

# Supply Chain Pulse Check Survey

# 2023



# Contents





# Introduction

The inaugural *Prological Supply Chain Pulse Check Survey* connected with senior professionals from throughout Australia and New Zealand to gauge their views about supply chain uncertainty, sustainability, visibility, skills and recruitment and economic predictions for 2023.

Fielded in December 2022, the survey was completed by more than 250 respondents in the supply chain, logistics, manufacturing, retail or operations sector.

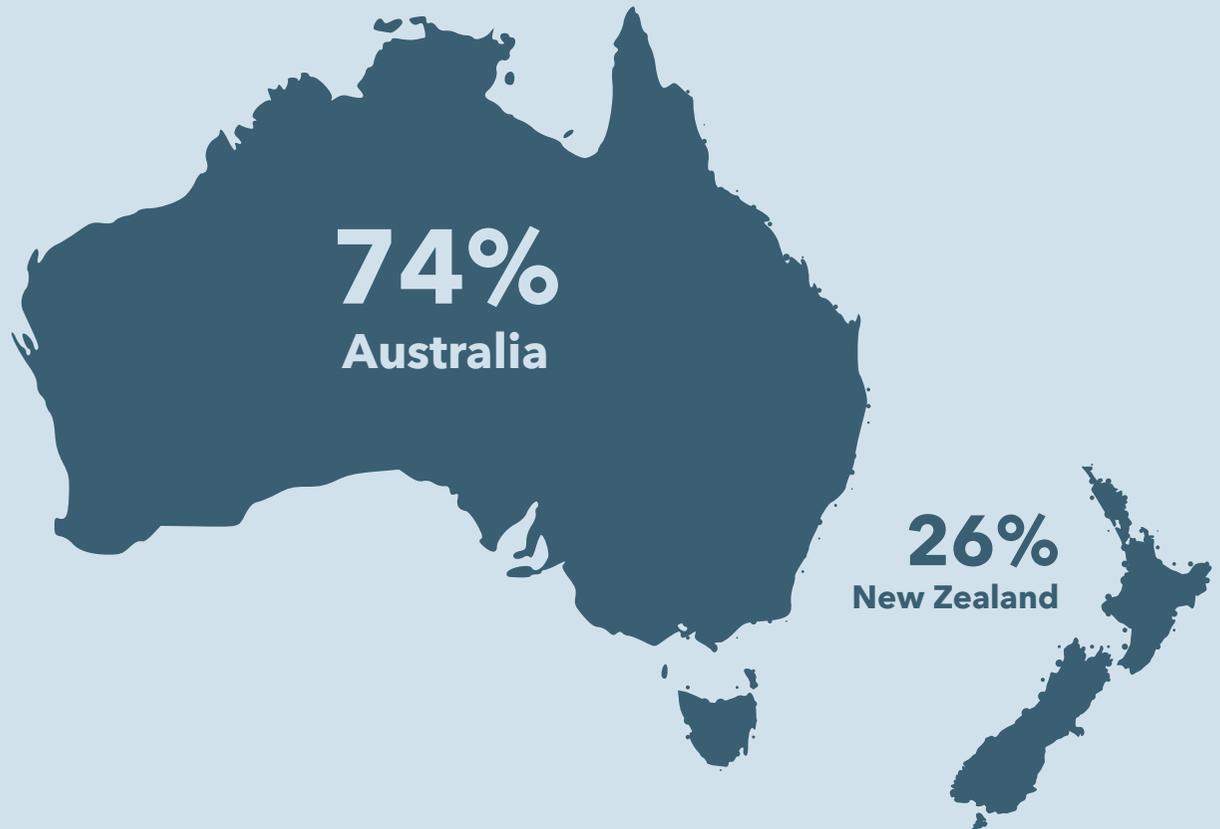
From C-Suite to entry level – respondents were asked to comment on the economic outlook for 2023, sustainability initiatives, skills shortages and expansion plans for this year.

The majority of respondents came from large global organisations, and more than half of the data pool are management level and above – with 10% of the respondents working in roles at C-suite level.

The largest pool of respondents' roles come from operations, logistics and supply chain backgrounds and work for retail, manufacturing, freight or distribution companies.

