

The impact of Supply Chain decisions on companies

Results from the **quantitative research** aimed at presenting **insights** into supply chain and **logistics**, based on professionals in **high-ranking positions**.

Scope of the Research

GOALS

The Exame magazine is developing a branded content project in partnership with DP WORLD + EDELMAN. MindMiners conducted a market research that will serve as the content for the article to be published in the March 2024 edition of the magazine.

METHODOLOGY

Quantitative online ad hoc research via the MeSeems panel.

PROFILE

Male and Female | Ages 18 to 100
Central West / Northeast / North / Southeast / South
ABC Socioeconomic Classes

SAMPLE

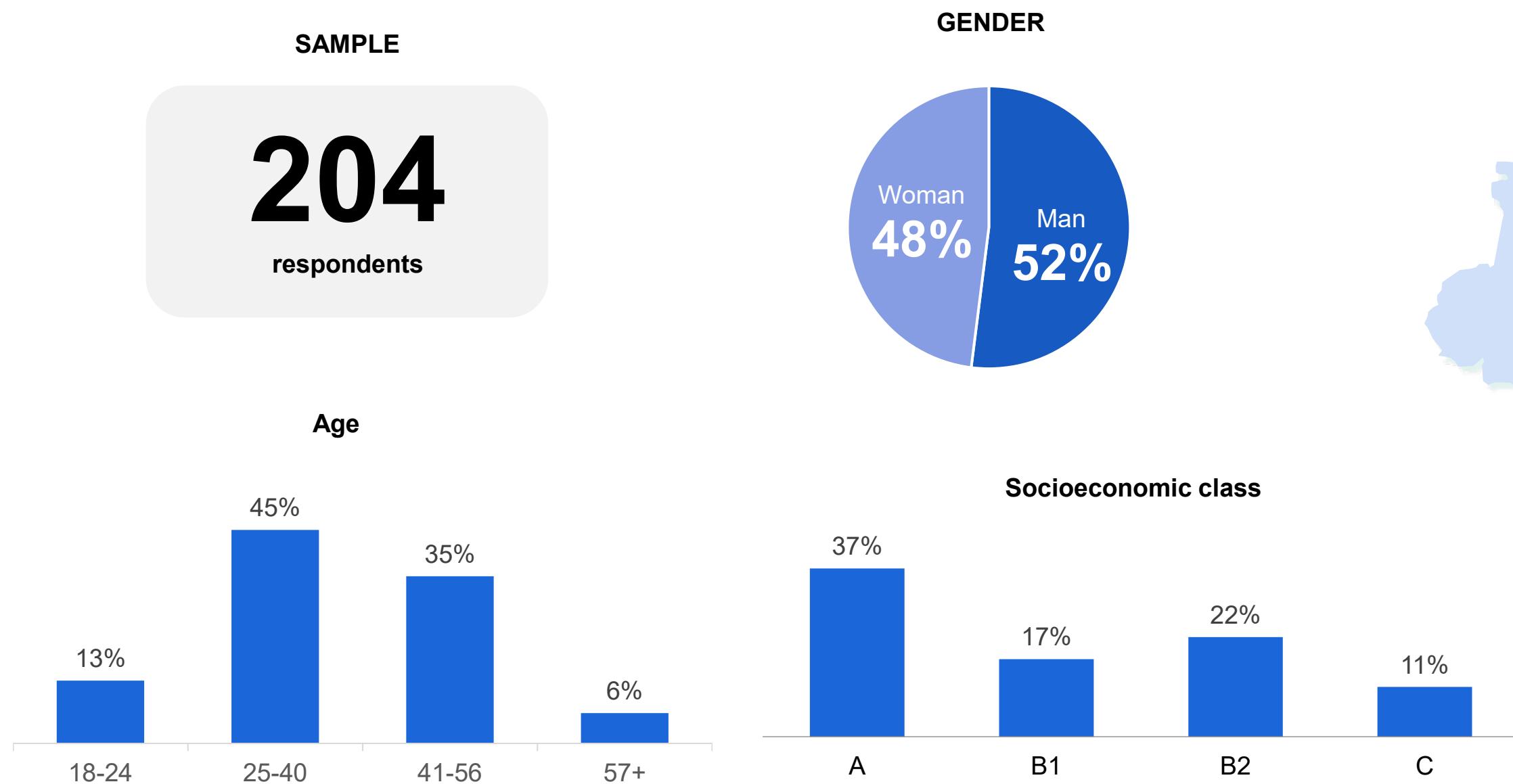
204 respondents
180 from MindMiners panel + 24 via Exame magazine link outreach

