NAVIGATING DIGITAL SUPPLY CHAIN TRANSFORMATION

CMR **Digital Supply Chain Report 2025** | CyberMedia Research (CMR)

FOREWORD

The report provides insights into the state of digital supply chains, based on a survey of senior leaders across various industries.

It explores current challenges, initiatives, and capabilities in driving digital transformation in supply chains.

Key themes include

- real-time visibility,
- digital readiness,
- workforce preparedness, and
- technology integration.

The findings highlight opportunities for organizations to strategically accelerate their digital transformation journeys.

KEY STUDY FINDINGS

1. **39%** of organizations have comprehensively assessed their digital readiness.
2. Real-time visibility is the top challenge for **57%** of respondents.
3. **39%** of organizations are running 3-5 digital supply chain initiatives.
4. **67%** of organizations have partially integrated suppliers into their digital networks.

KEY STUDY FINDINGS

5 **55%** of respondents have a good understanding of digital vs. traditional supply chains.

6 **41%** have both 'as-is' and 'to-be' supply chain process maps in place.

7 **37%** of organizations have a dedicated budget for supply chain digitalization.

8 **43%** aim to achieve significant digital transformation within 1-3 years.

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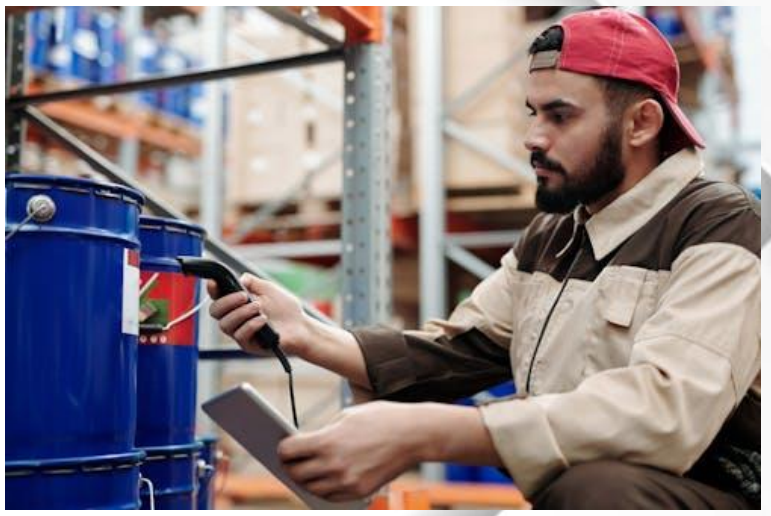


CHAPTER I:
DEMOGRAPHICS AND AWARENESS

A significant portion of respondents are in senior leadership roles, with **51%** identifying as Heads of Supply Chain and **49%** as Chief Information Officer(CIO).This indicates a strong representation of decision-makers who are likely to influence digital transformation initiatives**.**

Leader Representation

The distribution of company sizes shows a balanced representation across various employee counts, with **31%** of respondents from companies with **2,500 to 5,000** employees. This diversity suggests varying levels of digital maturity and resources allocated to supply chain initiatives

Company Size

> 10,000 employees **25%**

5000 - 10000 employees **18%**

<2500 **25%**

2500 - 5000 employees **31%**

A majority **(55%)** report a good understanding of the differences between traditional and digital supply chain management. However, only **(16%)** consider themselves experts, indicating a potential area for further education and training within organizations.

Understanding in digital supply chains

Good Understanding **(55%)**

Expert Understanding **(16%)**

Q. How would you rate your understanding of the differences between traditional supply chain management and digital supply chain management??

With only **4%** feeling highly prepared to manage a digital supply chain, there is an urgent need for training programs to upskill employees in new technologies.

Workforce Preparedness

43% Moderately prepared

35% Slightly prepared

18% Not prepared

4% Highly prepared

Q. How prepared is your workforce to operate and manage a digital supply chain powered by IoT, Blockchain, AI, RPA, and Mobile technologies?

CHAPTER II:
CHALLENGES AND CURRENT PRACTICES

The most significant challenges identified are the lack of real-time visibility **(57%)**, inaccurate demand forecasting **(43%)**, and weak supplier collaboration **(41%)**, all of which align with industry trends emphasizing the need for transparency, data accessibility, and enhanced collaboration in supply chains.

Challenges faced in optimization of Supply Chain

Lack of real-time visibility	**57%**
Demand forecasting accuracy	**43%**
Inventory optimization	**43%**
Supplier Collaboration	**41%**

Key Challenge for CIOs

*Lack of real-time visibility is a top challenge for **75%** CIOs.*

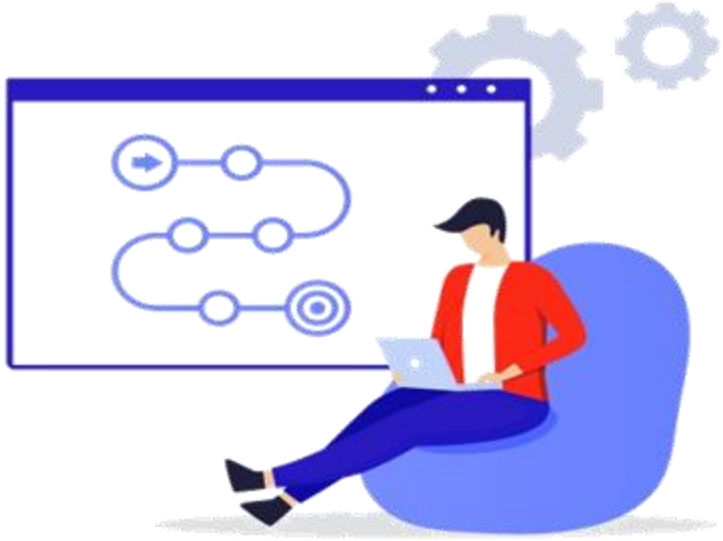
Key Challenge for Supply Chain Heads

42% *Supply Chain Heads identify workforce skill gaps as a key challenge, emphasizing the need for upskilling.*

Q. What are the top challenges you're facing today in optimizing your supply chain?

Only **41%** have both 'as-is' and 'to-be' maps, suggesting that many organizations may lack a clear vision for their digital transformation journey. This gap could hinder effective planning and execution.

