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THIRD PARTY RISK & COMPLIANCE

The Resilient Supply Chain:

What Procurement Leaders Are Prioritizing in 2021

February 2021

Methodology

The survey was carried out by independent, third-party research company Censuswide, which surveyed 1,019 chief procurement officers, procurement directors, heads of supply chain, heads of supplier management, directors of supply chain, procurement managers, supply chain risk managers, supply chain managers, purchasing managers and sourcing managers across the professional services, retail, hospitality, financial services, manufacturing, construction, transport, oil & gas/utilities, and tech industries in the U.S. and U.K.. The survey took place in December 2020.

CONTENTS

CHAPTER 1

Introduction

Introduction

The events of 2020 unleashed dramatic and unexpected disruption across business supply chains all around the world.

At the beginning of last year, there were already big considerations for businesses to contend with. In the U.K., with the Brexit deadline looming, companies were still listing the seemingly infinite number of ways that the split was going to affect their supply chains, as they attempted to unravel the interconnected web of European vendors in the event of a "no-deal" Brexit.

In the U.S., businesses braced themselves for a likely turbulent election season that, regardless of which party won, would significantly impact business regulations and practices for the next four years. And that's before considering all the other pressures on procurement and supply chain operations, such as the increasing threats from climate change and cyberattacks.

With so many significant, yet varied impacts on the business world, we reached out to 1,019 supply chain and procurement professionals across a range of industries in the U.K. and U.S. We wanted to understand what challenges they had faced, how they were handling them and what they think is in store for the year ahead.

How will leaders inject resilience into their supply chain? How high is recovering from COVID-19 really on their priority list? How concerned are they about cybersecurity threats? And what strategies will they deploy to create a more stable and secure supply chain that can withstand future disruptions?

Our survey revealed that a full 99% of respondents believe that COVID-19-related economic disruption has had an impact on their procurement operations. The nature of these impacts varied; respondents reported that they have increased their collaboration with other business functions (40%), have had to make their operations leaner (37%), or have renegotiated agreements with suppliers (36%). But in many cases, supply management organizations have reacted by pursuing digital transformation initiatives.

At least 37% of survey respondents noted that they had automated certain tasks or invested in technology to support supplier engagement or distributed workforces as a consequence of pandemic-related economic disruption. And yet, operational efficiency is still an area of struggle for a whopping 98% of the leaders responding to the survey.

As we head into the post-pandemic period, the pursuit of greater efficiency in procurement and supply chain organizations means that digital transformation takes on even greater importance. Many businesses are now preparing for a more digital future, with 30% of survey respondents — the largest percentage — indicating that digital transformation would be their organization's highest priority in 2021.

Respondents also signalled strongly that, along with digital transformation, data — particularly supplier data — will be key to how well their organizations adapt to a post-COVID business environment. Improving data quality is a top 2021 initiative for 40% of survey respondents. Not surprising, since the main challenges procurement and supply chain leaders face are dictated by data and how to benefit from it. First among these challenges for survey respondents is being able to maintain useful and timely cross-system supplier profiles (cited by 40%). Others include sharing data across the organization to inform decision-making (38%) and obtaining actionable insights from data already in hand (37%).

This report will explore the priorities for procurement leaders as well as offering rich analysis of the processes and plans in place for risk management, operational efficiency and supplier visibility — and why the need for clean, accurate data is more important than ever.

99% of respondents believe that COVID-19-related economic disruption impacted their procurement operations.

30% reported that digital transformation would be their organization's highest priority in 2021.

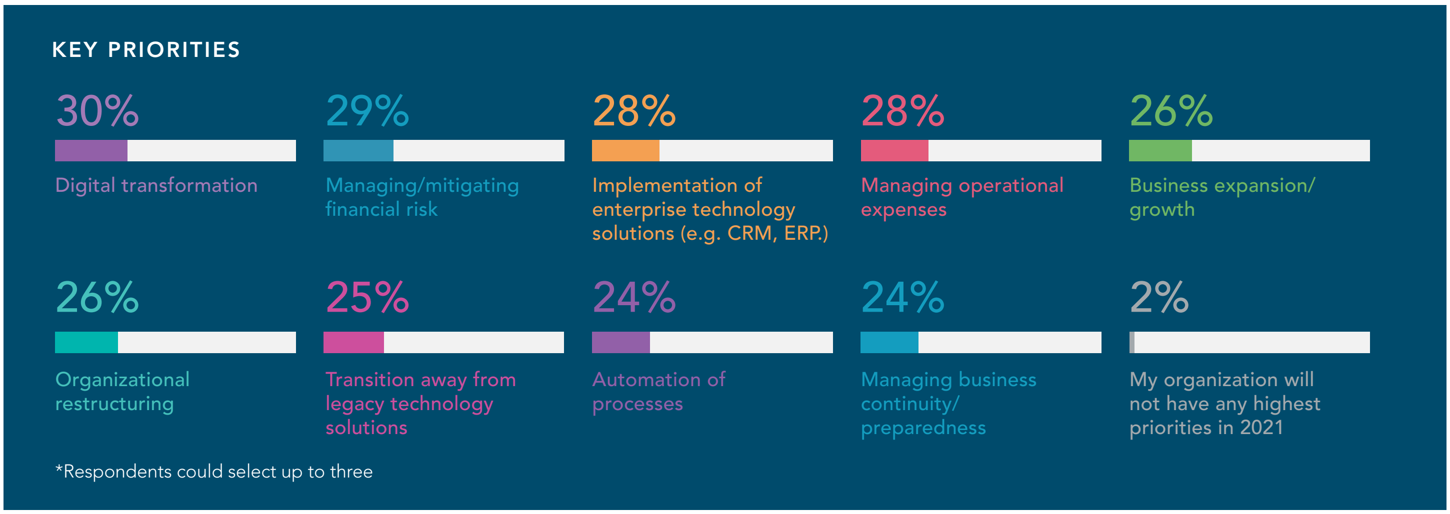
CHAPTER 2

Key Priorities for 2021

Key Priorities for 2021

Having concluded what will be remembered as one of the most disruptive years in modern history and starting a new year filled with uncertainty and change, business leaders are prioritizing solutions that decrease risk and inject more resilience into their supply chains.

