

# Supply Chain Resiliency Strategies of Top Performing Companies

2021 Supply Chain Benchmark Survey Results





## About the Survey

At the end of the summer of 2021, Descartes conducted a benchmark survey among carriers, logistics providers, importers and shippers, and port authorities on the strategies and tactics they have adopted to keep their businesses moving forward in the face of ongoing and severe supply chain disruptions.

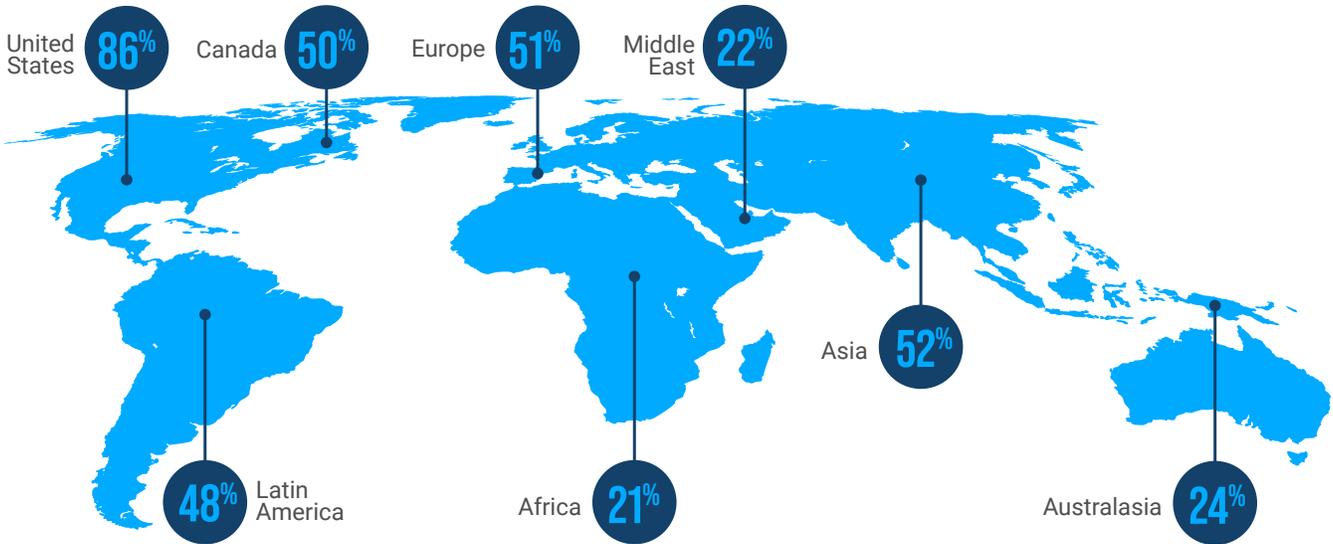
This benchmark survey:

- Identifies key economic trends making the greatest impact
- Explores the effects of the market changes to supply chain dynamics
- Uncovers supply chain strategies that top-performing companies are using

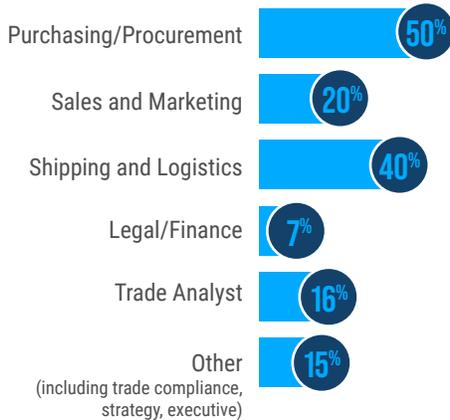
## Who We Surveyed

The survey respondents represent a wide variety of industries with operations across the world, including transportation and logistics, and importers (manufacturers, importers and wholesalers, retailers, chemicals, and food and beverage to name a few).

### Where Respondent Companies Have Operations\*



### Respondent Area of Responsibility\*



### Top 3 Importer Groups



\*Note: respondents could choose more than one response

# Performance Analysis

We asked respondents what their company’s growth rate was over the past year, as well as what they expect it to be over the next two to three years. For the analysis of these survey results in the following pages of this report, we will see what strategies top-performing companies are using to try to minimize the negative effects of the current supply chain chaos.

## Respondents Annual Shipping Volume



## Current Growth



## Future Growth



*Understanding what top performing companies are doing gives us a view into how we can enhance our competitive edge.*

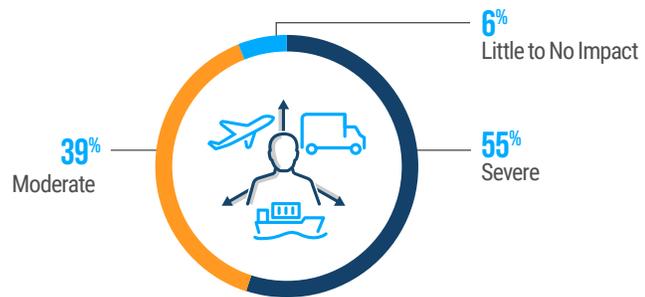
# Effects of COVID and the Supply Chain Capacity Crunch

We asked respondents how COVID-19 was affecting their business. The survey confirmed that the pandemic had triggered a chain of events that changed how we work and live, which in turn created the wide scale supply chain capacity crunch we are currently seeing. Of particular note is the finding that a majority believe that the bottlenecks could get worse over the next few years.