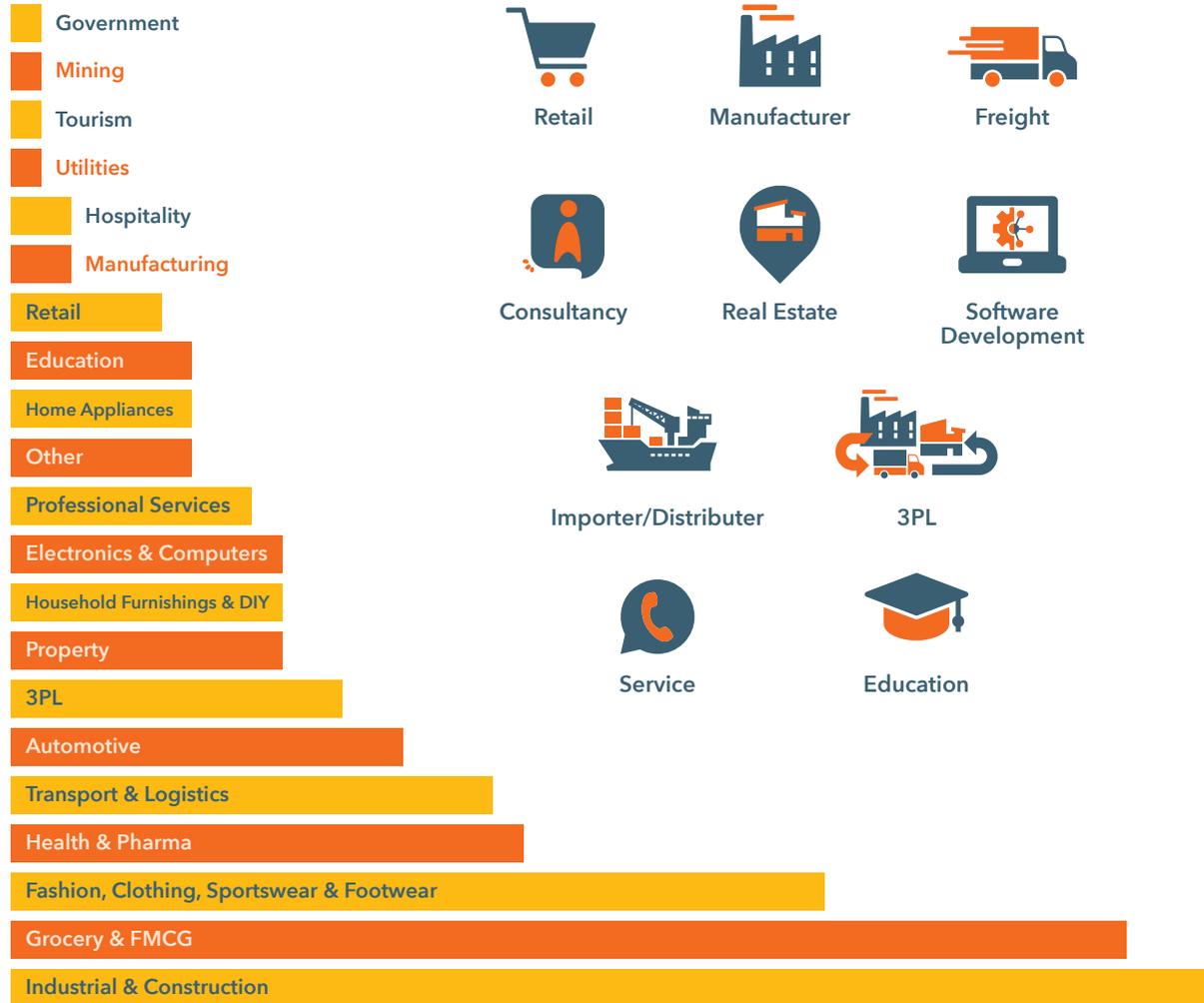
## Survey Respondents

### Location



# Introduction

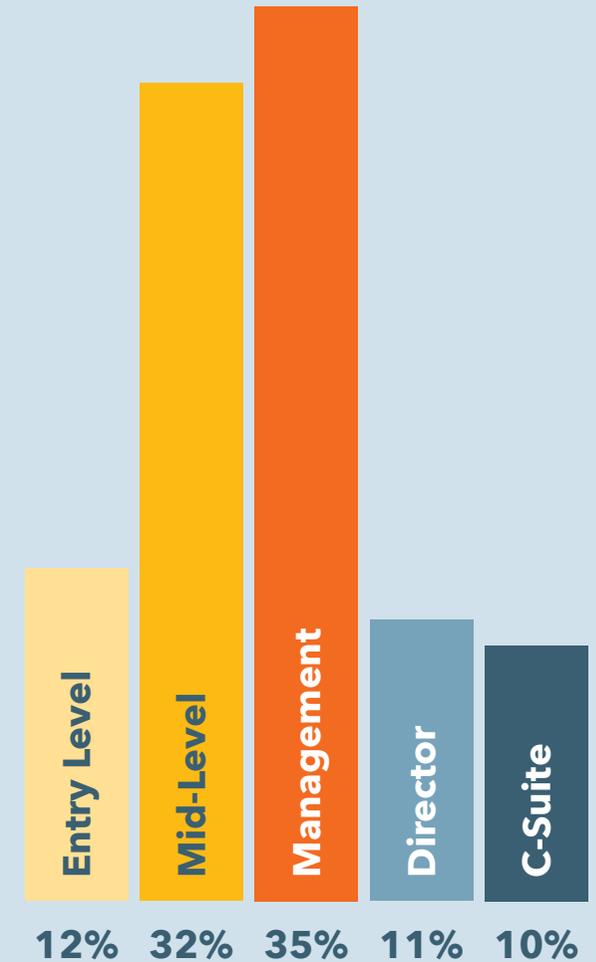
## Sector



## Industry



## Seniority



# Executive Summary

With global supply chains facing unprecedented inventory shortages throughout 2022 and major disruptions due to Covid-19, geopolitical conflicts and extreme weather – chaos at ports, warehouses and retailers has become the norm for supply chain professionals.

With this in mind, the *Prological Supply Chain Pulse Check Survey 2023* responses present a picture of caution with regards to the economy – with the majority of respondents stating the national economic climate will get worse in 2023.

However, the survey also reveals there is a slightly more positive outlook when it comes to supply chain uncertainty – with 31% of respondents saying supply chain uncertainty will get better in 2023, compared with 27% saying it will get worse.

While the possibility of reshoring has been discussed at length in 2022 – largely due to the inventory challenges caused by the Covid-19 pandemic – the survey results reveal that this strategy is not currently being pursued – with more than half of respondents saying they will not consider reshoring this year as a result of pressures from Covid-19 and geopolitical turbulence.