With COVID-19 shifting the way risk is managed and businesses move forward, it's important to consider the short- and long-term objectives of procurement and supply chain professionals. With digital transformation so high on the list, data will underpin most of these strategies.



From these findings, we can see how highly organizations are prioritizing technology and digital transformation when it comes to helping them evolve and plan how best to weather the COVID-19 economic downturn.

Collectively, 30% of senior leaders across the U.S. and U.K. viewed digital transformation as the most important priority going into 2021. However, while it is the top priority for U.K. respondents, in the U.S., mitigating financial risk is the most cited concern among leaders (29%).

Not far behind is the implementation of enterprise technology solutions such as Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP) software, which 28% say is their top priority for this year. That said, the percentage of respondents that point to these digital systems increases with the size of their organization: so for businesses with a yearly turnover between £100,000 – £999,999 (about \$137,300 –\$1.37 million), this number rises to just over a third (34%) and for companies with a turnover of £500 million (about \$686 million) or more, CRM and ERP software tops the priority list (38%).

Overall, managing operational expenses also ranks highly at 28% but is closely followed by business growth and expansion (26%). This further highlights the vastly different ways industries have been impacted by the events of 2020. As some businesses plan to focus on better managing their operational expenses so they can maximize cost savings in the new year, an almost equal number of firms see growth opportunities in 2021.

Sectors that had an easier time adapting to 2020 have more plans for growth and expansion in 2021 — take financial services organizations (35%) and the technology sector (33%), for instance.

Other top concerns for business leaders this year include:

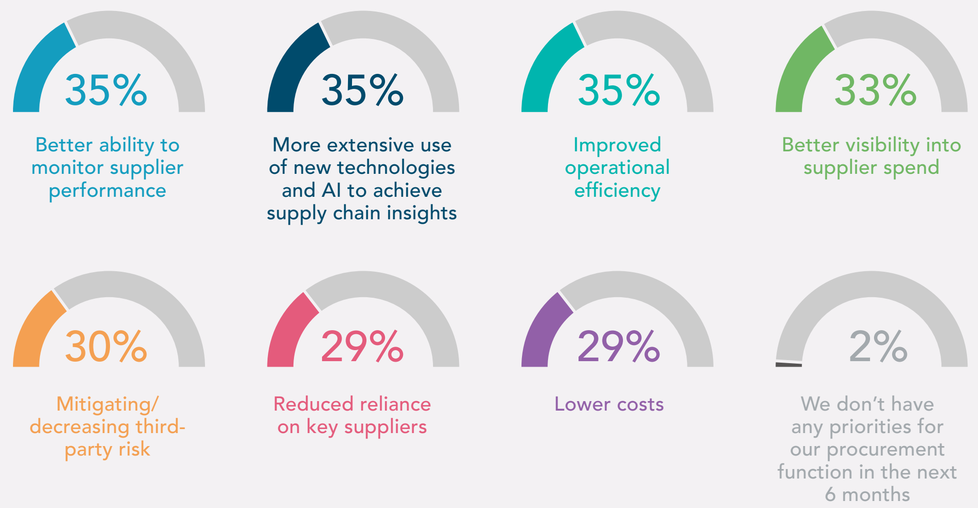
1. Organizational restructuring – 26%
2. Transition away from legacy technology solutions – 25%
3. Automation of processes – 24%
4. Managing business continuity/preparedness – 24%

Short-term objectives

Narrowing in on the concerns and priorities of procurement and supply chain leaders in the short-term (over the next six months), priorities don't hugely shift.

Supply chain professionals' top three priories are to better monitor their supplier performance (35%), followed by more extensive use of new technologies — such as artificial intelligence (AI) and robotic process automation (RPA) — to achieve supply chain insights (35%) and improved operational efficiency (35%). The latter ranks highest for U.K. leaders at 37%.

PROCUREMENT AND SUPPLY CHAIN LEADERS' SHORT-TERM PLANS



*Respondents could select up to three

All three of those priorities feed into each other — companies want to be able to better monitor their supply chains and vendors but, to do that, they need better technology. And in the process of accelerating their digital transformation projects through the integration of new technologies, they hope this will also improve the overall efficiency of their organizations.

Another interesting observation is that business leaders are now seriously considering other ways to improve efficiency outside of simply cost-cutting or laying off employees, indicating that more firms are aware of the savings that can be made by better optimizing their supply chains through technology.

It also appears that businesses are increasingly focused on evolving and scrutinizing their relationships with their suppliers, as better visibility into supplier spend (33%) and reducing reliance on key suppliers (29%) are the next two highest priorities for firms when it comes to their supply chains.

All three top priorities feed into each other — companies want to be able to better monitor their supply chains and vendors but, to do that, they need better technology.

Priorities for the longer term

When it comes to how procurement and supply chain professionals plan to improve the management of their operations for the whole of 2021, better management of expenses and improving working capital is the most cited priority (42%). The second is building a more resilient supplier network at 41% — although when broken down by country and company size, this is the top response for U.S. respondents and companies with a turnover of £500 million (about $686 million) or more.

