Gartner

Gartner for Supply Chain

Supply Chain Top 25 for 2022

Superior supply chains deliver on the business's purpose

They don't just push products; they understand customer value, invest in demand management and promote innovation against ESG. The **Gartner Supply Chain Top 25** is a renowned annual ranking of the world's superior supply chains. From financial and corporate social responsibility data and community opinion, we identify, celebrate and profile companies demonstrating excellence in supply chain management. Clients use the peer benchmarks to make the business case for supply chain transformation and the best practices to accelerate supply chain performance.

Lessons from leaders

Each year, our analysts research the supply chains of hundreds of companies. Through this work, we note what leaders are focusing on, where they are investing time and effort, and what can be applied broadly. Four key trends stand out this year for these leaders that are accelerating their capabilities and further separating themselves from the rest of the pack.

2022 lessons from leaders

CSCO as Chief Ecosystem Officer

Self-Stabilizing Supply Chains

Progress on Broader Sustainability Agenda

Human-Centric Digital Automation

Source: Gartner

CSCO as Chief Ecosystem Officer

Historically, heads of supply chain and operations have been known as the steady hands on the wheel — sitting below deck and out of sight. Supply chain's brand was operational excellence and the responsible stewardship of corporate assets.

But in our current era, supply chain leaders no longer own just traditional functions such as planning, sourcing, manufacturing and logistics — they're now also involved in adjacencies like risk management, corporate quality, customer service/experience, new product introduction and technology. In fact, environmental, social and governance (ESG) is now owned often enough that many supply chain leaders also bear the title of chief sustainability officer.

This expanded scope has come from supply chain leaders successfully driving key business outcomes through networks and increased adaptability, agility and resilience. It has dawned on boards and executive committees that supply chain leaders possess the skills needed to help the organization survive and thrive in the face of increasing digitalization, customer demand and global disruption.

As supply chain's profile grows within the enterprise, so does the interplay and influence of supply chain leaders in governmental policy, geopolitics, macroeconomics, global sustainability and even community social cohesion. Supply chain leaders are moving beyond simply representing their own companies' interests in the public sphere and forming coopetition-based ecosystems: They are banding together as a community of experts and innovators in supply chain strategy to address the consequential, urgent challenges that can only be solved through full ecosystem collaboration and cooperation.

Download our playbook for how to build a supply chain ecosystem beyond Tier 1 suppliers and 3PLs.

Self-Stabilizing Supply Chains

Supply chains are no strangers to disruption, but over the last three years, we have been buffeted by powerful external forces driving global impacts — the pandemic, military conflicts, a heightened cyber risk environment, trade wars, decades-high inflation and the effects of accelerating climate change.

Organizations must rewire themselves to withstand the constant barrage of disruptions. We see leading companies dynamically flexing resources between addressing mission-critical operational challenges and driving their next vital transformations. Rapidly increasing customer and market requirements (e.g., buy anywhere/receive anywhere in retail) have been the impetus behind many of these new transformational capabilities.

Likewise, organizations must quickly stand up greater visibility, agility and resilience in their supply networks to operate in today's volatile, uncertain, complex and ambiguous (VUCA) world. Even the most advanced supply chains are taking extreme measures to find the right balance based on the needs of the moment. Some have redeployed transformation teams to address near-term challenges in the business, knowing they will return to project work once the environment has stabilized. The use of agile program methodology allows these teams to more easily pivot versus traditional waterfall approaches which strand design work that can easily become obsolete in today's dynamic environment.

Adaptive funding techniques, based on venture capital models, allow for transformation budgets to flex up based on successful pilots justifying greater scale, or flex down in cases where experiments don't pan out or resources are more needed in operations.

Supply chain leaders have also formalized the agile governance processes necessitated by crises such as the pandemic. These processes are enabled by a constrained time to make decisions, good-enough information, a reduced number of required escalations and singular, final decision makers.

The combination of these techniques, along with an agile culture, are enabling supply chain leaders to stabilize more quickly from the latest external shocks.

Reduce supply chain complexity: See Gartner's report on evolving the supply chain operating model.

Progress on Broader Sustainability Agenda

In 2021, many companies issued and celebrated ambitious goals for net-zero environmental impacts. These companies are holding internal and external partners accountable, providing 360-degree visibility and transparency to social and environmental performance, and investing in capabilities that transform environmental performance in their networks.

A major component of this work involves Scope 3 GHG reductions with suppliers and customers: Scope 3 GHG emissions represent 90% or more of total value chain emissions, but they're the hardest to measure and manage, making strategic partnership with suppliers and customers paramount for supply chain leaders at the world's largest companies.

Another area of heavy investment to drive carbon drawdown and water conservation is regenerative agriculture: Leaders in the food and beverage industry are applying farming techniques that help reverse climate change by rebuilding soil organic matter and restoring degraded soil biodiversity.