In terms of the challenges facing the supply chain this year, respondents cited staff shortages, rising consumer demand and geopolitical issues as the top three concerns for 2023.

Despite the economic challenges, supply chain continues to be an area of focus for investment and opportunity – with 78% of businesses intending to increase supply chain and logistics capabilities through strategic employment this year, and 77% will also increase their level of investment in supply chain and freight operations. In addition, 64% of respondents are considering moving or expanding their warehouse requirements in the next two years.

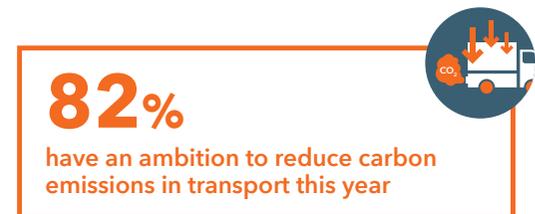
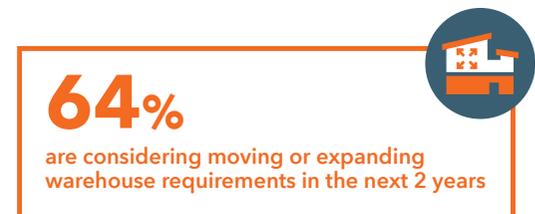
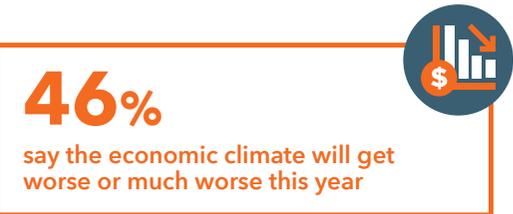
Upgrades and investments in tech are also a priority for this respondent pool – with 72% considering upgrading their Warehouse Management System (WMS), Transport Management System (TMS) or Freight Management System (FMS) in 2023.

“  
RESPONDENTS CITED STAFF SHORTAGES, RISING CONSUMER DEMAND AND GEOPOLITICAL ISSUES AS THE TOP THREE CONCERNS FOR 2023.

”  
However, while the economic outlook remains pessimistic, there are other areas of business that are predicted to advance in 2023 – namely ESG compliance.