Data quality improvement initiatives were the next most reported priority for 2021, noted by 40%, presumably due to the increased digitalization of society that has been catalyzed by the pandemic.

Other areas of improvement for businesses include:

1. New or enhanced technology to drive efficiencies – 35%
2. Staff reductions – 34%
3. Increased staff – 34%
4. Offshore/nearshore staffing – 33%

Here, we see the struggle businesses find themselves grappling with, as an almost equally balanced number of respondents either plan to reduce, increase or offshore their staff. Interestingly, the larger a company, the larger it plans to become: more than half (55%) of larger firms (with more than 50,000 employees) want to increase their staff, while smaller firms are more likely to want to offshore their workforce. While the novel coronavirus has impacted all businesses, approaches from companies of varying sizes differ.

Better management of expenses and improving working capital is the most cited longer-term priority.

CHAPTER 3

Key Concerns for 2021

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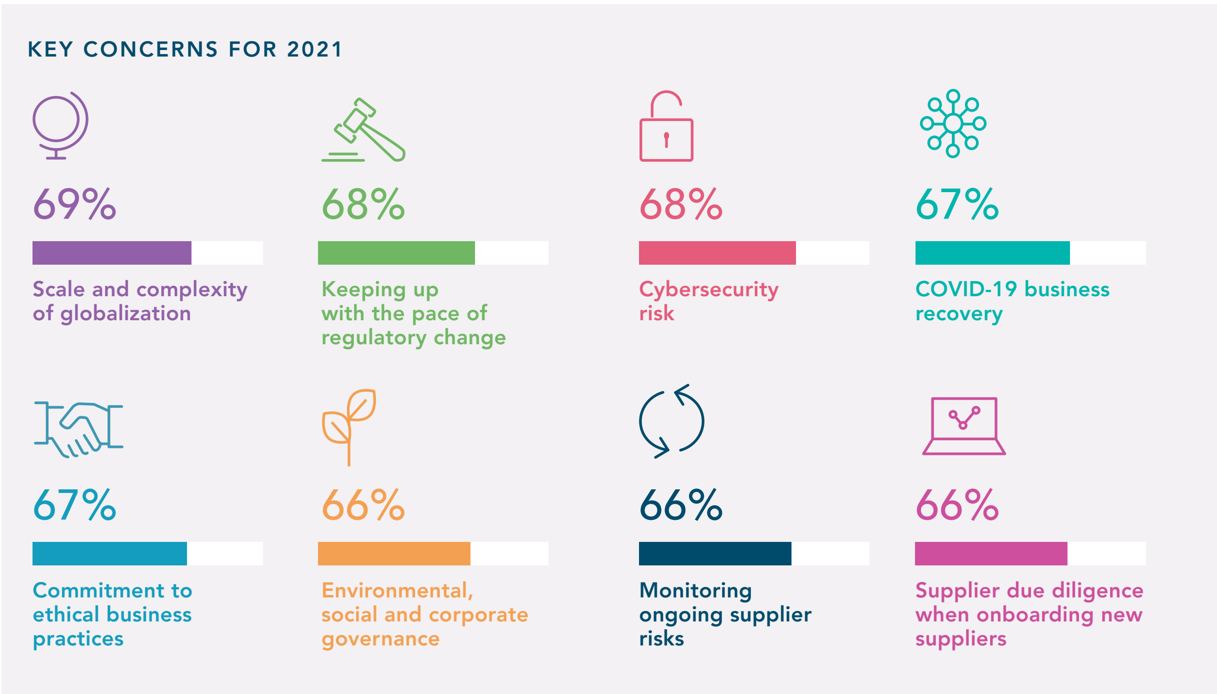
Even with brighter prospects heralded by the vaccine rollout, business still have their fair share of concerns for 2021. And for procurement and supply chain leaders across both the U.S. and U.K., chief among those worries is the increasing scale and complexity of globalization (69%).



Concerns in the U.S. are certainly politically motivated, with "keeping pace with regulatory change" the biggest among them (72%). As with all new administrations, President Biden's cabinet is likely to make a number of regulatory changes which firms will have to keep an eye on. Commitment to ethical business practices was the second highest concern for the U.S. at 72%.

However, it's surprising to see business recovery slightly further down the list at 69% (even falling below cybersecurity risk at 70%), perhaps indicating increased confidence in a new administration to better deal with the pandemic.

While it's encouraging that COVID-19 isn't dominating the near future overall for most companies, of respondents who reported being "very concerned" about business recovery, COVID-19 was the highest concern (30%).

In the U.K., COVID-19 business recovery was the second most significant concern, alongside cybersecurity risk (both at 66%). The top concern for U.K. respondents was instead the scale and complexity of globalization (68%) which is likely linked to business worries around Brexit and the ensuing supply chain adjustments.

Evidently, cybersecurity is one worry that shows no signs of slowing down, cited as the third-highest concern across both nations. One constant over the past few years has been the increasing threat of cyberattacks. And with shifts to remote working becoming the norm for many companies, this has only further exposed digital weaknesses that could impact their supply chains.

For procurement and supply chain leaders, chief among their worries is the increasing scale and complexity of globalization.

CHAPTER 4

Maturity, Process and Plans: Supplier Visibility, Operational Efficiency and Risk Management

Key Concerns for 2021

By assessing procurement and supply chain leaders' priorities and concerns, we can begin to extrapolate their 2021 plans.