Current state of supply chain process mapping



25% only have an 'as-is' map

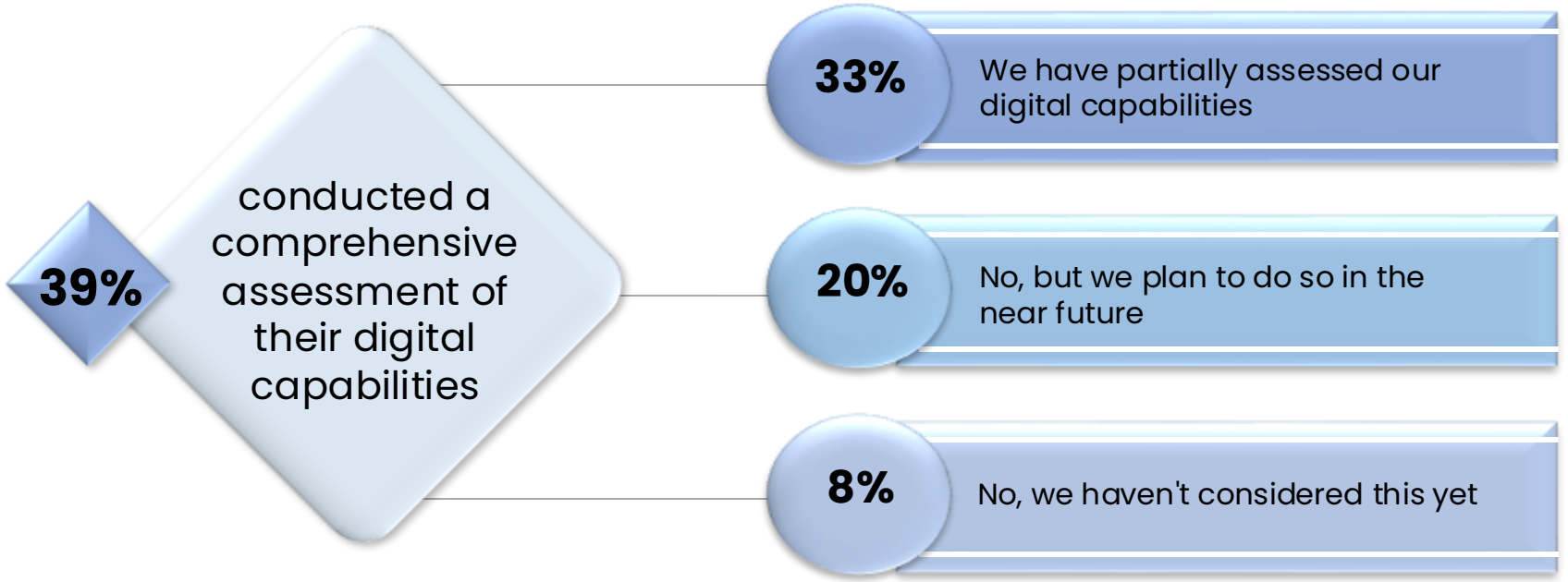
41% only have a 'to-be' digital map

41% have both ‘as-is and ‘to-be’ digital maps

Q. Do you have an 'as-is' supply chain process map and a 'to-be' digital supply chain map?

While **39%** have conducted a comprehensive assessment of their digital capabilities, a notable **20%** have not yet considered this step. This indicates a critical need for organizations to baseline their current capabilities to identify strengths and weaknesses.

Digital Quotient assessment



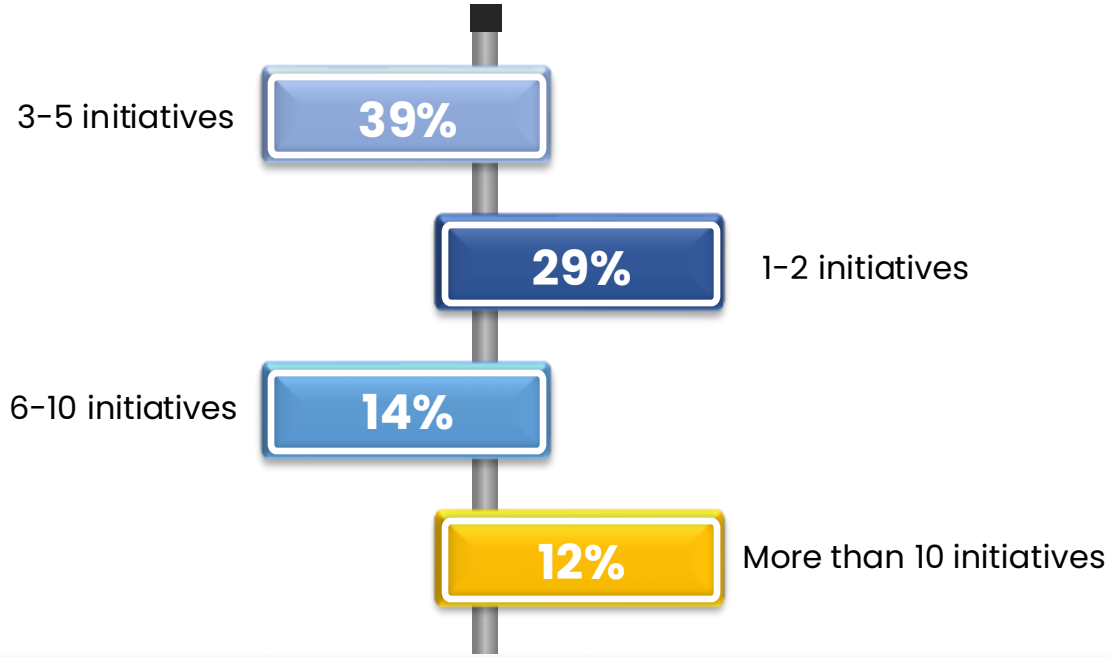
Q. Have you baselined your current supply chain and assessed its digital quotient to understand digital strengths and weaknesses?