FIELD

February 17th-20th, 2024

PROFILE | Respondent Sample

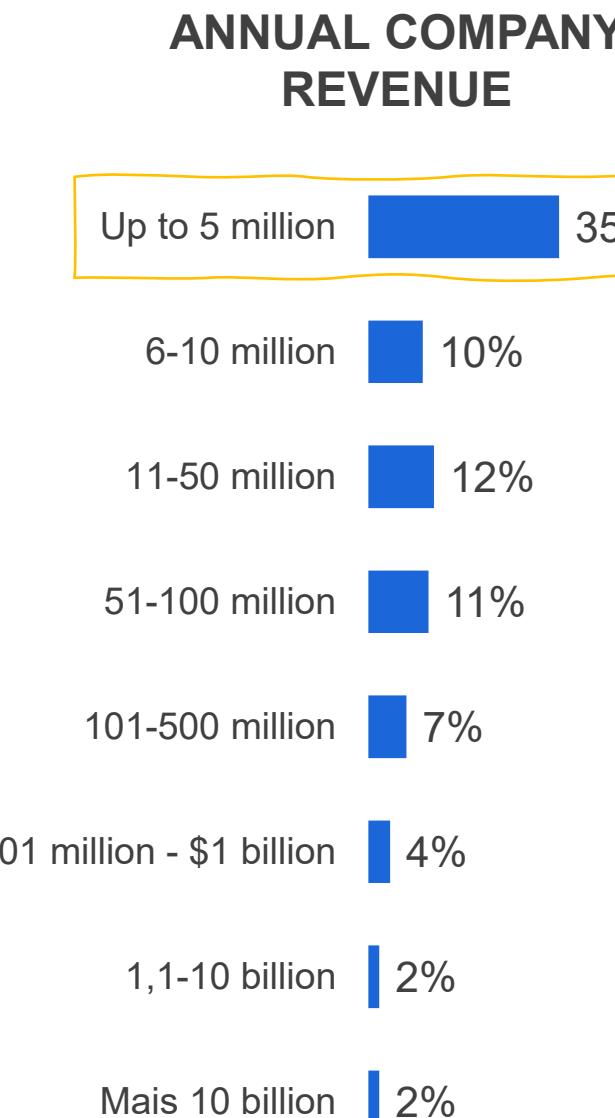
The survey gathered 204 participants, evenly split by gender, with the majority aged between 25-40 years (45%). The average age is 38 years. Class B (B1+B2) represents 39% of the sample, and together with the 37% from Class A, suggests a higher income level. Half of the respondents are from the Southeast region, reflecting the influence of the country's main logistics hubs.



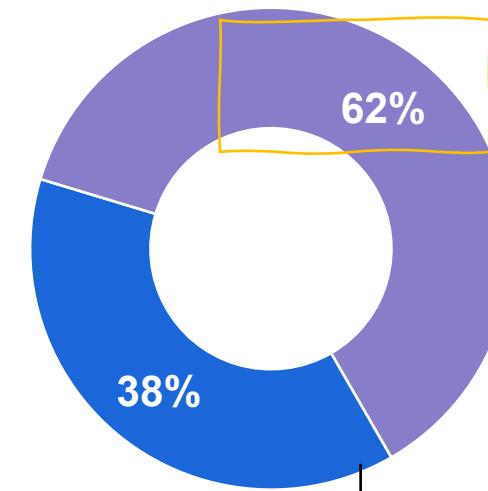


PROFILE | Professionals & companies they work for

Professionals in managerial positions make up 38% - the survey reached an audience occupying higher positions in the corporate hierarchy and with more decision-making power. The most represented sectors are Information Technology (25%) and Retail/Wholesale (19%). Professionals working in IT represent 28%, followed by Sales/Marketing at 21%. Companies with annual revenues of up to R\$5 million account for 35%, ranking first - followed by 12% with revenues between 11-50 million and 11% with revenues between 51-100 million.



CURRENT POSITION IN THE COMPANY



Although Managers make up a smaller percentage of respondents, they are primarily responsible for supply chain/logistics management. Among C-level executives, the average age is 49 years old, and they tend to have less specific knowledge of Supply Chain management.

PROFESSIONAL'S FIELD OF WORK



Supply Chain Logistics

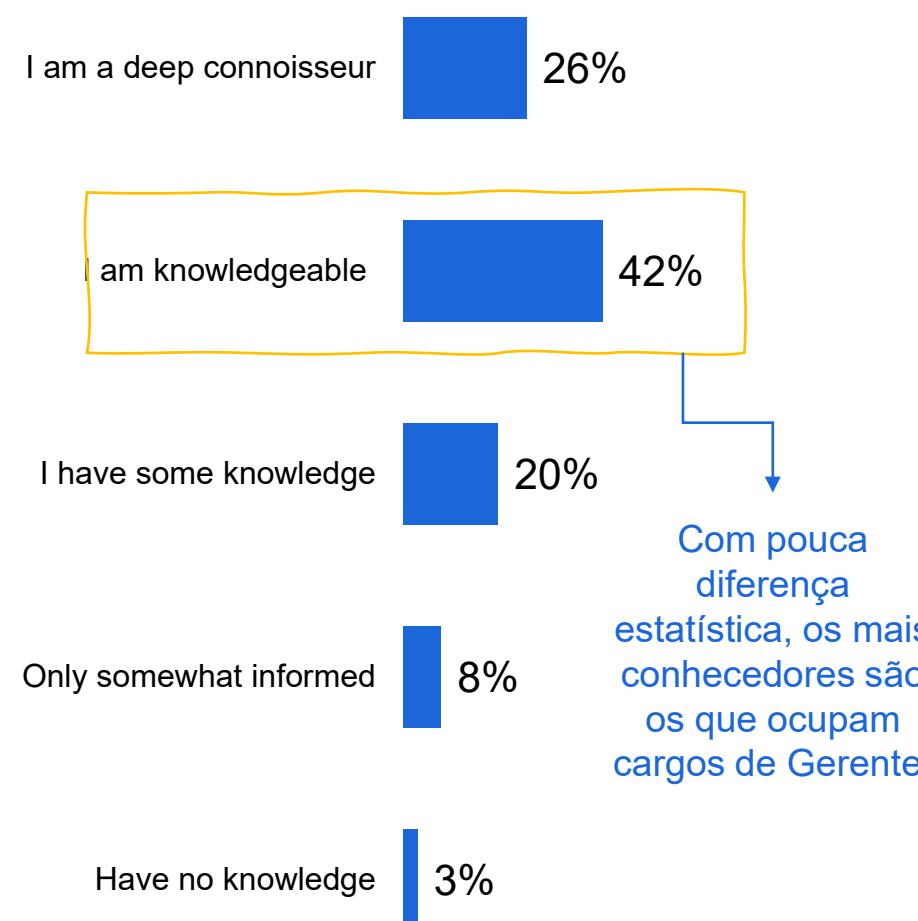
What do professionals managing the supply chain in companies expect from suppliers? And what impact are they seeking?