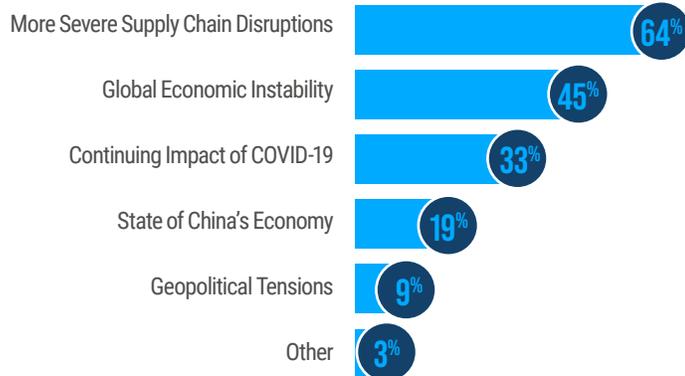
## Shipment Volume Changes Over the Past Year



## Impact of the Current Supply Chain Bottlenecks



## Greatest Macroeconomic Impacts Next Two to Three Years\*



*The supply chain crunch in the U.S. is in part due to consumer buying trends shifting the country's experience-based economy (travel and events) to a stuff economy (where durable and nondurable goods are more prized).*

\*Note: respondents could choose more than one response

## Strategies of Top Performing Companies – Building Market Differentiation

We asked respondents how they were preparing for future challenges and found that top-performing companies were more likely to make investments in technology as the key option to keeping their business vibrant. Among their top preferences is global trade intelligence solutions that help organizations rapidly identify new suppliers, markets, customers, and trade lanes to determine ways of optimizing their existing supply chains.

### Top Strategies to Prepare for Macroeconomic Changes\*

	Ride out the Storm	Invest in Technology	Restructuring
<b>Shrinking</b>	100%	0%	0%
<b>Limited or No Growth</b>	60%	20%	20%
<b>Less than 5% Growth</b>	60%	35%	30%
<b>Between 5% and 15%</b>	54%	50%	23%
<b>Greater than 15%</b>	50%	57%	36%

### New Technologies Under Consideration or Adopted\*

	Automating Processes to React Faster to Customer Needs	Adding global Trade Intelligence to Rapidly Identify New Suppliers, Markets, Customers, Trade Lanes to Optimize Supply Chain	Leveraging HTS Classification and Landed Cost Calculations	Using Denied Party Screening Solutions to Vet Trade Chain Partners	Not Depending on New Technology
<b>Shrinking</b>	0%	0%	0%	0%	100%
<b>Limited or No Growth</b>	60%	20%	20%	0%	0%
<b>Less than 5% Growth</b>	55%	35%	15%	5%	15%
<b>Between 5% and 15%</b>	58%	46%	23%	15%	12%
<b>Greater than 15%</b>	71%	64%	29%	7%	7%



*Optimizing supply chains is now the name of the game. Only with technology can organizations make their supply chains more resilient, with the objective of sharpening competitive edge and building customer satisfaction.*

\*Note: respondents could choose more than one response

## Survey Takeaways – Strategies for Supply Chain Success

With latest forecasts pointing to the current supply chain bottlenecks lasting at least until the Fall of 2022, companies involved in international trade need to find ways sooner than later to make adjustments to their supply chains so as to minimize any delays they might encounter in delivering their goods.

For example, the delay for vessels entering the Port of Los Angeles to the time they could unload their goods rose from about four days in 2020 to almost 15 in the latter part of 2021. Businesses need to be aware of this and make alternative arrangements. Through analysis and calculation, they might find it beneficial to ship to ports that are further away but less congested such as Savannah, Charleston or New York.

The only way to optimize trade lanes is through the deployment of technology solutions which can make quick work of trade data analysis so that organizations can cost-effectively utilize the most expedient routes and modes of transport.

An alternative longer term option is to look for new suppliers or customers to shorten or diversify the supply chain, but in going this route, organizations must undertake cost benefits analysis as well as ensure they are establishing business relations with bona fide businesses.

The main finding of this benchmark survey was that top-performing companies – logistics providers and importers alike – have pinpointed ways to navigate the chaos. These companies expect their per annum growth over the next few years to be at least 5%. The strategy these top performers are adopting include investing in the following technology:

- Global trade intelligence solutions for identifying new suppliers, markets, customers, and trade lanes to optimize their supply chains;
- HTS and HS classification and landed cost calculation software to analyze the financial viability of new trade networks; and
- Denied party screening solutions to vet new trade chain partners from suppliers and customers to logistics companies.



*These are the days when international businesses need to be able to rapidly and constantly reevaluate their supply chains if they want to remain successful. Organizations not taking this up as a best practice could find their place being taken by a more agile competitor.*



## How Descartes Can Help

Making the supply chain more resilient is dependent on access to global trade data because it enables supply chain visibility, and allows organizations to:

- Identify potential disruptions
- Determine the most profitable supply chain path
- Accelerate alternative sourcing decisions
- Develop strategies to mitigate port delays
- Build long-term supply chain resiliency

Global trade intelligence allows organizations to make informed business decisions over both the short and the long terms, however, given the vast amount of data that needs to be examined this is only possible with robust, flexible, and scalable solutions. The same is true for examining market overviews and historical trends to identify demand shifts and coordinate supply chains accordingly.

With a comprehensive database of accurate, up-to-date import-export information, powered by the Bill of Lading and Census data of 230 markets across 5 continents, Descartes Datamyne™ enables risk reduction through supply chain optimization and supplier diversification.



## About Descartes Systems Group

Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community. Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

Learn more at [www.descartes.com](http://www.descartes.com) and connect with us on [LinkedIn](#) and [Twitter](#).

**Uniting the People & Technology That Move the World.**