This is clearly a priority for the respondent pool, as more than 82% of respondents reveal they have an ambition to reduce their carbon emissions in transport this year.

In this report, we reveal the survey responses from the first ever *Prological Supply Chain Pulse Check Survey* and offer some early predictions for what to expect in 2023.



# Supply Chain Uncertainty

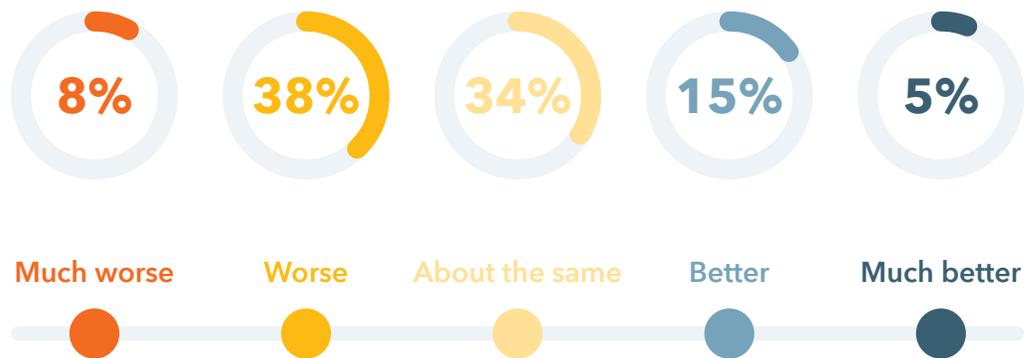
Disruptions to supply chains are set to stay in 2023, with many organisations facing the familiar pressures and challenges of 2022 - as well as the likely additional issues that are yet to emerge.

Despite organisations around the world rethinking their supply chain strategies and 23% of respondents identifying geo-political issues as being a key challenge this year, the majority of respondents surveyed have not yet considered

reshoring as a result of pressures from Covid-19 and geopolitical turbulence.

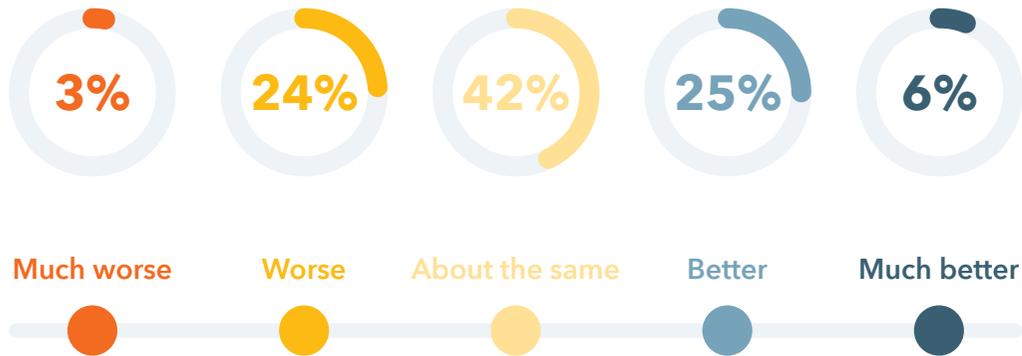
However, when looking at specific sectors it's clear some organisations are open to re-shoring - with more than 50% of respondents in manufacturing and retail industries revealing they have considered reshoring in light of the current climate.

Do you think the national economic climate will be better or worse in 2023?



# Supply Chain Uncertainty

Do you think supply chain uncertainty will get better or worse in 2023?



Has your business considered reshoring manufacturing as a result of pressures from COVID-19 and geopolitical turbulence?



# Sustainability

Governments around the world are increasing their demands for companies to prove that they operate sustainable and ethical businesses. One example is the Germany Supply Chain Due Diligence Act (GSCA), which came into effect at the beginning of this year. The GSCA requires large companies to make sure social and environmental standards are observed in their supply chain. As a result, companies in Germany are now required to monitor their own operations and that of their direct suppliers worldwide and if they find violations, they must take action.