With worries over cybersecurity, COVID-19 and regulations keeping procurement experts up at night, how important is data in helping businesses push forward this year?

It's certainly significant; along with better integration of disparate data sources, addressing inadequate supplier intelligence and improving the frequency of supplier record updates are key challenges for supply operations. In tandem, we are likely to see more leaders looking to automated/AI-enabled monitoring technology to help address these issues concurrently, making it easier to keep up with frequent supplier record updates without the need for lengthy outreach processes.

Many of the top barriers to operational efficiency for businesses — such as inconsistent and varied reporting from suppliers, high employee turnover and handling multiple regions or business units — are all likely linked to the distribution of workforces due to COVID-19. This is further compounded by the fact that the organizations most likely to suffer impacts to operational efficiency are those not embracing or even set up for remote working.

Yet, the main challenges procurement and supply chain leaders face are dictated by data and how to benefit from it. First is being able to maintain useful and timely cross-system supplier profiles (40%). This is closely followed by sharing data across the organization to inform decision-making (38%) and the ability (or rather inability) to obtain actionable insights from data already stored within their business (37%).

The silver bullet to tackling all these issues remains technology. Around four in 10 already use technology in some way to support supplier risk assessment, whether that's through ongoing monitoring (41%), AI/automation (40%) or workflow software (39%).

Being able to assess suppliers' cybersecurity readiness in some way, shape or form has also grown into a priority almost all U.S. and U.K. firms now share. Currently, this is most often conducted via self-assessment questionnaires, onsite visits or by taking standard ratings into account. However, due to increasing cybersecurity concerns, many business leaders are looking to deploy more reliable and automated means of conducting these assessments in 2021 and beyond.

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Challenges around supplier visibility

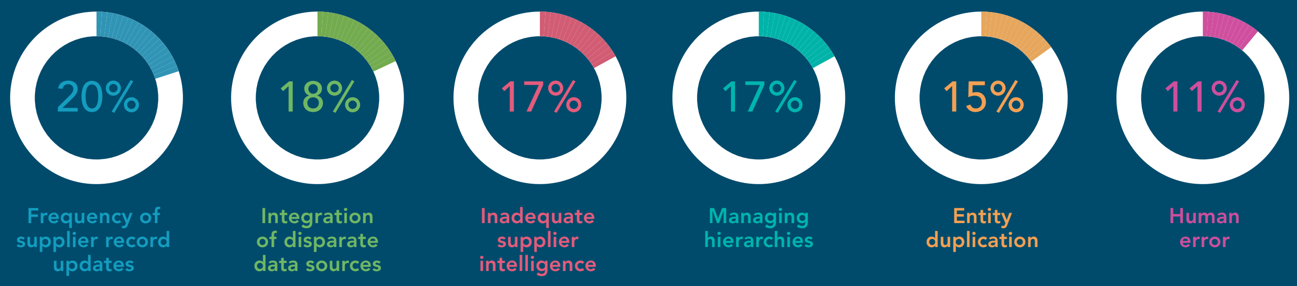
Managing supplier data is growing into an increasingly complex challenge for organizations. Almost all procurement professionals surveyed (98%) struggle with some area of their supplier data management.

Procurement teams often must manage vendor records in multiple systems and make manual updates, which can create both data quality and reporting issues. Staying on top of changes to supplier data requires sophisticated data governance practices, as well as the right technology to support multiple regions and systems where applicable.

The area respondents indicated that they struggle with most is the frequency of supplier record updates, which a fifth (20%) of procurement professionals cite as their leading issue. Integration of disparate data sources (18%) and inadequate supplier intelligence (17%) were the second- and third-most challenging concerns.

These issues aren't particularly impacted by industry sector or company size, with retail, hospitality, and catering and leisure companies all reporting above average issues with the frequency of their supplier record updates. However, organizations in the financial services and health care/life sciences sectors are more likely to point to difficulties around the integration of disparate data sources as their top challenge.

CHALLENGES AROUND SUPPLIER DATA MANAGEMENT



Further analysis shows that most U.S. and U.K. respondents (40%) view the ability to maintain useful and timely supplier profiles across multiple systems as their primary challenge. This is followed by the ability to share data across the organization to inform decision making (38%) and obtaining actionable insights from stored and collected data (37%).

By country, U.S. professionals are most focused on being able to use data to generate insights with minimal manual work, with 40% pointing to this. Interestingly, this was only the fifth-biggest concern for professionals in the U.K. (34%). U.K. industries indicated that they struggle more with inconsistent, varied reporting than generating insights with minimal manual work.

One challenge that's heavily dependent on company size is understanding how vendors and suppliers are linked or related to each other. Overall, it was the least challenging aspect of managing supplier data, causing issues for 34% of all firms. And while smaller firms are more in line with the overall statistics, in larger firms with over £500 million (about $686 million) in turnover or more than 10,000 employees, this shoots up to 52% and 53% respectively.

This disparity is likely due to larger firms' need to track greater numbers of vendors, working across multiple geographies and business units. This makes linkage data incredibly valuable as it gives procurement leaders the chance to connect suppliers and conduct spend analysis for cost reduction purposes. So, in short: the larger and more complex a supply chain is, the greater the cost saving potential from linkage data.

CHALLENGES WITH SUPPLIER DATA WITHIN PROCUREMENT AND SUPPLY CHAIN OPERATIONS

*Respondents could select up to three

Challenges with operational efficiency

The nature of what supply chain and procurement professionals consider drivers of operational efficiency seems to be changing. While operational efficiency is still a key issue — 98% of respondents reported having at least one operational efficiency challenge — it's no longer just another way of saying "cost reduction."