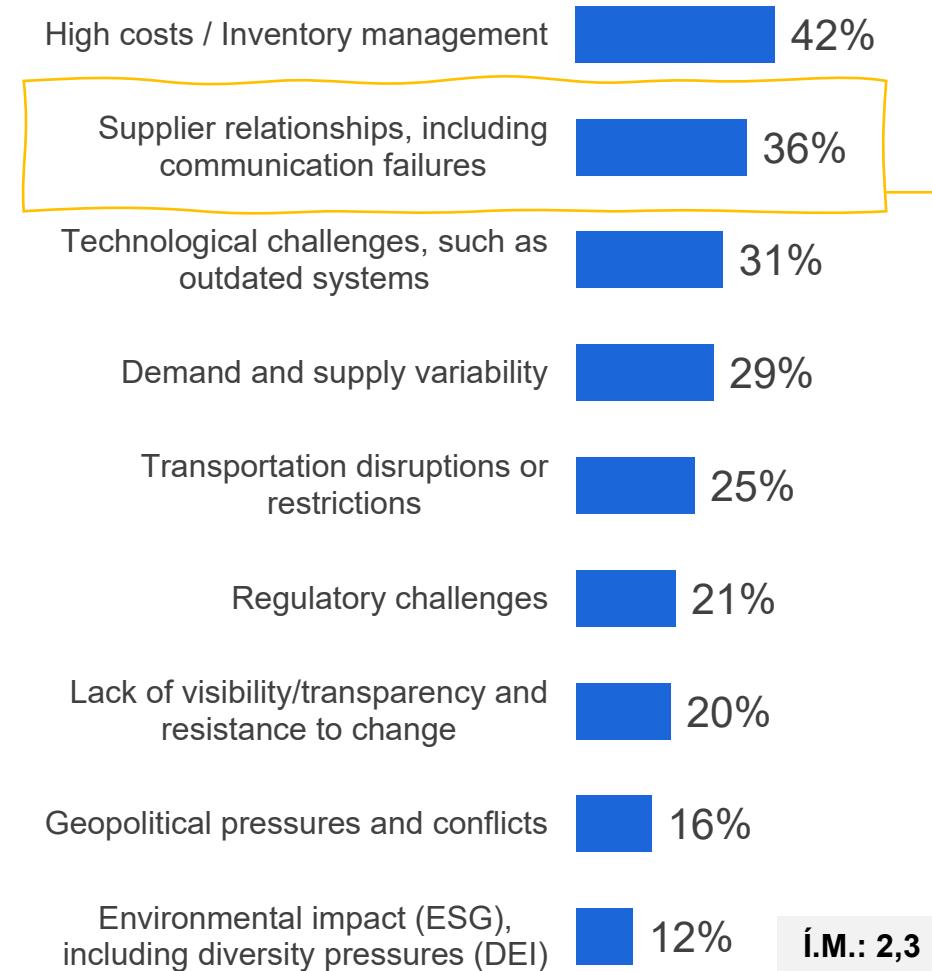
Knowledge, issues, and improvements

68% of respondents have considerable knowledge about their companies' supply chain, indicating a solid foundation to tackle internal challenges. The second most cited issue is supplier relationships and communication failures (36%), connected to the fact that 55% of companies are working to improve supply logistics by consolidating suppliers. Overall, companies are seeking optimization, automation, and digitalization. Efforts are being made to improve operational efficiency and reduce costs, highlighted as the main concern. Interestingly, ESG and DEI pressures are listed last among the issues concerning companies.