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**MORE THAN 80% OF RESPONDENTS SAID THEY INTEND TO REDUCE THEIR CARBON EMISSIONS IN TRANSPORT IN 2023.**  
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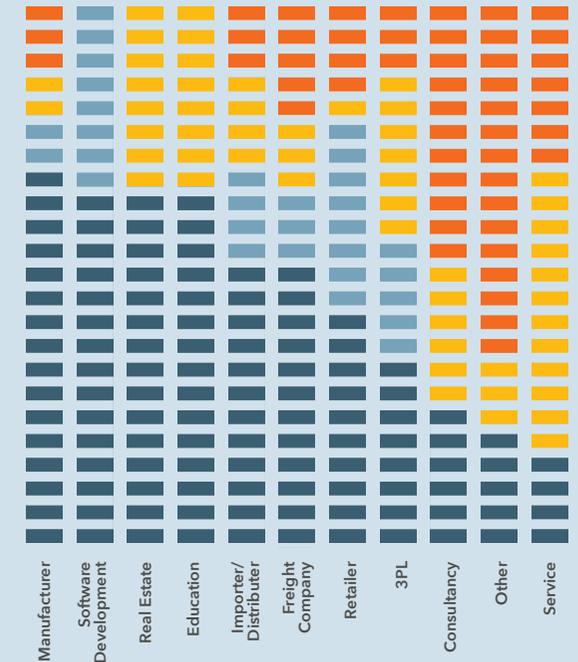
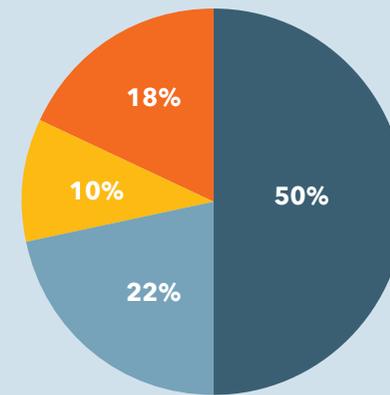
With Germany being the fourth largest economy in the world, many multinationals will be affected by this policy change and it's likely to set the wheels in motion for other nations to follow in their footsteps.

Reducing carbon emissions is clearly a top priority for many businesses this year, with more than 80% of respondents saying they intend to reduce their carbon emissions in transport in 2023.

While a sustainable supply chain makes good business sense, organisations who are committing to sustainability are also driven to act as a result of increased pressure from investors, suppliers and customers. With 67% of respondents stating they have experienced increased pressure from investors, suppliers and customers to accelerate their sustainability agenda this year.

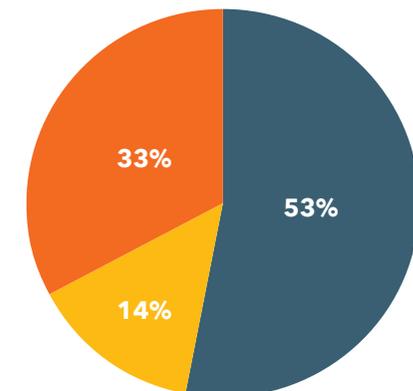
## Do you intend to reduce your carbon emissions in transport next year?

- Yes
- Somewhat
- It's an ambition
- No



## Have investors, suppliers and/or customers increased pressure for your business to accelerate its sustainability agenda this year?

- Yes
- Maybe
- No



# Supply Chain Visibility

Supply chain is now a key focus for the C-suite, and with that supply chain visibility has become more critical than ever before.



ONLY 6% OF RESPONDENTS SAY THEIR ORGANISATION HAS MINIMAL VISIBILITY, AND ONLY 1% NO VISIBILITY.



Having access to key real-time indicators to respond to rapid changes and building real-time collaboration with supply chain partners has become a major priority for organisations worldwide.

When considering what measure of supply chain visibility from a business perspective an organisation has, 19% say full end-to-end visibility, 38% most visibility and 36% some visibility. Only 6% of respondents say their organisation has minimal visibility, and only 1% no visibility.

When broken down by industry, Software Development, Freight and 3PLs are the top three industries with full end-to-end visibility. When asked about customer visibility, the results are similar across all sectors.

What measure of visibility does your organisation have across its supply chain from a:

