights and data:** Includes tracking KPIs, process performance indicators and enhanced reporting beyond the vendor supplied reports to help satisfy your organisation.
- **Governance:** Addresses the risks involved in the supply chain process, as well as the segregation of duties and policy identification.
- **Service delivery model:** Addresses the overall architecture of the delivery model, from what extent processes should be centralised, to a shared service centre, centres of excellence and outsourcing operation models to help optimise service delivery.

Why the KPMG Target Operating Model (TOM)? At the heart of it, the KPMG TOM can shape your business change and helps you map out the optimum way you can operate in the future. Its real power is to help you get to where you need to be with lower risk, but also sooner, so the expected benefits can be realised earlier.

By working with KPMG professionals and Powered Supply Chain for your supply chain business function, you can also overcome the traditional shortcomings of a complex cloud transformation project by being able to validate the decisions you make along the way. Thus,