Relying on internal insights **(76%)** and managing 3-5 initiatives **(39%)** reflects a need to balance internal efforts with external benchmarking for success.

Identification of digital initiatives

- **76%** Based on experience and internal discussions
- **75%** Using benchmarking and industry best practices
- **55%** Through a comprehensive internal digital assessment / audit
- **47%** By leveraging external consultants

No. of initiatives in progress



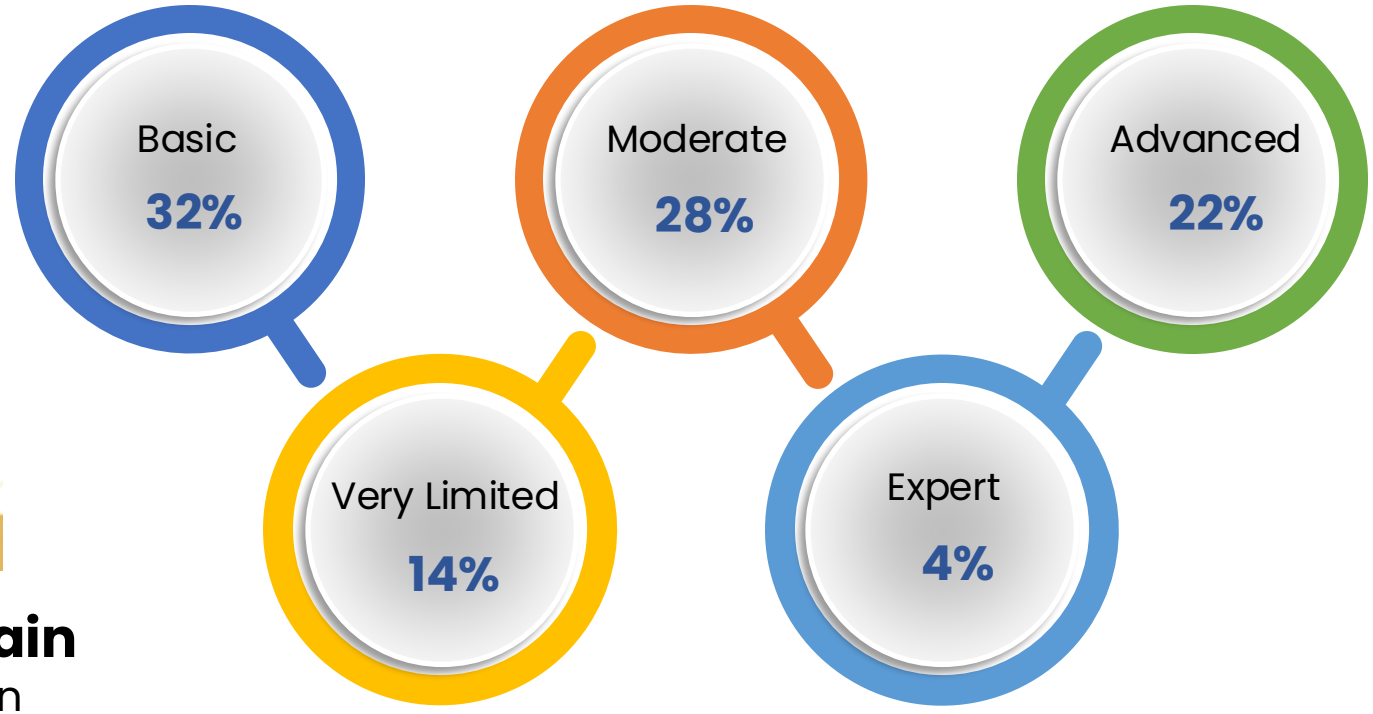
*On an average CIOs have implemented over **5** digital initiatives, while Heads of Supply Chain have initiated **4** digital initiatives, showing strong digital commitment across both roles.*

Q. How did you identify digital supply chain initiatives within your organization?? Q. How many digital supply chain initiatives are currently in progress in your organization?

The survey reveals that only **22%** rate their competencies as advanced in leveraging technologies like IoT, AI, and Blockchain. This skill gap could impede the successful implementation of digital solutions

Both **CIOs** and **Heads of Supply Chain** demonstrate strong digital supply chain competency, with CIOs leading in expertise.