- business perspective
- customer perspective

## No Visibility

● 1%

● 2%

## Minimal Visibility

● 6%

● 8%

## Some Visibility

● 36%

● 39%

## Most Visibility

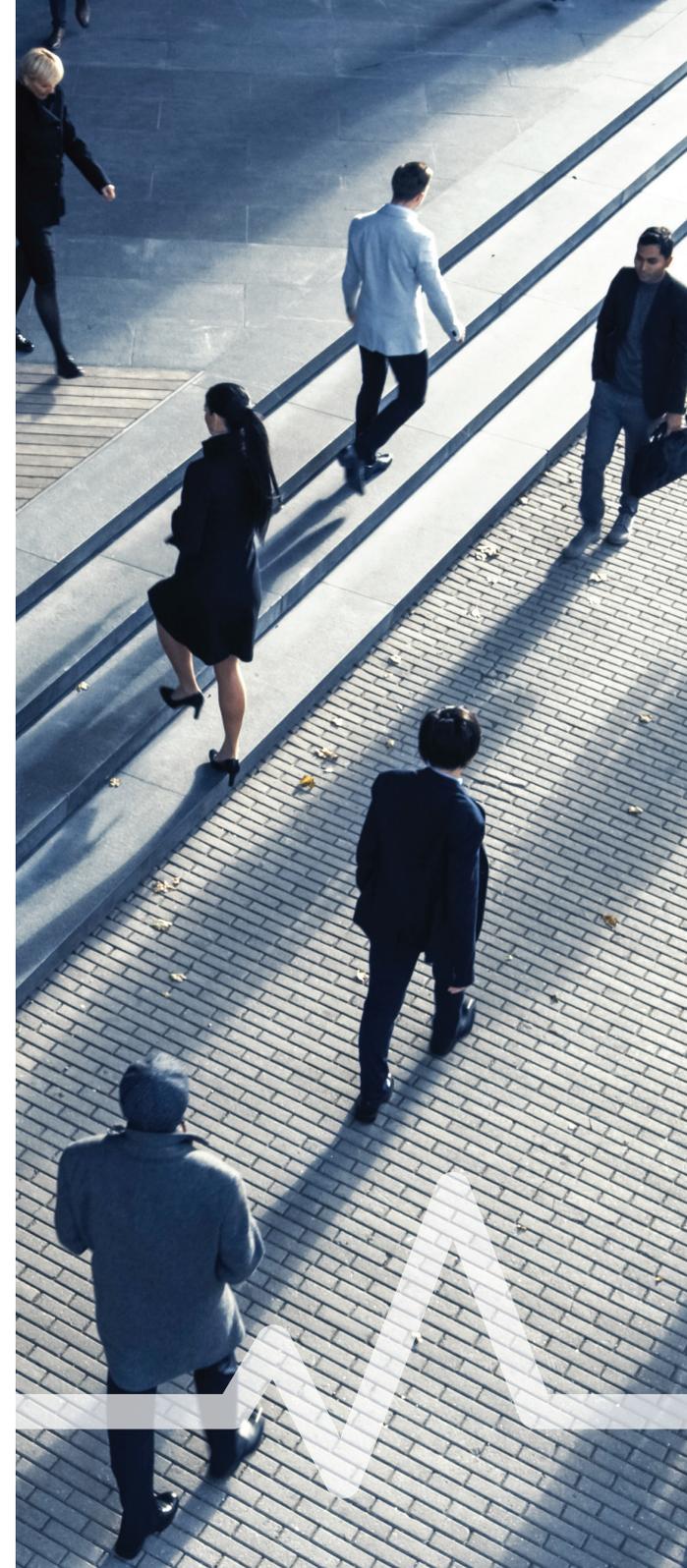
● 38%

● 33%

## Full End-to-End Visibility

● 19%

● 18%



# 2023: Economic Outlook

When asked what the biggest challenges facing an organisation's supply chain this year are, the overwhelming majority of respondents selected staff shortages, followed by rising consumer demand and geopolitical issues.

## Top Five Challenges

- 1 Staff shortages
- 2 Rising consumer demand
- 3 Geopolitical issues
- 4 Lack of digital skills
- 5 End-to-end visibility

