



# Creating a Resilient Supply Chain with Global Data

Key Takeaways from Prevedere, RSM, and Microsoft Webinar



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The following key takeaways are derived from a joint webinar by Prevedere, RSM, and Microsoft on leveraging external data to create a resilient supply chain.



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Industry Executive  
Microsoft



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Principal, Data & Analytics  
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## 1. The current supply chain crisis should not be considered the new norm

While supply chain issues have been slow to resolve, experts are hesitant to call this the new norm due to rapidly changing market forces. IoT Analytics generates a [quarterly report](#) by analyzing over 5000 earnings calls to highlight trends and identify recurring themes across companies. According to the report from Q1 of 2022, supply chain disruptions and lead times were the number one most-talked about issue among CEO's, followed by inflation as number two. "The current supply chain challenges are unsustainable," states Jeff, "I'm not sure how to describe it as a new norm, but rather a supply chain crisis."

## 2. The pandemic and Ukrainian war exacerbate existing supply chain issues like long lead times and inflation

China's zero COVID policy continues to impact trade as 80% of all electronics move through one small port in China. Ongoing COVID shutdowns in this port lead to many of the current supply chain delays right now. On top of the pandemic, Lindsey highlights the impact of the Russia-Ukraine conflict, "everyone knows that's impacting energy prices, right? You don't think about how much it's impacting other commodities like grain and inputs for semiconductors that are already in trouble."

## 3. Manufacturing problems have changed in the past 30 years

If you ask manufacturers about the constraints they are currently facing, they would likely list labor, capacity and production, and sourcing materials among the top. Given the rapidly changing global environment, these constraints are making traditional just-in-time inventory systems difficult to manage. George elaborates "for years inventory was a dirty word, right? We don't want to be sitting on inventory, now inventory might be really valuable." As manufacturing problems evolve, the solutions to address them must change too, including inventory management. The challenge is to identify external forces that impact production to gain some visibility so that you see these things changing in real-time and adjust inventory levels as needed.

#### **4. Consumer shopping behaviors continue to shift and impact the movement of goods from production to consumer hands**

The recent explosion of e-commerce was the continuation of a long-term trend that had been increasing for several years. Online shopping trends were accelerated by the pandemic, but consumers are now starting to head back to brick-and-mortar stores as COVID wanes. Lindsey adds, “they like the experience of going ... they’re looking at coming back. This research together shares insights with customers that has helped them answer questions about how lack of production capacity is going to impact their long-term market growth”.

#### **5. Data and new technology change the future of workforce planning for manufacturers**

As Brandyn explains, there’s an “increase in customer demand which coincides with a slowdown in production”, creating a uniquely challenging environment for manufacturers. By leveraging the latest technology, organizations can upscale their labor force and rethink their approach to workforce planning. George states, “data is the answer to the challenge here, especially in workforce planning”. George continues, “people have been looking internally ... they say ‘we can predict based on historical effects what our turnover rate is’... the challenge is that they found they were wrong.” Relying solely on historic data means companies are left blindsided by critical external factors that impact their workforce planning.

#### **6. Manufacturers need to get creative with recruiting and retaining labor amid changing workforce dynamics**

Labor pools have drastically changed as a result of demographic changes in the last few years. Brandyn explains there’s an “aging workforce that has opted out of in person work environments during the pandemic, and then you have a younger incoming workforce that has different expectations of employment than any generation before them.” Lindsey further explains, “you have to think about how you’re going to retain these people. It isn’t just about pay, it’s about the quality of life you have”. Manufacturers need to take a holistic approach to recruitment with this dynamic. Organizations that are proactive and creative can use the great resignation as an opportunity for competitive advantage.

#### **7. Automate purposefully by leveraging the latest technology**

As Jeff explains, “less than 5% of occupations consist of activities that can be 100% automated with today's technology, while 62% of occupations have at least 30% of tests that can be automated. This means a portion of people's skill and time can be repurposed to more meaningful work, that benefits them as individuals as well as the company.” Manufacturers can utilize technology to help alleviate worker shortages while adding value to the company and team. For example, “intelligent automation as part of scheduling software can empower workforce managers the ability the respond quickly and effectively to changes and daily scheduling,” states Jeff.

#### **8. Advanced Predictive Planning combines internal and external data to create more holistic and accurate forecasts**

With all the data internally and externally, it's important to find a way to quickly identify what's truly useful in making these predictions. George adds, “Companies have been somewhat narcissistic in that they will look at themselves and look at what they did last year and say that's what we'll do next year. The biggest gripe we would think about, 'is there perhaps a single series of external data that might be useful.'”

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