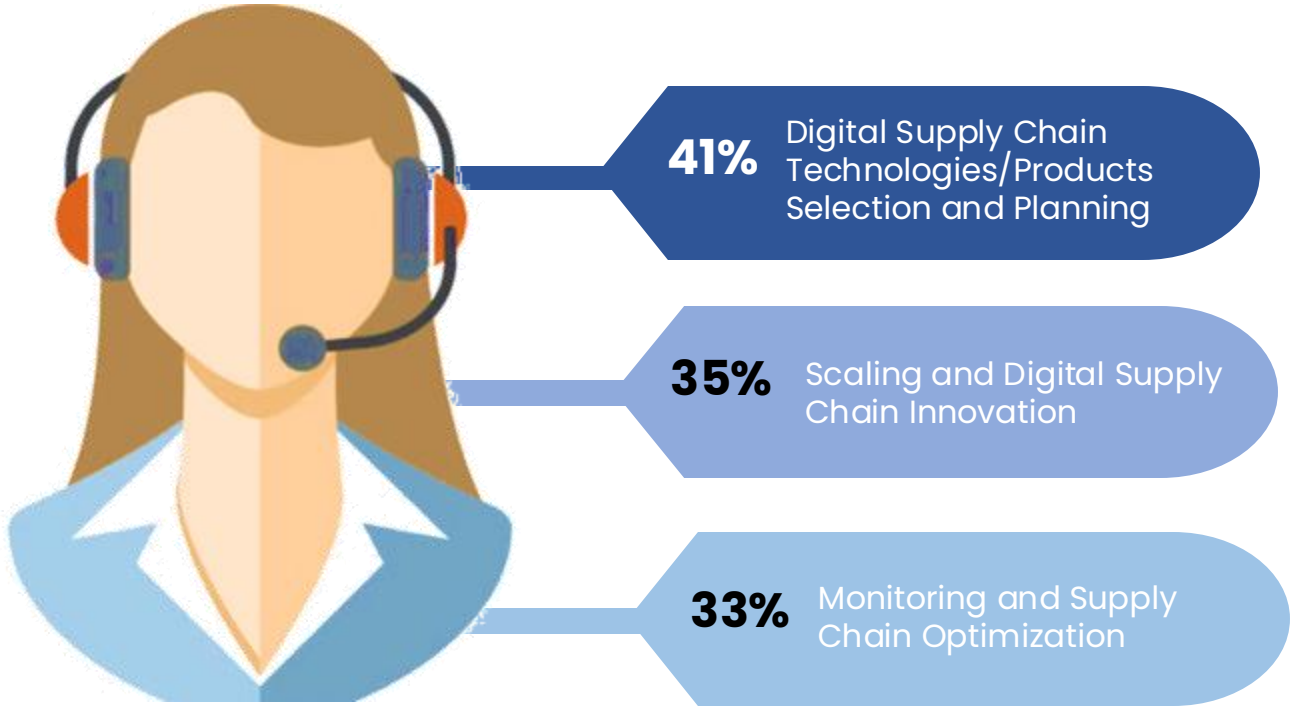
Competencies in technology integration



Q How would you rate your organization's competencies and skills in designing, implementing, and operationalizing digital supply chain solutions leveraging IoT, Blockchain, AI, RPA, and Mobile technologies?

Organizations show a strong need for external support in technology selection (41%) and scaling innovation (35%), recognizing the role of expertise in accelerating transformation. Supply Chain Heads, in particular, seek help with portfolio management and PMO (39%) as well as governance and compliance (31%).

External Consultant Support Areas



Top External Consultant Support Area

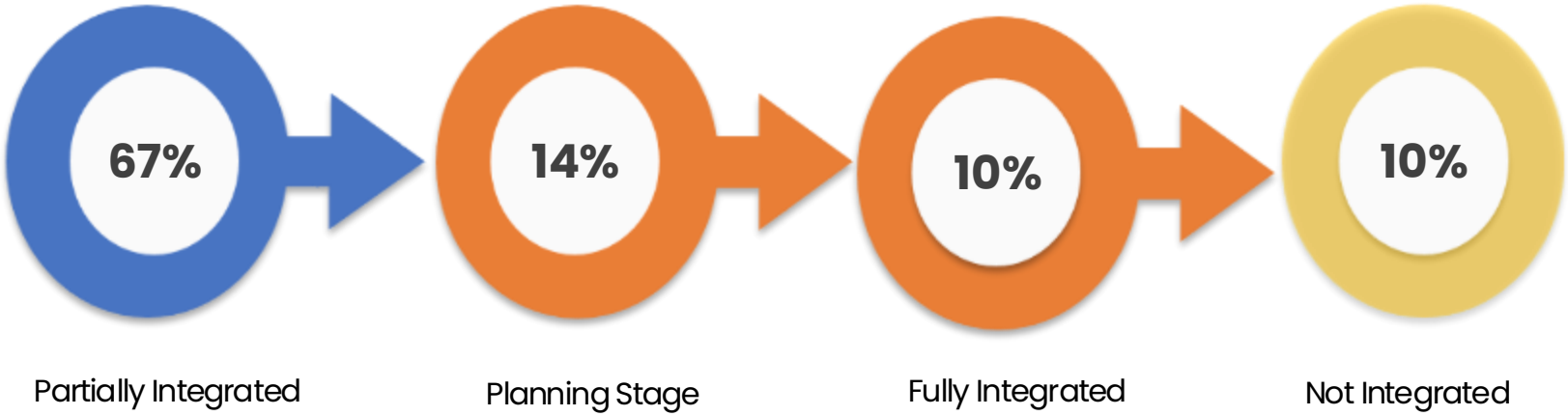
42% of **Heads of Supply Chain** require external support in Monitoring and Supply Chain Optimization.

While **50%** CIOs seek assistance in Scaling and Digital Supply Chain Innovation

Q.In which areas do you feel you need support from external digital supply chain consultants?

A large majority **(67%)** report partial integration of suppliers into their digital supply chain networks. Enhancing supplier integration could improve overall supply chain efficiency and responsiveness.

Suppliers Integration Levels



Q. How well integrated are your suppliers in your digital supply chain network?

CHAPTER III:
FUTURE OUTLOOK AND RECOMMENDATIONS

While **37%** have a dedicated budget for digitalization, a significant portion relies on broader IT budgets or case-by-case funding. This fragmentation may lead to inconsistent investment in digital initiatives.

Budgeting for Digitalization

37% Yes, we have a dedicated budget

27% No, but it's included in our overall IT/digital transformation budget

27% No, we fund initiatives on a case-by-case basis

10% No, we haven't allocated any budget for this

Q. Have you planned a separate budget for digitalizing your supply chain processes and ecosystem?

The primary motivations for digitalizing supply chains focus on improved visibility **(25%)** and increased agility **(25%).** These goals align with current trends emphasizing responsiveness in supply chain operations.