Companies today are taking a hybrid approach to increasing supply management efficiency — leveraging a combination of technology, expense reduction, redistributed workforces, and data in order to source, onboard, and conduct business with vendors. As such, cost reduction is a much lower priority when compared to these other means of increasing efficiency.

According to our respondents, the top barriers to these modern methods of improving operational efficiency are:

- Inconsistent, varied reporting (26%)
- High employee turnover (25%)
- Multiple regions or business units (25%)

In the shadow of the pandemic, new challenges with operational efficiency have flared up with increasingly distributed workforces currently a key challenge for just under a quarter (24%) of professionals. That said, the intensity of this challenge varies greatly depending on sector. Those that say it's their top concern are in:

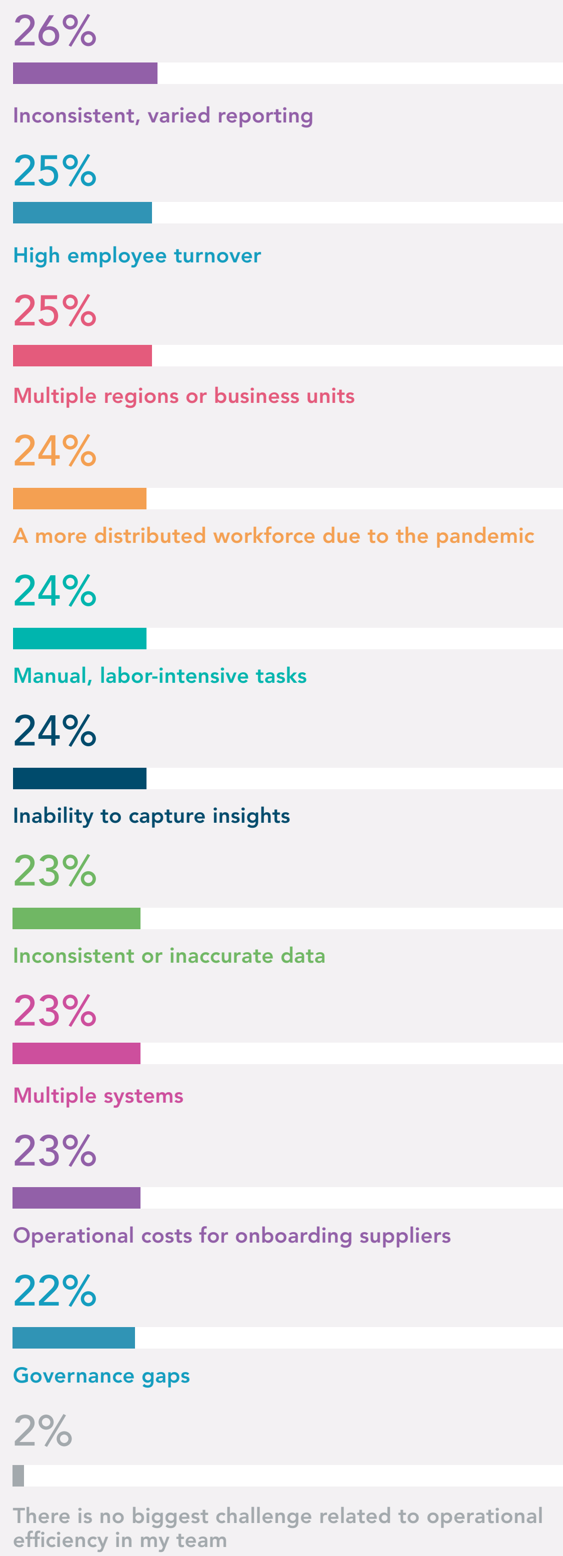
- Professional Services (30%)
- Transport (30%)
- Hospitality (29%)
- Retail (28%)

Conversely, firms that found a more distributed workforce to be their least pertinent challenge were those in sectors either further along in their digital transformation journey — likely with existing remote working capabilities — or where the nature of their work made the shift to digital less arduous or significant:

- Construction (13%)
- Health Care/Life Sciences (15%)
- Technology (18%)
- Oil, Gas & Utilities (19%)
- Financial Services (20%)

Overall, practically no U.K. or U.S. business felt they were challenge-free when it comes to the operational efficiency of their teams. It will be interesting to compare these results to similar surveys taken pre-pandemic or a year from now to see which challenges are specifically tied to the pandemic and how companies feel/felt about them outside of COVID-19's shadow.

BIGGEST CHALLENGES TO OPERATIONAL EFFICIENCY



*Respondents could select up to three

Automation in the here and now

On the automation front, most firms (98%) report having some degree of automation within their supply management processes. Break that down further and 86% say that at least half of their processes are automated and more than half (54%) have a mostly or completely automated supply management process.

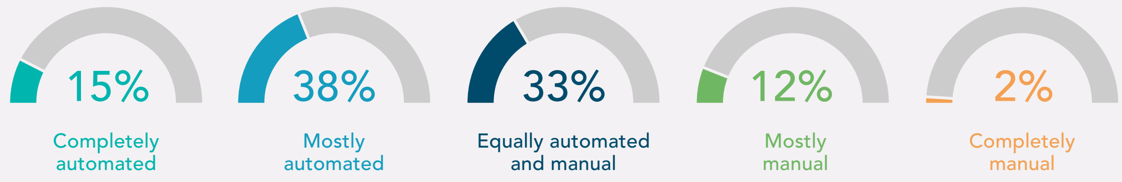
Automation is perceived as critical to driving operational efficiency and is why, even among those further behind in their automation efforts, almost 70% consider their organizations to be on the way to automation and are doing something to bolster their efforts in this department.