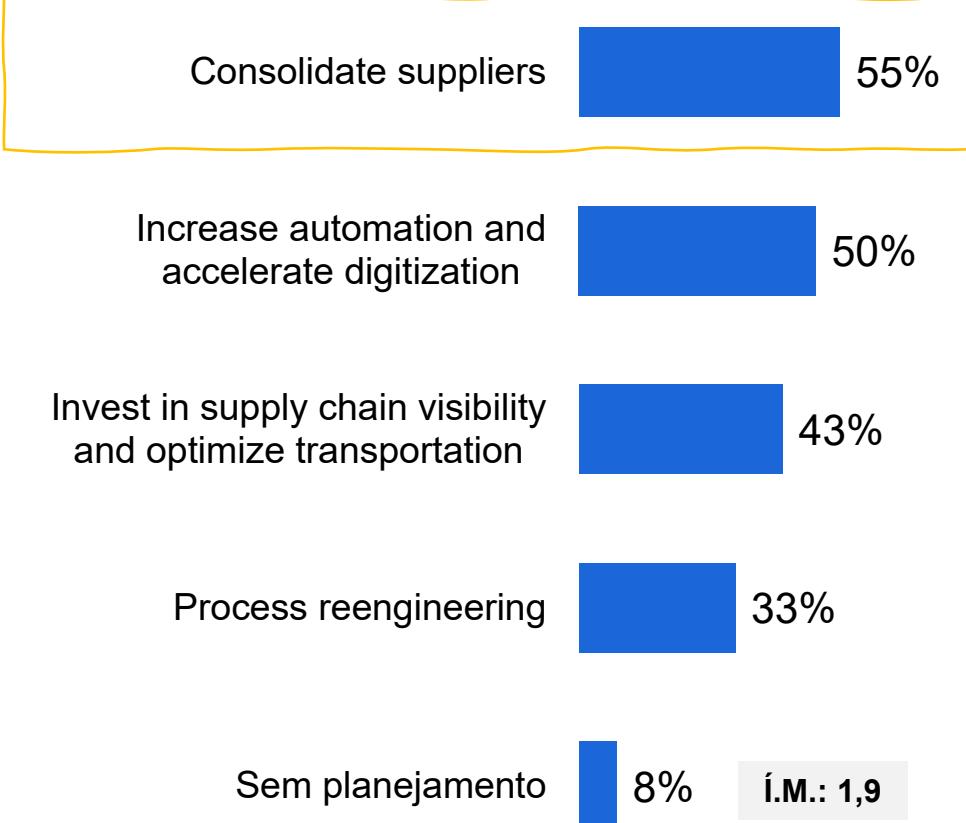
LEVEL OF KNOWLEDGE ABOUT SUPPLY CHAIN IN THE COMPANY



MAIN PROBLEMS THE COMPANY IS FACING IN SUPPLY CHAIN



Improving the supply chain by implementing or planning



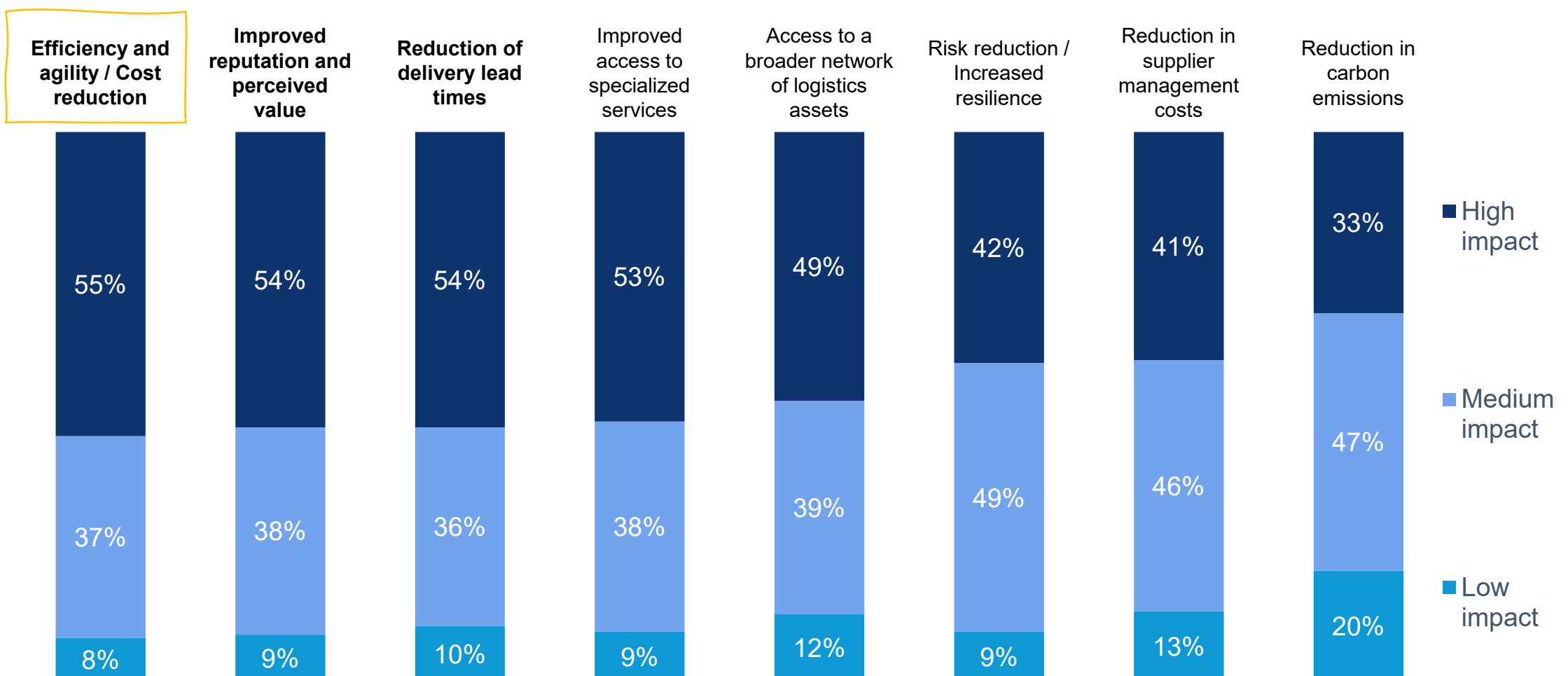
Q12. What is your level of knowledge about logistics strategy, as well as the suppliers that make up the supply chain that feeds your organization? Q13. Speaking of logistics, what are the main problems your organization is facing regarding supply chain logistics? Q14. And which of the following items is your organization currently doing or planning to do to improve its overall supply chain? | BASE: 204