25% Improved visibility and transparency

25% Increased agility and responsiveness

18% Enhanced customer experience

Q. What is your primary motivation for digitalizing your supply chain?

A majority describe their approach as keeping pace with industry trends **(37%)**, indicating a reactive rather than proactive stance towards digital transformation. Organizations may benefit from developing more strategic frameworks for transformation.

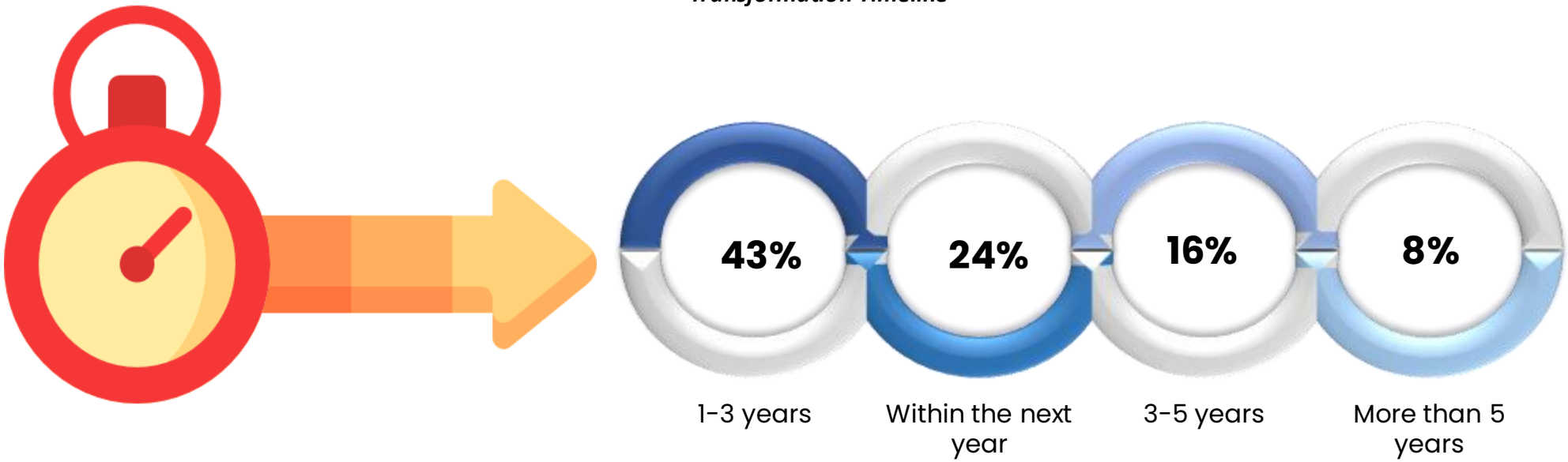
Organizational approach to transformation

- **37%** Keeping pace with industry trends
- **25%** Proactive and leading the industry
- **18%** Cautious and selective adoption
- **8%** Reactive to competitive pressures

Q. How would you describe your organization's overall approach to digital supply chain transformation?

Most respondents **(43%)** expect significant transformation within 1-3 years. This optimistic outlook suggests readiness but also highlights the urgency for organizations to act swiftly.

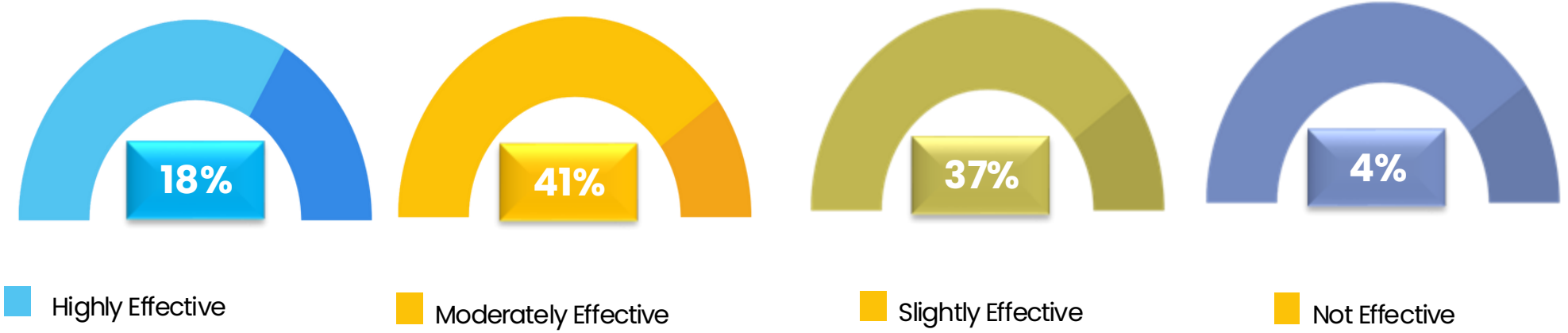
Transformation Timeline



Q. What timeframe do you envision for achieving significant digital transformation in your supply chain?

The effectiveness of leveraging real-time data analytics is rated as moderately effective by **41%**. This indicates room for improvement in utilizing data-driven insights for decision-making.

