



Do Your Supply Chain Capabilities Align To Your Business Priorities?

U.S. manufacturers are optimistic about the financial impact of potential policy and regulatory changes, as revealed by the Supply Chain Readiness Study that TBM recently completed with Aberdeen Group. But the disconnect between supply chain priorities and capabilities is cause for concern.

Having the Right Supply Chain Capabilities Enables Manufacturers to Respond Quickly to Policy Changes

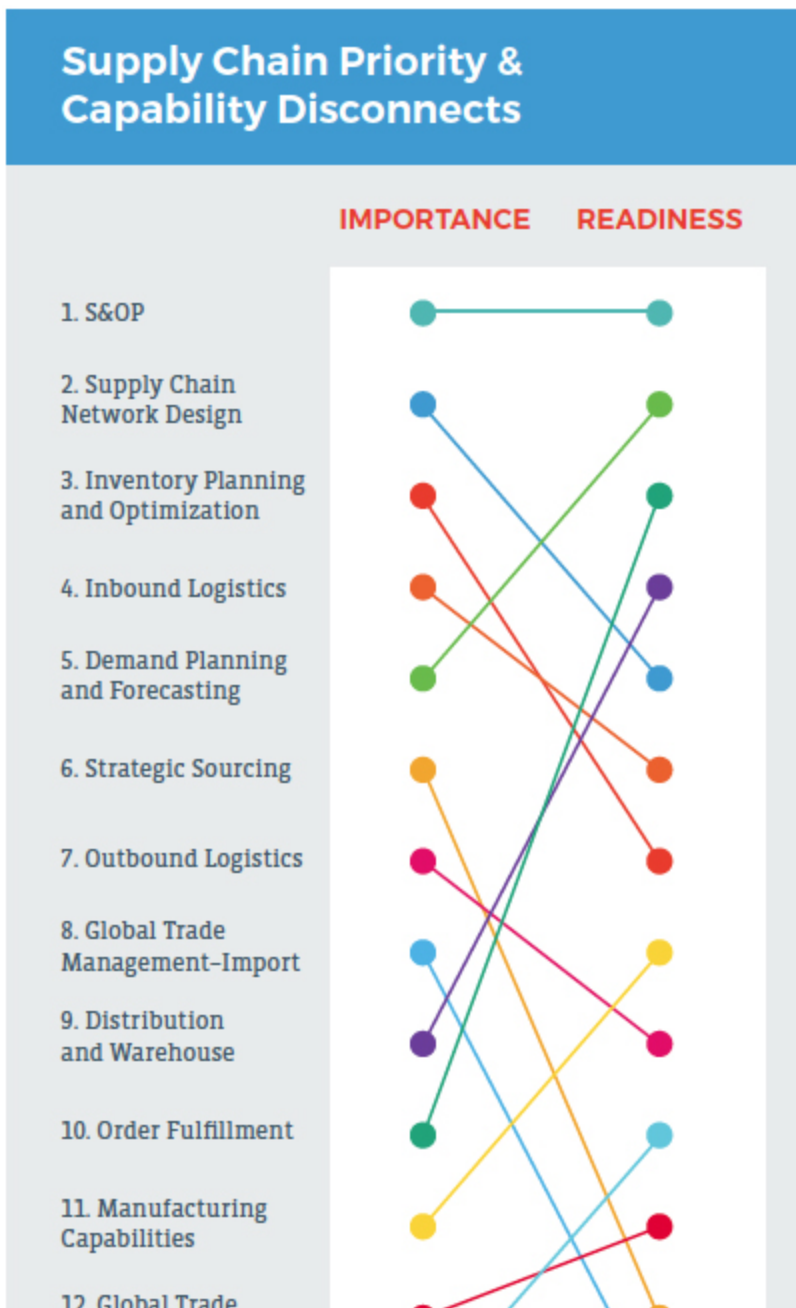
No matter how well a plan is executed, progress toward strategic and financial goals can be quickly undercut by economic and market trends beyond our control. In partnership with [Aberdeen Group](#), we recently looked at how manufacturers are responding to the uncertainty around immigration, trade and other potential U.S. policy changes.