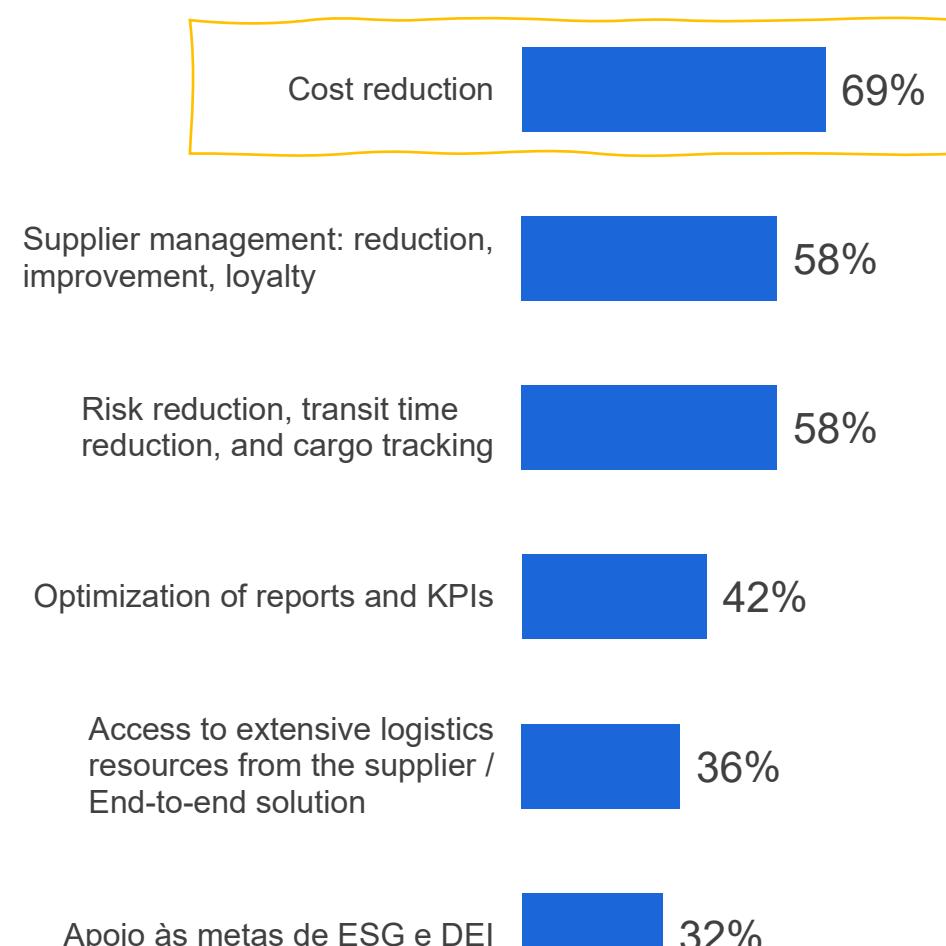
Impact of changes & Advantages of end-to-end suppliers

Respondents analyze that efficiency and cost reduction (55%) are the main impacts of changes in supply chain logistics, consistent with the most valued benefit of end-to-end contracting: cost reduction (69%). The analysis shows a strong correlation between the pursuit of operational efficiency and the preference for integrated solutions (focused on the systemic view of each company's problems) that simplify supply chain management. Respondents seeking supplier consolidation (right graph) believe that supporting ESG and DEI goals is the least important advantage a company can gain from an end-to-end strategy.