Real-time data analytics utilization



Q. How effectively does your supply chain leverage real-time data analytics for decision-making?

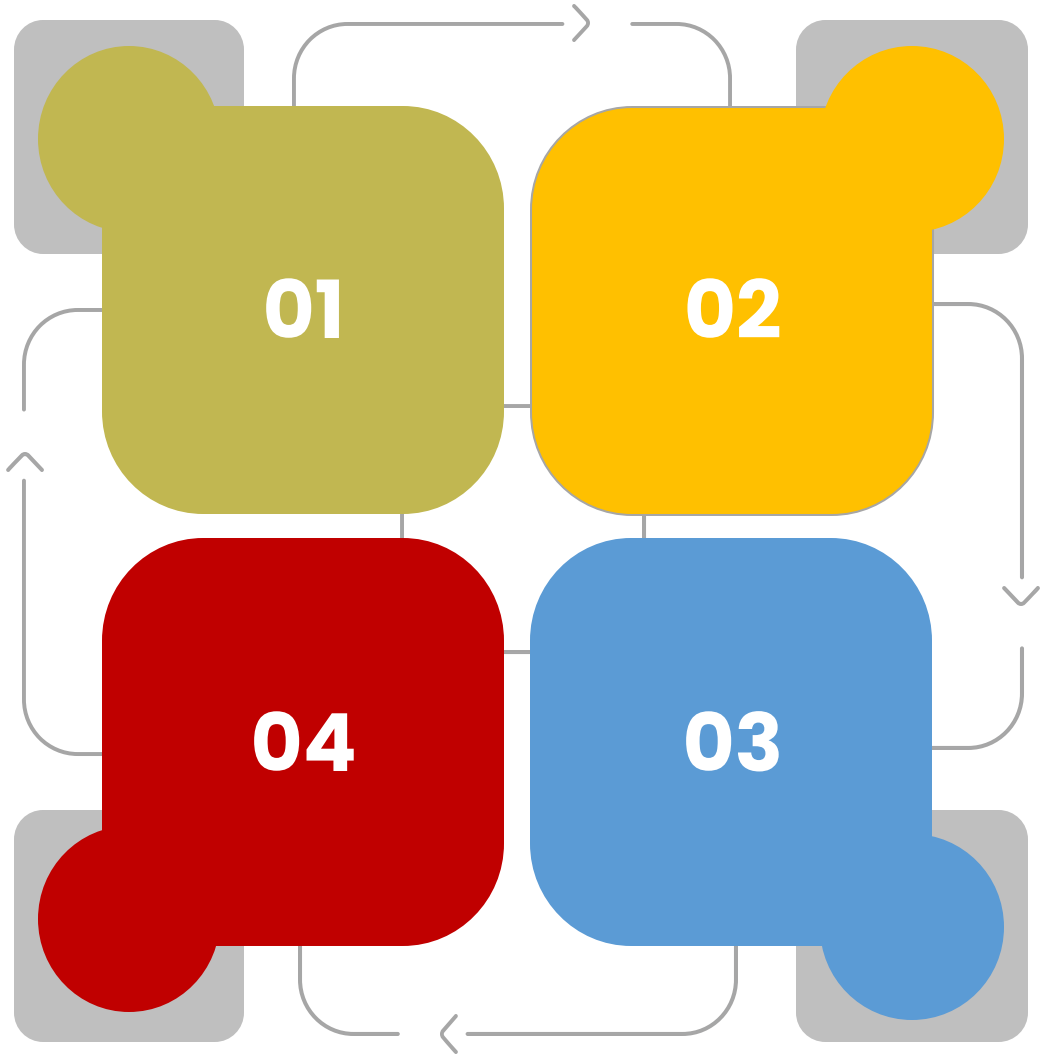
Key Recommendations

Implement Unified Technology Platforms

Invest in end-to-end digital platforms that integrate disparate applications and upgrade outdated systems. This will enhance visibility across all supply chain stages, reduce bottlenecks, and improve overall efficiency

Leverage Advanced Data Analytics

Implement advanced analytics tools to collect and interpret data on customer demands, supply chain delays, and operational efficiencies. Data dashboards can present this information in an accessible manner, allowing teams to make informed decisions quickly.



Enhance Real-Time Connectivity

Utilize advanced technologies such as GPS, Bluetooth, and IoT sensors to improve real-time visibility of product movement. This connectivity can help organizations quickly identify and address disruptions, leading to better decision-making and operational agility.

Develop a Digital Thread

Create a digital thread that connects all data users within the supply chain. This communication structure will facilitate seamless information flow between businesses, suppliers, and customers, enhancing responsiveness to changes in demand or supply conditions.