I previously [wrote](#) that manufacturing leaders expect any policy changes to have a

positive financial impact on their businesses. Whatever happens – in Washington or elsewhere – supply chain capabilities need to be aligned with business priorities for companies to respond quickly and reap any financial gains.

The chart below compares the rankings of supply chain capabilities by importance against leaders' confidence that each capability is where it needs to be. When considering specific capabilities, business leaders feel their S&OP processes are up to snuff. They are less confident about other high priority areas, including supply chain network design, inventory planning and optimization, inbound and outbound logistics, and global trade management.

Supply Chain Capabilities: Priorities vs. Readiness



12. Global Trade
Management-Export

13. Manufacturing
Footprint



This chart compares the rankings of supply chain capabilities by importance and leadership's confidence that their company is ready to handle potential governmental policy changes in each area.

People, Process or Technology: What's Your Biggest Challenge?

To dig a little deeper into this issue, we asked manufacturers to rate the challenges (people, process or technology) for each of these supply chain capabilities (See bar chart below). Most of their supply chain capability challenges revolve around process issues. S&OP, where the biggest challenge is people, was the only exception. That's understandable considering the cross-functional cooperation required to make S&OP work effectively.

Interestingly, there wasn't much overlap. Some supply chain capabilities face mostly process challenges (supply chain network design and demand planning and forecasting) or technology challenges (inventory planning and manufacturing) or people challenges (S&OP and global trade management). Of course, people, process and technology all must be managed to some degree within each of these areas.

Whatever happens in Washington, in today's ever-changing global economy manufacturers will always have to prepare for and respond to government policy changes. Doing that successfully requires robust supply chain capabilities. While we wait for any major changes to be enacted, it's a good time to take a good hard look at your key supply chain capabilities, including your team's skills, process rigor and technological capabilities, and identify any gaps that need to be closed.

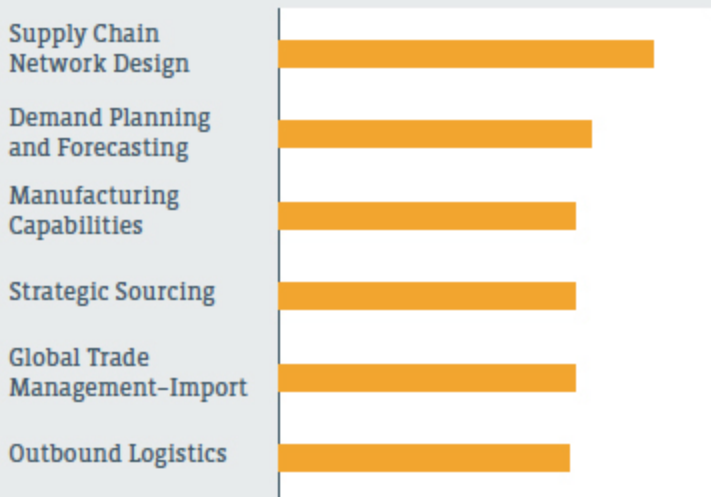
Supply Chain Capability Challenges

Supply Chain Capability Challenges

Areas where people are the biggest challenge



Areas where process is the biggest challenge



Areas where technology is the biggest challenge



New Supply Chain Readiness Research Report Now Available

Our new report highlights the findings of the 2017 Aberdeen Group Supply Chain Readiness Research Study underwritten by TBM Consulting Group. The purpose of this research was to investigate the potential impact of impending governmental trade policy, tax reform, and regulatory changes on manufacturing companies and to find out how prepared they are for whatever could happen. [Download the benchmarking research report now.](#)



**Ken Koenemann, Vice President, Technology and Supply Chain
Practices & Dploy Solutions**

Ken Koenemann leads TBM's Supply Chain and Technology practices and is currently leading new product development for TBM's proprietary software business, Dploy Solutions.