Impact of changes on the supply chain



Key advantages of end-to-end



Í.M.: 3

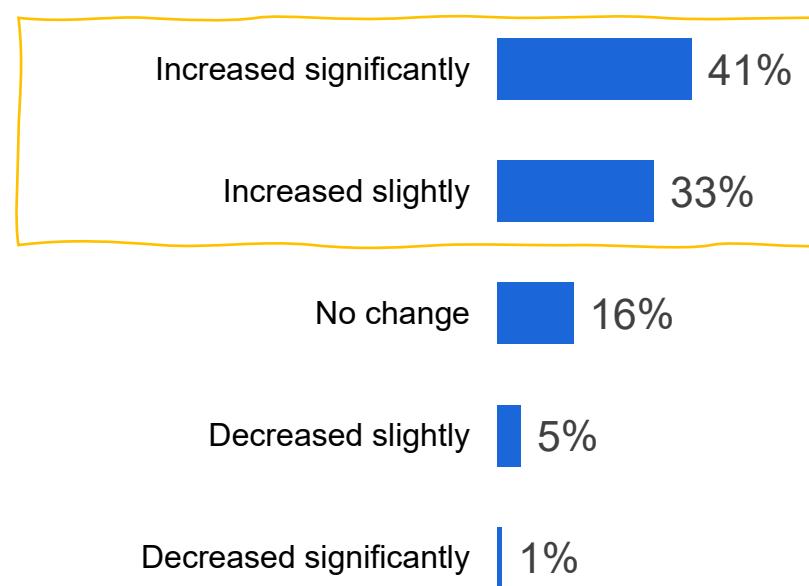


3 years ago scenario & Current measures

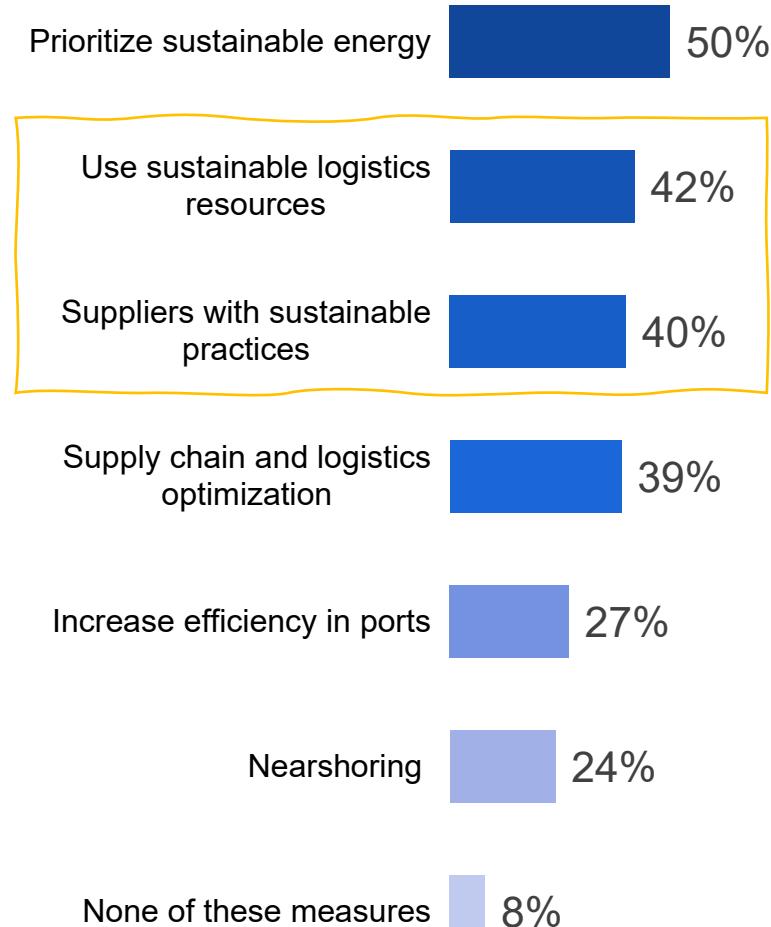
With 74% of respondents claiming an increase in prioritizing sustainability practices compared to three years ago, companies are aligned with the need to have an ESG reputation in governance and public perception.

At the top of the list is a priority on sustainable energy (50%), followed by directly connected attributes: obtaining sustainable logistics resources and business partners with sustainable practices. The predominant concern is the increase in supplier management costs (40%). This indicates that ESG still views financial viability as a lens - limiting the choice to suppliers with more economical solutions..