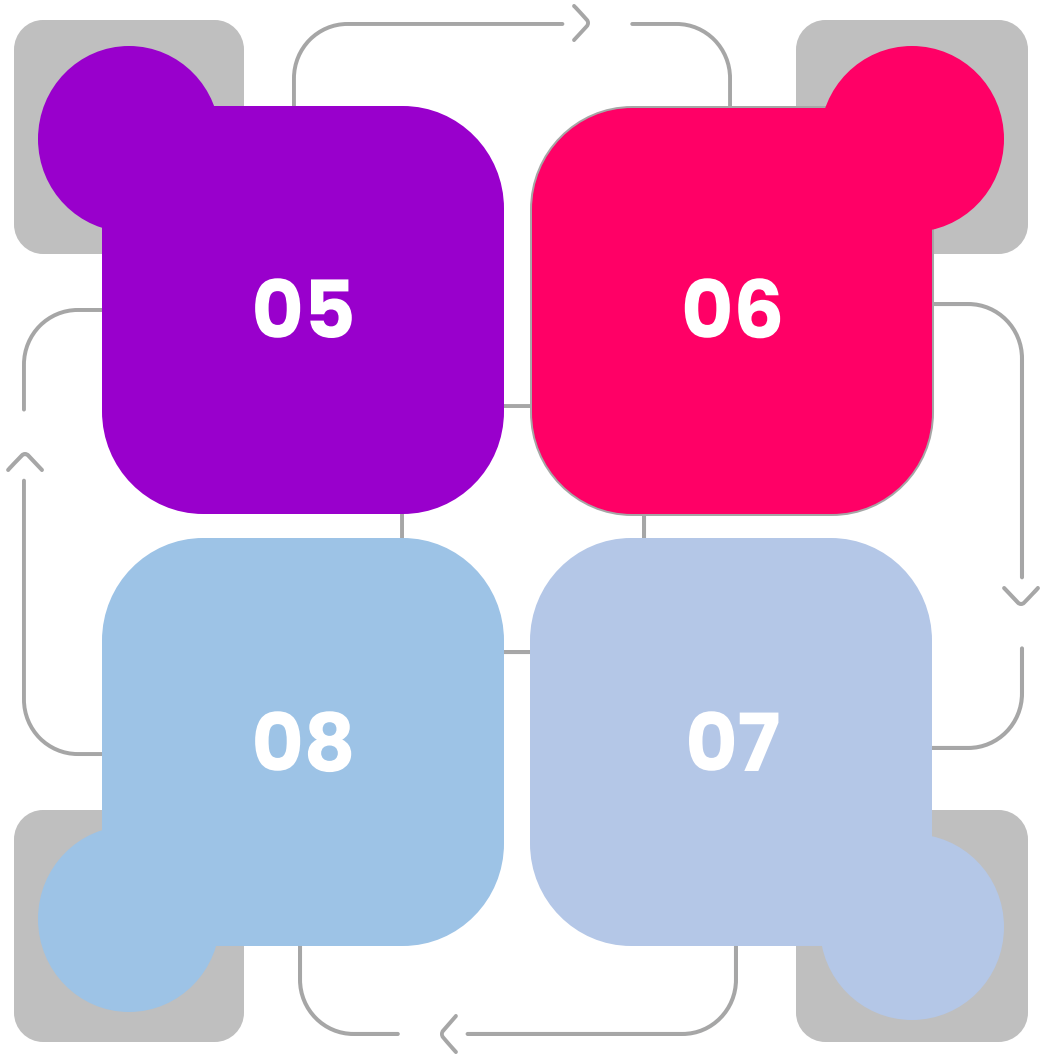
Key Recommendations

Focus on Automation and AI

Integrate automation technologies to handle repetitive tasks and reduce human error. AI can assist in forecasting demand trends and optimizing inventory management, improving accuracy across various supply chain functions.

Create Clear Digital Roadmaps

Develop comprehensive 'as-is' and 'to-be' maps that outline the current processes versus desired future states. These roadmaps should detail specific steps for achieving digital transformation goals.



Enhance Supplier Collaboration

Invest in collaborative platforms that facilitate better communication with suppliers. This can include shared dashboards for inventory levels or joint planning sessions to align on forecasts and production schedules

Conduct Comprehensive Digital Assessments

Regularly assess the current state of digital capabilities within the organization. This should include identifying gaps in technology, processes, and skills, which will inform future investments and training needs.

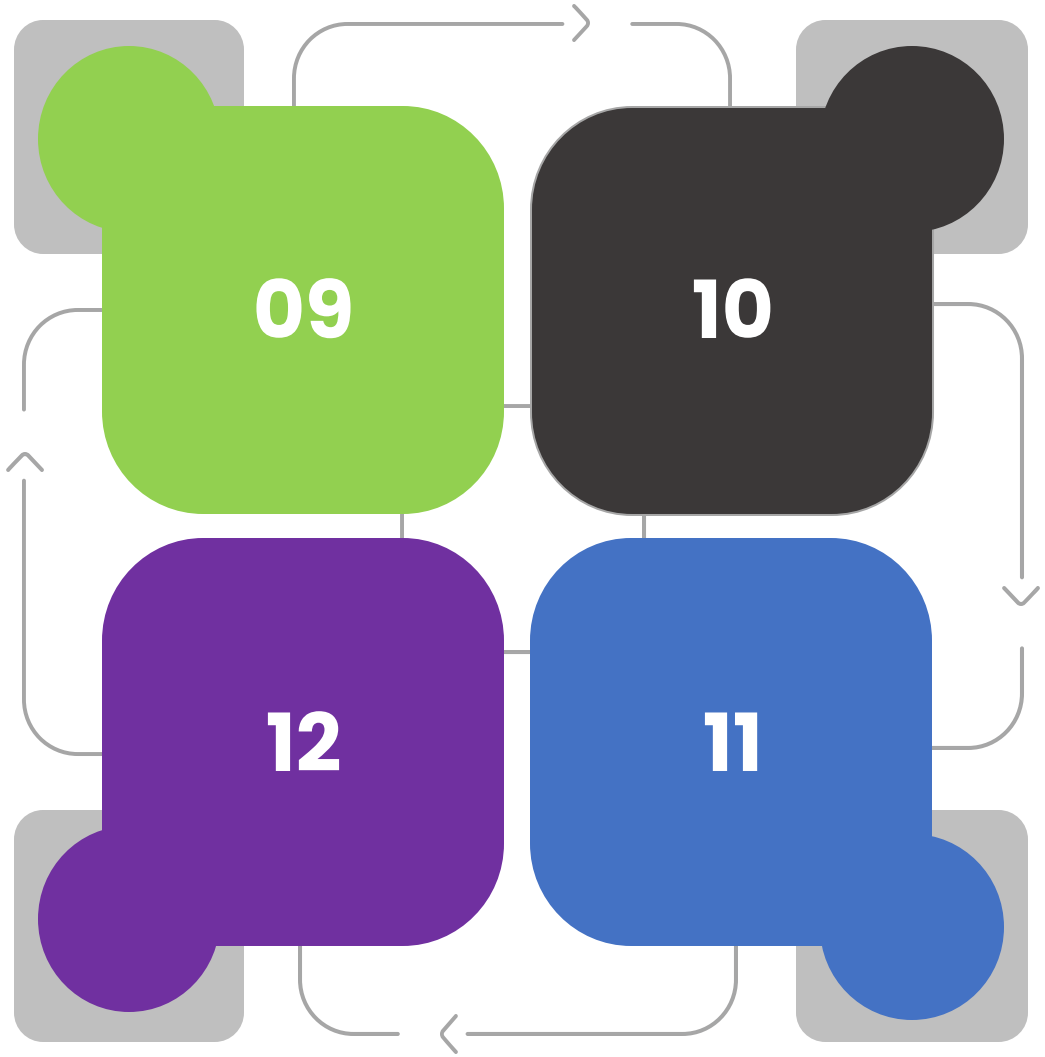
Key Recommendations

Invest in Training Programs

Establish targeted training initiatives focused on new technologies like IoT, AI, and Blockchain. Upskilling employees will ensure they are prepared to manage a digital supply chain effectively.