Circular economy models are gaining in popularity, especially in the high-tech industry. There is an emerging mindset whereby new products are simply designed for reuse and safe recapture. Likewise, some companies are reinventing their broader business models away from the periodic sale of discrete pieces of equipment to service-based models that include the responsible collection, recycling and disposal of end-of-life products.

Beyond environmental sustainability, another key pillar of supply chain leaders' ESG agendas is diversity, equity and inclusion (DEI). Leaders in this area are far more likely to have formal programs, goals and objectives for different types of representation and pay equity. Accountability for these goals is driven through management scorecards and direct links to executive compensation.

→ **Listen to our CSCO panel for lessons learned on supply chain sustainability.**

Human-Centric Digital Automation

Supply chain leaders continue to recognize the power and competitive differentiation of digital capabilities. By 2026, the global supply chain management application market is expected to reach almost $31 billion in value, double the 2020 value of $15.85 billion.*

Gartner Supply Chain Top 25 for 2022 research finds that the top three capability areas for supply chain technology implementation and upgrade are planning (88%), visibility (84%) and transportation management (69%) — unsurprising given disruptions in upstream supply and downstream distribution networks during 2021. The top three technologies are advanced analytics and big data (88%), robotic process automation (84%) and digital twins (76%).

When it comes to digital talent, it must be viewed through the lens of broader workforce trends. Technological advances have enabled remote work, and the pandemic forced enterprises to embrace it at scale. Generational shifts have altered workforce preferences, and the pandemic proved that many of these new expectations are both reasonable and achievable. Finally, global labor shortages that emerged in late 2018 were accelerated by the pandemic, creating intense talent competition that has emboldened people to demand more from their employers.

Faced with an overheated labor market, supply chain organizations are balancing investments in automation for the long term, while implementing technologies in the immediate term that reduce employee cognitive load and focus on areas where people perform better than machines. These include relationship building and sensing, and responding to new operating conditions that a machine algorithm would not recognize by analyzing recent patterns. In some cases, it is where people perform better with machines (e.g., using cobots to increase worker productivity in factories and warehouses).

Consistent with supply chain's strong focus on advanced analytics and big data, leaders are prioritizing programs that train digital literacy and dexterity in order to enable employees to use data-driven analytics for more informed decision making in their roles.

Organizationally, about a quarter of leading CSCOs are taking on supply chain solutions either as the CIO or the head of supply chain systems, in addition to their operational responsibilities. They see a natural opportunity to jointly develop analytical and technical skills across supply chain and IT in support of the broader digital transformation roadmap.

Read Gartner research on digital connectivity, predicting how supply chain data will look by 2025.

*https://www.statista.com/statistics/1181996/supply-chain-management-market-size-worldwide/

Gartner Supply Chain Top 25 for 2022

01 **Cisco Systems**

02 **Schneider Electric**

03 **Colgate-Palmolive**

04 **Johnson & Johnson**

05 **PepsiCo**

06 **Pfizer**

07 **Intel**

08 **Nestlé**

09 **Lenovo**

10 **Microsoft**

11 L'Oréal
12 The Coca-Cola Company
13 Nike
14 Walmart
15 HP Inc.

16 Diageo
17 Dell Technologies
18 Inditex
19 BMW
20 AbbVie

21 Siemens
22 AstraZeneca
23 General Mills
24 British American Tobacco
25 Alibaba

Turn the page to read profiles of the companies ranked 1 – 10. Clients may read additional profiles (the companies ranked 11 – 25) at gartner.com. See the Gartner Supply Chain Top 25 most relevant to your geography or industry at gartner.com/en/supply-chain-top-25.

01 Cisco Systems

Circular concepts incorporated in the design, operations and consumption aspect of the products and the supply chain.

Progress made in Scope 1, 2 and 3 GHG reductions, reduction of virgin plastic, improved sustainable packaging and a 99.9% reuse or recycle of products returned.

Increased use of cloud through hyper-scalers in markets and operating models, with supply chain moving in alignment.

02 Schneider Electric

Continues building on its Tailored Sustainable Connected (TSC) strategy, which places sustainability at the heart of supply chain.

Pursuing 70 net-zero carbon plants and distribution centers and other efficiencies across all of its ~300 manufacturing and warehousing facilities.

Schneider's "self-healing supply chain" was **recognized as the process/technology innovation of 2022 by the Gartner Power of the Profession™ Supply Chain Awards.**

03 Colgate-Palmolive

- Reimagined supply chain strategy with a focus on digital and sustainability while delivering agility, efficiency and resilience.
- Investing in advanced analytics as part of an end-to-end planning transformation.
- Pursuing new and existing projects and programs with distinct environmental or social benefits, as more fully described in its Sustainable Financing Framework.*

*https://investor.colgatepalmolive.com/news-releases/news-release-details/colgate-palmolive-prices-inaugural-sustainability-bond

04 Johnson & Johnson

- Supply chain strategy is orchestrated end-to-end, internally and externally, through a network-based approach focused on visibility.
- Supply chain strategy emphasizes an “outside-in” view: Supply chain capabilities are designed to deliver customer-focused growth and drive competitive advantage for the business.
- Strong leadership within the life science industry via Health for Humanity goals for 2025, as well as investment in a sustainable future.

