



Supply Chain 2020 Forecast

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At the end of 2019, Jigsaw issued a survey to 300 Supply Chain Leaders (SCL) across Australia. The survey was designed to gain insight into what the next year will bring for supply chain. As we approached the end of 2019, Australia and US saw records broken across the ASX and S&P500, in sync with these gains, precious metals started to gain significant momentum. The currency confidence came into question and demand for cleaner automotive vehicles across Asia took hold.

Jigsaw's survey highlighted circa 80% of SCL will invest in a significant supply chain program in 2020. This includes system upgrades/implementations; optimisation of distribution & warehousing via network strategies and automation; capex investment for improved productivity; C-I programs for planning and production. 69% indicated an increase in FTE's across the supply chain as businesses are starting to recognise that sustainable revenue and improved market share is driven by operations - not finance. 88% of our SCL will be investing in L&D programs to enhance the overall capability of the supply chain operation and to improve retention within their teams.

Through our survey it is clear that each industry sector faces their own unique challenges. For Retail, customer experience, digitalisation and agile networks are key issues to be resolved. Manufacturing requires re-capitalisation and optimised networks for production sites, with superior integrated systems to improve productivity and profit margins. Geo-Political risk also heavily factored in concerns for manufacturing with US/China trade being an ongoing concern. Even now, after the phase 1 trade deal, an increase in US exports could have a significant impact for the Australian economy and the low-income US demographic.

Finally, climate change, modern slavery and environmental factors are now being seriously considered for many supply chains. Raw materials used in the manufacturing of key products must be bio-degradable or recyclable. Proteins are no longer dependant on animal sources, with new and varied plant-based sources entering the market which can change the structure of entire supply chains. Energy sources that drive automation and production must focus on a carbon footprint with solar energy and other alternatives such as hydrogen being seriously considered.

All this is good news for economic stimulation, innovation and may even result in a change of who the key brands and market players are over the next decade.

If you have any questions on this market report, please email paul@jigsawtm.com



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