When it comes to company size, the trend is the larger an organization's yearly turnover, the more automated their supply chain is likely to be. So, among the largest organizations with a turnover of £50 million (about $67 million) or more, 91% of them have at least equal amounts of manual and automation in their supply chains (this figure includes organizations with equal, mostly and completely automated processes).

That proportion drops to 86% for businesses turning over between £10 million and £49 million (about $14 million to $67 million), 78% for those between £1 million and £9.99 million (about $1.4 million and $13.6 million) and 62% for organizations in the £100,000 to £999,999 (about $137,000 to $1.37 million) yearly turnover range.

Dissected by industry, the sectors with the most automated supply management processes — either equally automated and manual, mostly automated or completely automated — are health care/life sciences (96%), followed by financial services (93%) and technology (92%). On the other end of the scale are professional services firms, where only 78% of leaders say they have similar levels of automation.

LEVELS OF SUPPLY MANAGEMENT PROCESS AUTOMATION (SURVEYWIDE)



Looking further ahead

Automation will remain a priority for practically all organizations, with 98% of survey respondents saying that at least one of their supply management processes has the potential to be automated in 2021 and beyond, further illustrating the near-universal desire to reduce costs and minimize manual work.

The process leaders believe has the most potential to be automated is supplier master data (28%), followed by supplier onboarding (27%) and supplier risk assessment (27%). Interestingly, all three of these priorities are closely linked as the data used to verify and conduct risk assessments often takes place within the onboarding process.

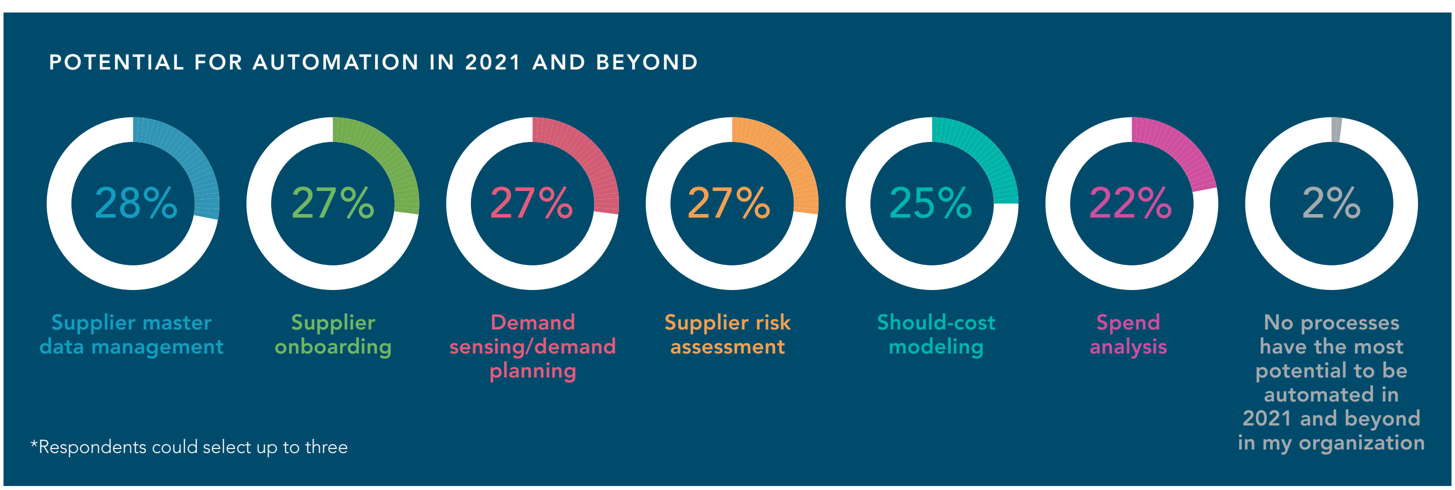
Larger firms (of over 50,000 employees) are more likely to use third-party data in their supplier assessments and are more focused on understanding how their vendors are linked to each other. They are also more likely to evaluate the environmental/social/governance (ESG) activities of suppliers and use standard cyber risk ratings when assessing supplier cybersecurity readiness. These are all likely linked to the greater public scrutiny faced by larger organizations, leading them to feel it necessary to assess their suppliers beyond the standard financial or regulatory requirements.

When you narrow it down to sectors, the catering and leisure sector appears the most mature when it comes to integrating these technologies. Professionals in the industry report having the most advanced methods and technologies in place to support supplier risk assessment, along with controls and assessments for supplier evaluation and cyber/IT readiness.

This maturity may be due to tough yearly contract reviews and regulatory changes that happen within the catering and leisure sector. It may simply be down to how heavily these organizations tend to rely on suppliers. Conversely, the construction sector is on the opposite end of the spectrum: with respondents from the industry reporting fewer controls and assessment methods in place across the board. This might be due to the less mature customer category this sector faces.

In the U.K., supplier master data was the top target for automation (30%) but was only third highest in the U.S. (27%), where demand sensing and planning are thought to be the most likely to be automated in 2021 and beyond (28%).

For organizations with more than 50,000 employees, automating supplier onboarding (67%) was top of the agenda, again likely due to the large number of suppliers they need to onboard. However, only 7% of firms in the catering and leisure sector would prioritize automating their supplier master data management, instead focusing on should-cost modeling (48%) and supplier onboarding (34%).



