

Is your business prepared today for the supply chain of tomorrow?



Supply chain disruption is an all too familiar reality for many organizations. The pandemic has made securing competitive advantages and uncovering opportunities for cost reduction top-of-mind issues at the executive level. In today's environment, the pressure to do more with less remains, often conflicting with the investments need to create resilience.

EY conducted a survey of 200 US supply chain executives in late 2020. The survey results and recent market statistics in Canada echo Canadian sentiment around the need to build more resilient supply chains that are equipped to manage unpredictable domestic and global disruptions.

1

THE PANDEMIC EFFECT



ONLY

2%

of companies were fully prepared for the pandemic



57%

of survey respondents **experienced serious disruptions** in the supply chain



60%

of executives say the pandemic has **increased their supply chain's strategic importance**

The economy grew at an annualized rate of **9.6% over the last 3 months of 2020**, down from an annualized growth rate of **40.6% in Q3**, when the country fully emerged from the near-shutdown last spring (StatsCan, 2021)

BUT we're seeing swift action being taken to seize market opportunities and encourage growth.



50%

are reconsidering their entire **supply chain strategy and operating model**

Visibility, efficiency and retraining/reskilling workforce are the top 3 ranked supply chain success factors over the next 12-36 months

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Is digital transformation a destination or a journey?



Digital transformation is helping supply chain leaders build resilience. Increased investment in supply chain technologies like artificial intelligence (AI) and robotic process automation (RPA) are critical business drivers. But they'll need to be supported by retraining and upskilling existing workers to capitalize on digital investment.

2

DIGITAL REINVENTION



52%

of executives say the **autonomous supply chain** (e.g., robots in warehouses and stores, driverless forklifts and trucks, delivery drones and fully automated planning) **is either here or will be by 2025**



92%

of executives have continued to **invest in technology investments despite the pandemic**



64%

of supply chain executives say the **pandemic has or will accelerate their digital transformation**

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How can fewer links in your supply chain make it sustainable for the future?



3

THE FUTURE OF SUPPLY CHAINS

Big changes are on the horizon for supply chains. Visibility and resilience are primary drivers for supply chain reinvention, and this includes more focus on environmental, social and governance (ESG) goals to find ways to reduce supply chain risk.



85%

of executives are more focused on ESG



74%

are prioritizing in-house manufacturing



65%

are looking to diversify suppliers to increase resilience



61%

are focused on long-term (strategic) outcomes



60%

are prioritizing spare capacity



51%

say supply chains will dramatically shorten and stay that way



42%

plan to change their shipping and supply chain strategies after experiencing the pandemic (Statista, 2021)



33%

of shipping and freight professionals stated they plan to invest in employees to facilitate recovery from COVID-19 (Statista, 2021)

Supply chains of the future will need to be agile, flexible, efficient, resilient and digitally networked for improved visibility.

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