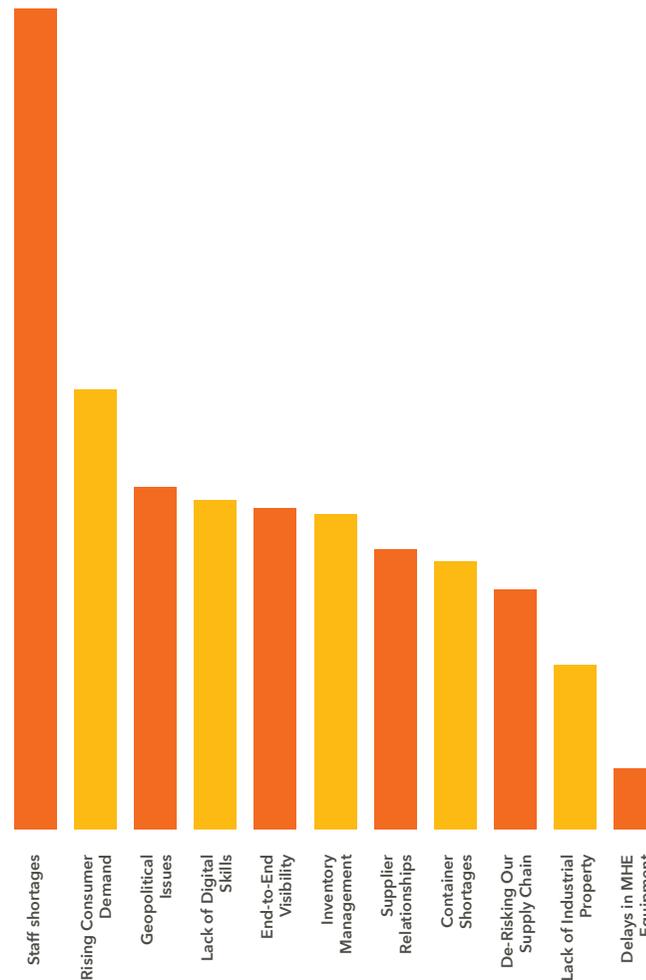
## Bottom Five Challenges

- 1 Delays in MHE equipment
- 2 Lack of industrial property space
- 3 De-risking supply chain
- 4 Container shortages
- 5 Supplier relationships

However, when broken down by seniority - the results tell a slightly different story. With C-suite personnel primarily concerned with staff shortages, but also citing supplier relationships and de-risking the supply chain as the second and third biggest challenges facing the supply chain this year.

When it comes to automation investment, 76% of respondents are considering increasing their investment in 2023/24 in Australia, compared with 73% in New Zealand.

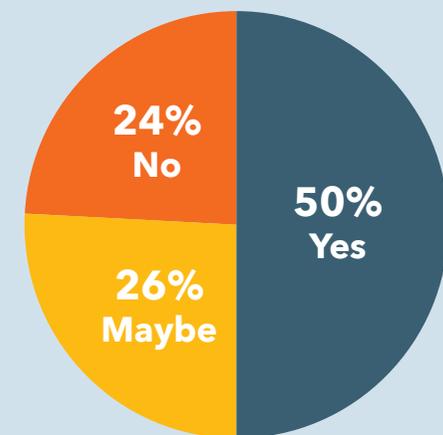
## What in your opinion is the biggest challenge facing your organisation this year?



WHEN IT COMES TO AUTOMATION INVESTMENT, 76% OF RESPONDENTS ARE CONSIDERING INCREASING THEIR INVESTMENT IN 2023/24 IN AUSTRALIA, COMPARED WITH 73% IN NEW ZEALAND.



## Is your business considering increasing its investment in automation in 2023/24?



# 2023: Economic Outlook

More than 72% of respondents are considering upgrading software solutions in their warehouse and supply chain operations. Almost 50% of 3PL and manufacturing organisations responded 'Yes' when asked if they were considering upgrading their WMS, TMS or FMS this year.

When looking at practical decisions around warehouse expansion and relocation, more than 64% of respondents say they are considering moving in the next two years. The top three industries who are considering relocating or expanding are manufacturing, freight forwarding and distribution companies.

## Top 3 sectors looking at warehouse expansion and relocation



Manufacturing



Freight Forwarding



Distribution

## Is your business considering moving and/or expanding its warehouse requirements in the next two years?



Yes - 42%



Maybe - 22%



No - 36%

With supply chain at the top of many C-suite agendas this year - more than 48% of respondents answered 'Yes' when asked if their business will increase its level of investment in supply chain and freight operations in 2023, and a further 29% responded maybe.

## Does your business intend to increase its supply chain/tech/logistics capability through strategic employment in 2023?