CHAPTER 5

Risk Management: Assessment and Compliance

Risk Management: Assessment and Compliance

It's a positive sign that almost all organizations responding to this survey (98%) now carry out some form of supplier risk assessment. It's a beneficial exercise that helps protect businesses from the kind of financial and reputational damage that comes from suppliers failing, being unreliable or having bad actors within their own supply chains.

To address the challenge with a level of efficiency, many organizations now employ AI and automation (40%) or the continuous monitoring of their suppliers' risk impact (41%) to proactively gauge the level of risk posed by their suppliers. This ongoing practice is vital: failing to regularly monitor supplier risk levels may lead to organizations being exposed to unknown or unforeseen threats.

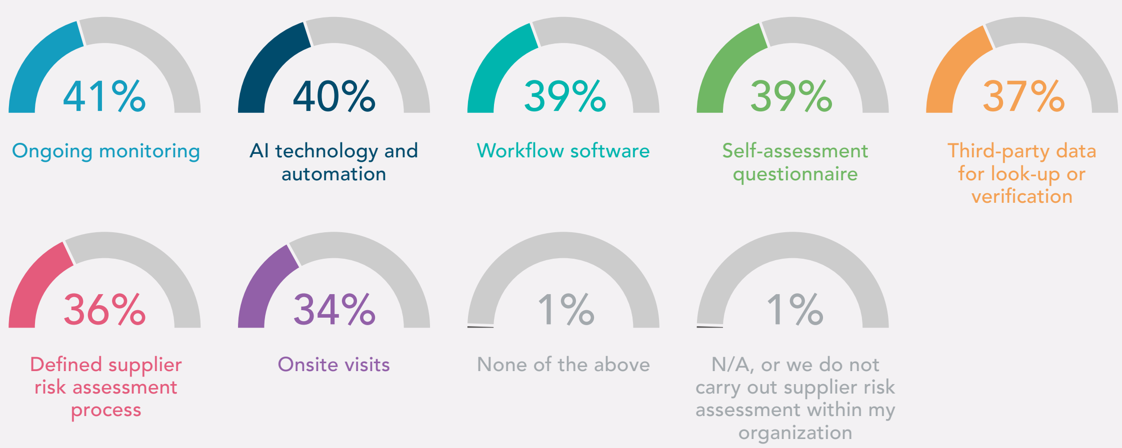
Another element of risk assessment is the use of third-party data for verification, which only 37% of organizations use. This is another metric that is directly correlated to the size of organizations, with more than half of the largest firms (56%) stating they use third-party information.

This may be in part because larger firms have more access to different sources of data that smaller companies don't have the financial muscle to equal.

A less reliable method of risk assessment is using supplier self-assessment questionnaires, something 39% of respondents still rely on. On the other side of the scale, onsite visits give organizations the ability to more closely scrutinize their suppliers and is what larger firms — those with between 10,001–50,000 employees (59%) and more than 50,000 employees (56%) — are more likely to do.

Again, catering and leisure seems to have the most "thorough" processes in place of all the industry sectors. Construction and technology both have the least — businesses in these sectors appear to rely on software and other localized tools to provide the answers and support they need, as opposed to onsite visits which became less likely to occur amid the pandemic.

METHODS USED TO SUPPORT SUPPLIER RISK ASSESSMENTS



*Respondents could select up to three

Controlling risk

Supply management organizations typically use a standard set of controls or assessments to evaluate vendors and suppliers. Of the organizations responding to this survey, between 30% and 40% use at least one control or assessment: the most common ones were supply chain (38%), compliance (34%), and cyber/IT security (35%).

Additionally, 30% of organizations also assess the environmental, social, and governance (ESG) activities of their suppliers. ESG activity is particularly important to larger organizations with a turnover of £500 million (about $686 million) or more. Simply put, they're more likely to get called out publicly for the unethical practices of their suppliers; no surprise that more than half (52%) of them report making these assessments.

In terms of which industries were most likely to use supplier assessments, retail was the most active (52%), followed by catering and leisure (48%) and professional services (45%). Construction (25%) and technology (29%) were the least active.

Looking at individual industries, construction has the fewest controls and assessments for suppliers in place, as professionals from this sector report below average scores. On the other hand, those in retail appear to have some of the most stringent controls and assessments. This may be due to the cross-border nature of the retail industry and the high volume of vendors that retail companies must manage.

CONTROLS AND ASSESSMENTS CURRENTLY BEING USED TO EVALUATE SUPPLIERS

*Respondents could select up to three

Cyber preparedness

The timely topic of cybersecurity is being taken very seriously by the organizations that responded to the survey. When conducting a cybersecurity readiness assessment, organizations are trying to discover how much of an impact they would feel if one of their suppliers was breached. About 99% of survey respondents say they've taken some steps to assess suppliers' cyber risk.

To ascertain this, the most popular form of assessment is a self-assessment questionnaire, although many firms complement these with onsite visits (46%), vulnerability scans (42%), and penetration testing (40%).