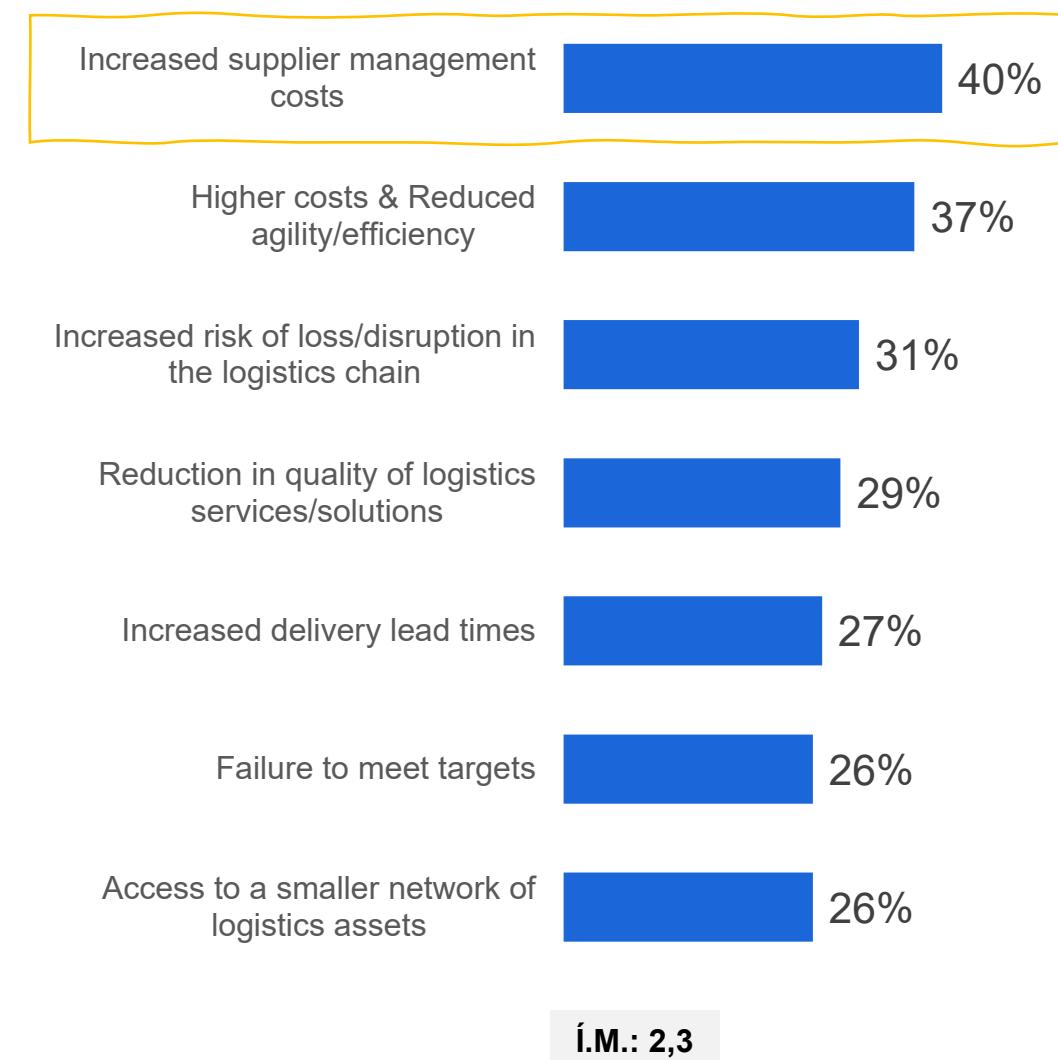
COMPARISON TO 3 YEARS AGO



Measures to support ESG adoption in the company



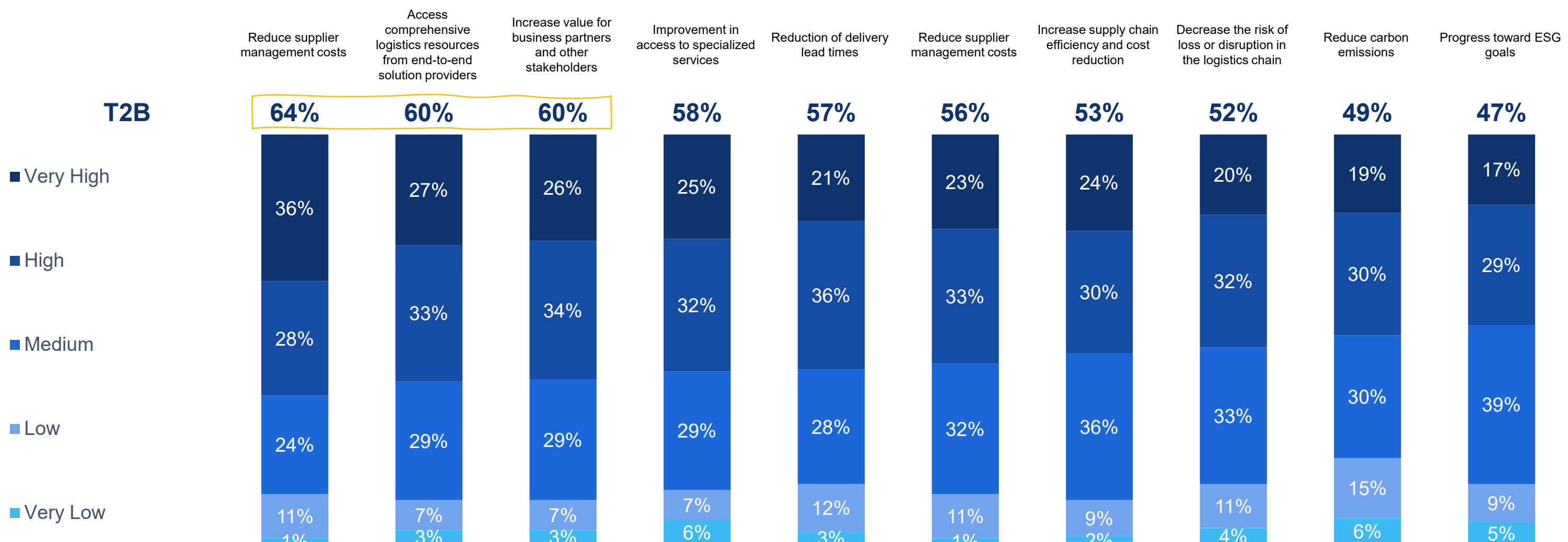
Top Concerns When Choosing ESG Practices





Projected impact for each ESG measure

Respondents value cost reduction (64% assess the impact as High or Very High), as is natural in business; and access to comprehensive logistics resources, with the possibility of end-to-end suppliers (60% high impact). Efficiency and integration in the supply chain, prioritizing savings and optimization, appear again as desired impacts for ESG actions to consolidate in companies. Perceived value for business partners and improvement in specialized services are also considered high impact (60% and 58%, respectively), highlighting the search for benefits that justify the cost - such as quality and strategic collaboration.