05 PepsiCo

- Continued push for innovation to accelerate sales growth and productivity across the consumer value chain, especially as digital business expands.
- Enduring focus on improving consumer transparency through SmartLabel, digital watermarking and smart packaging.
- New efforts include investment in the Closed Loop Partners' Leadership Fund, as well as goals to increase recycling rates and offer easy access to recovered packaging materials.*

*https://www.packaging-gateway.com/news/pepsico-closed-loop-investment/

06 Pfizer

- Advanced the life science industry by transforming global supply chain from cost driver to competitive advantage.
- Upended industry paradigms and delivery norms with its "Lightspeed" culture, behaviors and processes, which govern all product launch and development activity.
- Pfizer's deep-freezing the supply chain to bring the COVID-19 vaccine to the world was **recognized as the supply chain breakthrough of 2022 by the Gartner Power of the Profession™ Supply Chain Awards.**

07 Intel

- Enduring focus on the multitier supply chain, which enables visibility all the way back to the mines to achieve conflict-free material purchasing goals.
- Strategic partnership with suppliers to work toward global optimization — e.g., joint objectives and key results (OKRs), joint contingency planning, multisourcing, self-monitoring systems and decision support tools.
- Risk management innovations, especially in the area of what to mitigate and what is to be measured to maintain supply continuity.

08 Nestlé

- Reimagining the supply chain as an integrated end-to-end supply network, with multiple tailored flows for dynamic response to category, customer and consumer needs.
- Integrating sourcing flexibility to increase resilience, and transforming risk management from reactive to proactive through analytics.
- Continued investment in ESG, with targets to source 20% of its key ingredients through regenerative agriculture by 2025, and 50% by 2030.*

*https://www.nestle.com/sustainability/nature-environment/regenerative-agriculture

09

Lenovo

Disruption is accelerating transformation, with supply chain working to improve the customer experience, establish a larger capacity footprint and prioritize resiliency.

Customer centricity continues to shape actions, resulting in better quality, improved time to delivery and higher accuracy.

Goals include more commonality in components and suppliers, higher levels of collaboration, using data for better decisions and leveraging the supply chain ecosystem.

10

Microsoft

End-to-end visibility established as a top priority, enabling the supply chain to adapt to demand changes from overlapping disruptions such as the pandemic and the semiconductor chip shortage.

Data viewed a strategic asset, helping shift the supply chain mindset from reactive planning to purposeful orchestration.

Microsoft's "Circularity at Scale — A Zero Waste Plan for Every Part" initiative was **recognized for social impact by the Gartner Power of the Profession™ Supply Chain Awards 2022.**

Supply Chain Masters lead the way

Masters have attained top-five composite scores in the Gartner Supply Chain Top 25 for at least seven out of the last 10 years (2012 – 2022).

Amazon

- Taking strategic actions and investing in large-scale initiatives to combat the "Great Resignation".
- Increasingly focused on sustainability through ecosystem leadership via The Climate Pledge.
- Rethinking physical retail and started selling its just-walk-out technology to other retailers.

Apple

- Demonstrated leadership in supply chain scale across suppliers, outsourced manufacturers and logistics partners.
- Making new investments in vertical integration of key components and shifting more component design in-house.
- Aiming to become carbon neutral across its supply chain and products by 2030.

McDonald's

- Increasing investment in resiliency and contingency planning to combat continuously emerging disruptions.
- Increasing ESG investment, specifically sourcing sustainable packaging and lowering GHG emissions.
- Partnering with AgMission to achieve net-negative emissions in the agriculture industry.

P&G

- Enduring focus on transformational capabilities, including digitalization and resilience in supply networks.
- Stood up a new Product Supply Innovation Center (PSIC) to aid in decarbonizing the global supply chain.
- Enabling the industry community by disseminating the innovations developed at PSIC.

Unilever

- Continued transformation for a purpose-led supply chain that leverages agility and resilience for competitive differentiation.
- Heavy investment in analytics to drive real-time decision making.
- Scouting sustainability opportunities through smaller, diverse, start-up suppliers and ecosystems with competitors.

Actionable, objective insight

Explore these additional complimentary resources and tools on supply chain management:

eBook

Leadership Vision for 2022: Chief Supply Chain Officer

Explore expert guidance for CSCOs on the 3 strategic actions for success.

Download eBook

Tool

Strategic Planning for Supply Chain

Map out your annual supply chain strategy on a single page.

Download Template

Report

Benchmark Your Supply Chain

Validate plans and investments with supply chain benchmarking.

Download Report

eBook

Reinventing Supply Chain for the Future

Learn 4 innovations for building a disruption-tough supply chain.

Download eBook

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