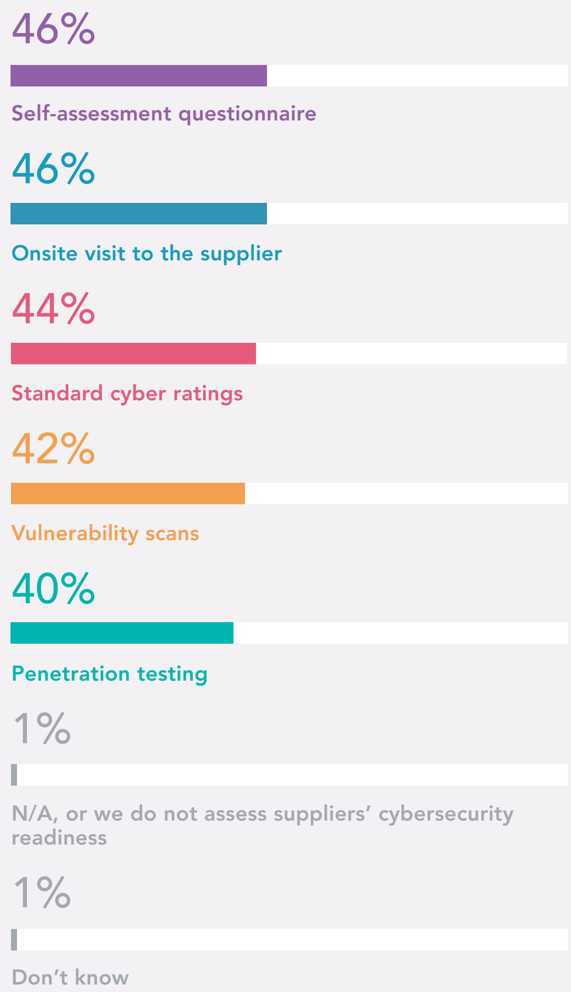
Larger organizations (with at least £500 million — about $686 million — turnover) are most likely to use standard cyber ratings to do cyber risk assessments, along with companies in the catering and leisure (55%) and health care/life sciences (50%) sectors.

Interestingly, despite being one of the most thorough sectors in other forms of risk assessment, catering and leisure falls behind when it comes to supplier cybersecurity readiness testing, with 7% of respondents from this sector saying they don't carry out assessments for it.

99%

of survey respondents say they've taken some steps to assess suppliers' cyber risk.

METHODS FOR ASSESSING SUPPLIERS' CYBERSECURITY READINESS



*Respondents could select up to three

Risk around the world

It's no surprise that COVID-19 was reported as the external factor posing the biggest threat to businesses in 2021, according to 25% of survey respondents. This is followed by international trade disputes (17%,) geopolitics (15%) and deglobalization (14%). In the U.K., deglobalization — which covers Brexit — was the third-biggest external threat at 18%, while in the U.S. — which had just experienced a tumultuous national election — it was geopolitics (16%).

Businesses are still being impacted by COVID-19 in varying ways according to industry sector and size. Larger companies with a turnover of £500 million (about $686 million) or more seem less concerned about COVID-19, with only 12% noting it as the external factor that poses the biggest threat to their business. One theory for this is that higher-revenue firms are more able to shake off financial hits caused by the pandemic than the smaller, less profitable ones.

However, almost a quarter of those large firms (24%) did cite international trade disputes — such as the U.S./China tariffs — as the biggest external factor threatening their business. Yet, with a new presidency, some businesses may be more optimistic in the administration taking a less provocative stance on international trade.

When the surveyed companies were asked to focus specifically on supplier risk, COVID-19 impacts became much more of a concern. Up to 88% of high-turnover firms with annual revenue of £500 million (about $686 million) or more indicated that the crisis would "significantly" or "somewhat" impact their level of supplier risk in 2021, compared to 70% or less for businesses with an annual turnover of anything less than £500 million (about $686 million).

How has the economic disruption caused by COVID-19 impacted procurement operations? CPOs did report some positive outcomes — 40% say it has increased collaboration with other business functions. And 37% say it has increased their investments in technologies that support new ways of engaging with suppliers. Automation of certain tasks was also cited as an operational impact by 37% of survey respondents.

Overall, achievement of leaner operations is cited by 37% of supply management leaders across both the U.S. and U.K., followed by:

- Investment in technology to support a distributed workforce (37%)
- Renegotiations with suppliers (36%)
- Reallocation of budget (34%)

About 70% of respondents expect the economic disruption caused by COVID-19 to impact their supplier risk in 2021, with 19% going as far as to call that impact "significant." However, just under a third (30%) think it will have little effect, or no impact at all, on their level of supplier risk.

COVID-19 was reported as the external factor posing the biggest threat to businesses in 2021.

CHAPTER 6

Conclusion

Conclusion

It has been a tumultuous year for supply chain and procurement professionals around the world, and businesses have had to digitally transform and improve their financial risk management at pace in order to navigate it.

And while COVID-19 remains a significant threat, our survey indicated that there are other factors supply management leaders are taking into account for the year ahead. Brexit fears remain prevalent in the U.K. and with a new administration in the U.S., American firms are also preparing for change. In response, some businesses plan to shrink their staff in the new year while others — in almost equal numbers — plan to expand.

In the face of this uncertainty and disruption, leaders are looking to greater levels of supply chain automation to help improve their operational efficiency and achieve more supply chain insights.

Businesses also plan to use these tools to increase visibility into their supply chains. These efforts are to help lower reliance on specific vendors, and to uncover valuable linkage data to better understand how their suppliers are connected.

But despite the critical priority of improving operational efficiency, instead of primarily relying on cost-saving activities, businesses are taking a hybrid approach to help them reach one overarching goal: greater supply chain resilience. To achieve this goal, they are focusing on leveraging a combination of technology that will create two key capabilities: 1) reduce expenses, and 2) uncover new data that will help them source, onboard and do business with suppliers more effectively.

Overall, the events of 2020 have forced firms and industries to forge new paths. But what's evident is that technology and data will be central to most solutions — whether they use automation to better handle supplier risk assessment or improve master data quality to speed up supplier onboarding.

Dun & Bradstreet can help supply management teams use data and AI-powered analytics to transform supply chains into resilient supply networks.

Learn more about the advantages of data-driven procurement and supply chain strategies.

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