Foster a Culture of Innovation

Encourage a culture that embraces change and innovation within the organization. This includes promoting experimentation with new technologies and processes to continuously improve supply chain operations.



Allocate Dedicated Budgets for Digital Initiatives

Ensure that there is a dedicated budget for digital transformation projects rather than relying solely on broader IT budgets. This will facilitate more consistent investment in critical initiatives.

Engage External Experts Strategically

Collaborate with external consultants not only for technology selection but also for change management strategies. Their expertise can help navigate the complexities of digital transformation effectively.

Key Recommendations

Monitor Performance Metrics Closely

Establish performance metrics to evaluate the effectiveness of digital initiatives regularly. This could include KPIs related to inventory turnover rates, order fulfilment times, and supplier performance metrics.

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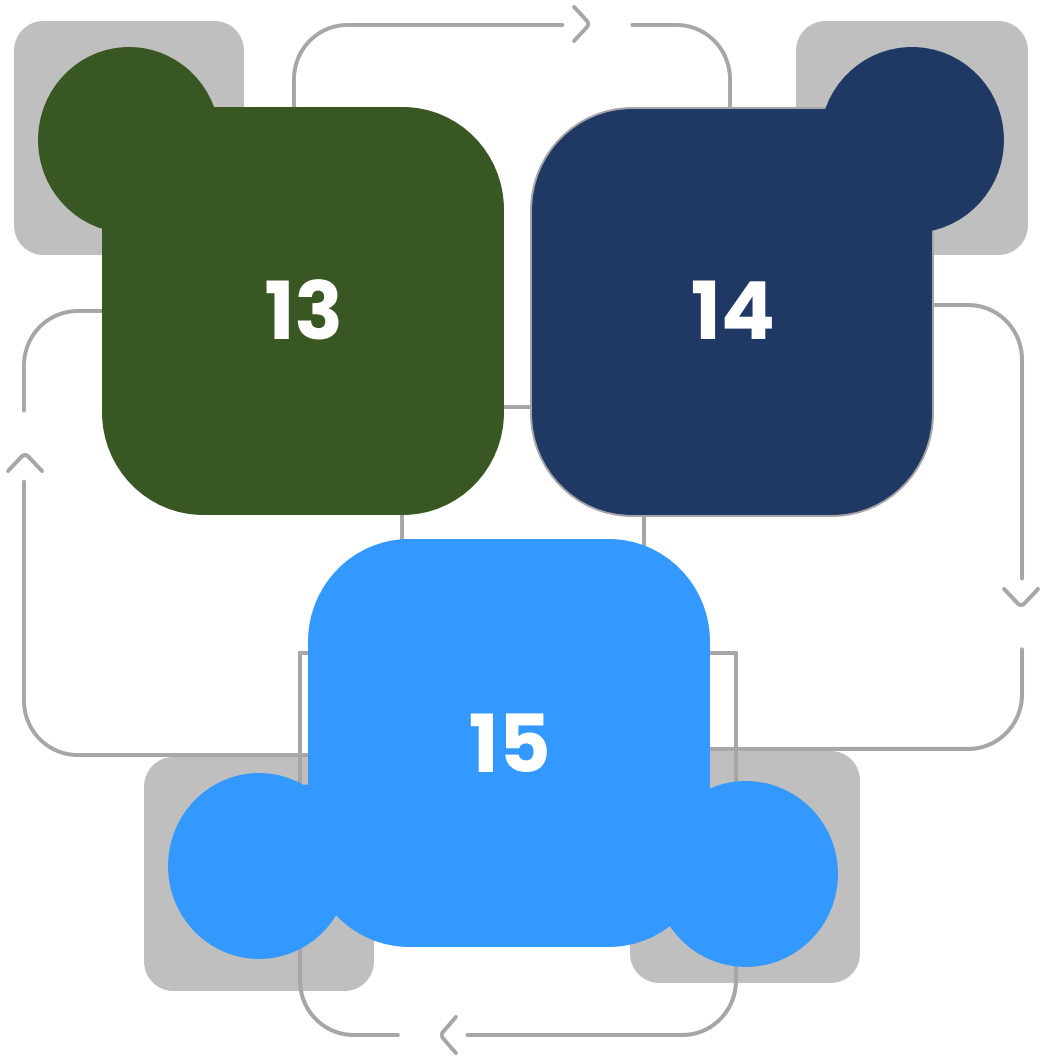

Utilize Cloud Computing Solutions

Leverage cloud-based solutions for enhanced scalability and flexibility in managing supply chain operations. Cloud computing can support real-time data access and improve collaboration among stakeholders.

Explore Blockchain Technology

Investigate the potential of blockchain technology for enhancing traceability and transparency within the supply chain. Blockchain can provide secure records of transactions that improve trust among partners.

About the Study

The **CMR Digital Supply Chain Report 2025** study covered >300 CIOs and Supply Chain leaders across Manufacturing, Automotive, Pharma, Healthcare & Life Sciences, and Logistics, and Transportation industries in Tier I and Tier II cities.

For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus or minus 3% of what they would be if the entire population had been surveyed.

About CMR

CMR offers industry intelligence, consulting and marketing services, including but not limited to market tracking, market sizing, stakeholder satisfaction, analytics and opportunity assessment studies.

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