The state of supply chain and the cloud

The cloud has become the core of companies' digital transformation efforts to drive value. That includes the supply chain, which is under immense pressure to boost its resiliency in the face of ongoing disruptions.

How much have supply chains embraced the cloud?

Where are they using it?

What benefits are they getting?

Accenture surveyed 1,050 supply chain executives around the world to help answer these questions.*

Cloud leaders have most of their supply chain running in the cloud

21% of supply chain executives have deployed **cloud-enabled** capabilities across their entire supply chain.

97% of these "cloud leaders" have at least **3/4** of their supply chains running in the cloud.

Our take:
Cloud investment is being embraced to support supply chain transformation.

Most companies haven't moved from using individual cloud-based applications to unlocking the value from an end-to-end supply chain deployment.

Cloud leaders are more innovative and competitive than others

63% of cloud leaders vs **48%** of other companies were more likely to say they've **outperformed competitors** in supply chain innovation.

Cloud leaders reported **stronger improvements** in forecast accuracy, revenue growth, profitability and supply chain operating costs.

Our take:
Cloud can be a big driver of competitive advantage due to its potential to unlock innovation, growth and profitability.

Cloud can help companies accelerate the development of new products and services, and deliver those offerings at an optimized cost and in ways customers value.

Cost reduction and efficiency are primary drivers of supply chain migration

The #1 driver executives cited for migrating their supply chain to the cloud is **cost reduction**.

41% of all executives said the desire to **increase supply chain efficiency** was a top-three reason for migrating their supply chains to the cloud.

Our take:
Cost and efficiency are often the primary initial drivers of emerging technology adoption.

Companies need to use the cloud and data to transform their supply chains into connected, agile supply chain networks that can adapt to change.

Forecast accuracy leads the way in benefits from the cloud

Executives attributed their cloud use to a:

26% increase in demand forecast accuracy,

16% reduction in supply chain operating costs and

5% increase in revenue growth and profitability.

Our take:
Ongoing disruptions make it difficult to understand what customers want today.

Cloud is helping companies create a digital thread that provides a "cleaner" demand signal, so they can effectively personalize interactions with customers and deliver outstanding experiences.

Cloud is key to driving resiliency and sustainability

53% of executives said the COVID-19 pandemic made them **rethink** their overall supply chain.

About half of executives surveyed said the cloud has helped them successfully increase resiliency (**52%**) and sustainability (**48%**).

Our take:
COVID accelerated most companies' digital agendas, including cloud investment, showing how important cloud is to operational agility and resilience during unpredictable times.

The cloud will continue to be critical to helping companies monitor and improve their sustainability performance.

Visibility remains a challenge for most companies

Only 41% of executives said they achieved **increased visibility** from putting their supply chain in the cloud.

Most companies struggle to easily access real-time data, make sense of the data they collect and use those insights to **take action**.

Our take:
Cloud makes it possible to aggregate and share internal and external data.

Companies need to step up their use of analytics and artificial intelligence to generate real-time insights into how their supply chain networks synchronize supply and demand, and know if they're meeting sustainability targets.

Our research shows companies have made progress in moving their supply chains to the cloud. But there's more work to do:

The 2/3 of companies that have half or less of their supply chain in the cloud must pick up the pace to realize the benefits cloud leaders are enjoying.

Cloud leaders will continue to invest more in cloud technologies than their peers over the next two years.

Early and aggressive adopters will increasingly use the cloud to help transform their supply chains into robust, agile supply chain networks that can operate efficiently, simplify life and foster greater sustainability.

Learn more about how Accenture can support your move to cloud.