Yes - 49%



Maybe - 29%



No - 22%



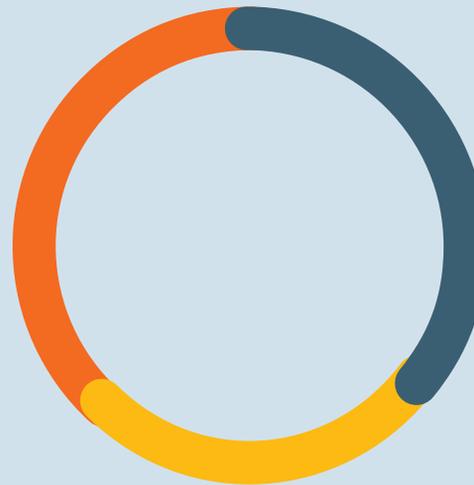
# Skills and Recruitment

“  
MORE THAN 62% OF RESPONDENTS CITED THAT THE ‘GREAT RESIGNATION’ HAS IMPACTED BUSINESS THIS YEAR.  
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The ‘Great Resignation’ has taken its toll on many sectors – and supply chain is no exception. As job satisfaction continues to plummet, many professionals are experiencing burnout and fatigue and there is the continued risk of skills shortage and recruitment challenges this year.

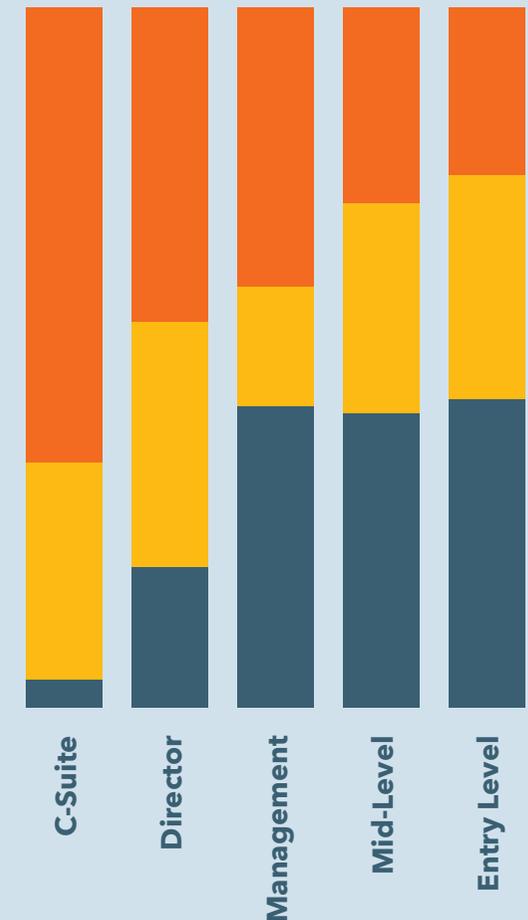
More than 62% of respondents cited that the ‘great resignation’ has impacted business this year. As a result, more than 78% of respondents plan to increase their supply chain/tech/logistics capability through strategic employment this year.

Has the ‘great resignation’ impacted your business this year?



- Yes - 36%
- Somewhat - 26%
- No - 38%

Broken down by seniority



# Conclusion



We're delighted to share the findings of the inaugural *Prological Supply Chain Pulse Check Survey* with you. The survey has revealed three clear areas of focus for supply chain professionals this year: increasing sustainability, investment and supply chain visibility.

The results reveal sustainability is by far the highest stated priority for businesses going into 2023 - with 82% of respondents intending to reduce carbon emissions this year.

Many businesses are also taking the opportunity to invest in their supply chains now, while acknowledging we are heading into tougher times for a while. These businesses will ensure they are in a stronger position for when the market returns to full strength in 12-24 months from now.

It was pleasing to see the high level of supply chain visibility across the companies who participated in the survey. With less than 10% citing

their organisation has low or no visibility, while between 50% and 60% of respondents said they had high levels or complete supply chain visibility across supplier and customer perspectives.

This characteristic across supply chains will further accelerate by mid-decade, with B2B expectations targeting B2C levels of visibility and communication. Furthermore, leading B2C companies will push onto even higher levels of visibility and therefore control over the customer experience.

In all, there were 10 supply chain challenges rated in the survey - with number one being the challenge of finding the required staff. Almost every business who responded to the survey is finding this difficult. If there is any comfort to be taken, it is that we are all this together and I am yet to hear of any 'silver bullets' to remedy the situation.

Finally, I was pleased to read of people's optimism about the future of our supply chains. More than 70% of respondents said our supply chain certainty will remain about the same, or get better in 2023.

In conclusion, it is clear businesses have seen the importance of a strong supply chain, a learning for many that came through recent supply chain failures. In response, as evidenced by this survey's results, we are seeing rapid upgrades in supply chain capability and investment in preparation for the next up-cycles competitive advantage.

Thank you to all those who participated. We trust the readers of this report find value and support in the collective contributions made.

**Peter Jones**  
Managing Director and Founder  
Prological



**Find out more today.**

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