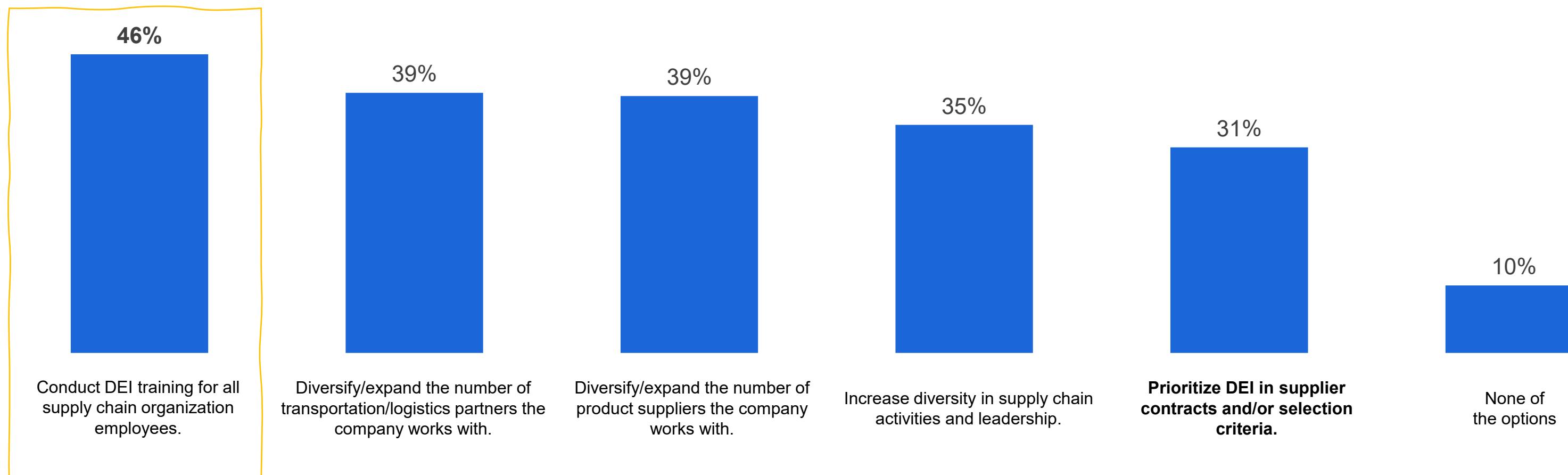




Diversity, Equity & Inclusion | Doing or planning to do

The most voted measure for DEI is training on Diversity, Equity & Inclusion for all supply chain employees (46%). On average, respondents chose two actions they are currently doing or planning to do. Respondents indicate a scenario of companies actively seeking to diversify transportation and logistics suppliers as well as product suppliers (tied at 39% for both), suggesting an effort to ensure a more inclusive supply chain.

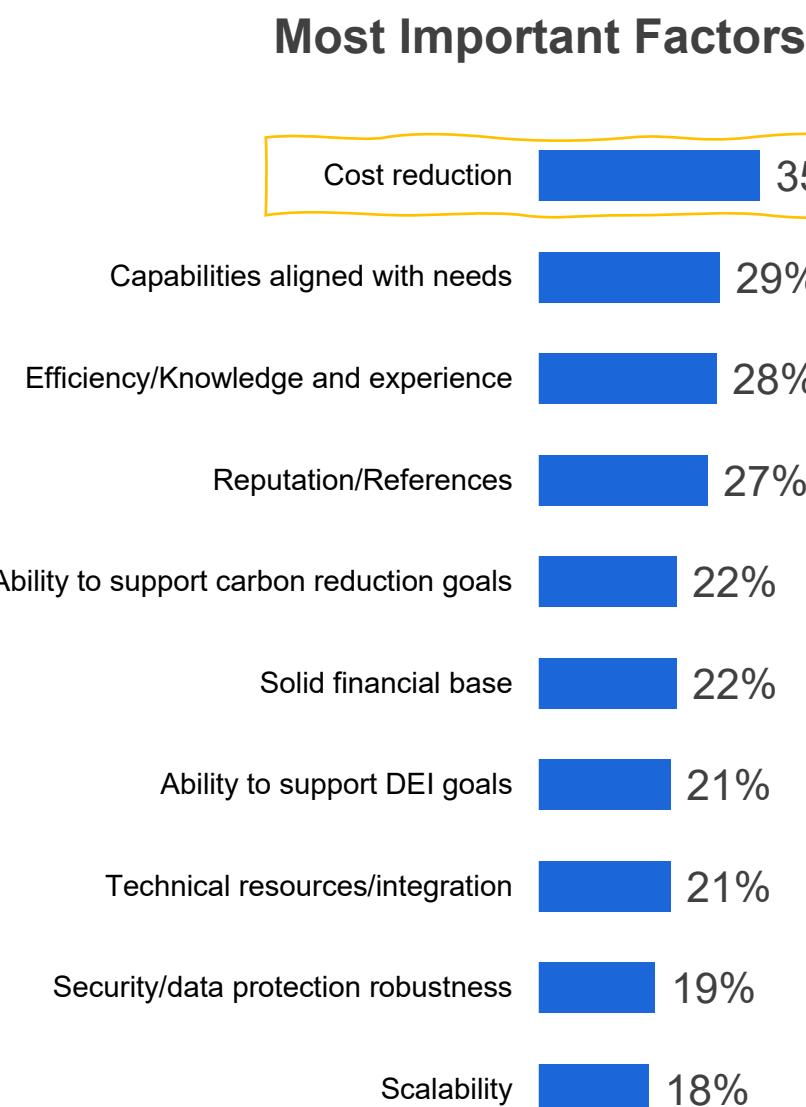
Less prevalent but significant is the increase in diversity in supply chain activities and leadership (35%) - prioritization of DEI in supplier selection (31%), showing the incorporation of measures at different operational levels.



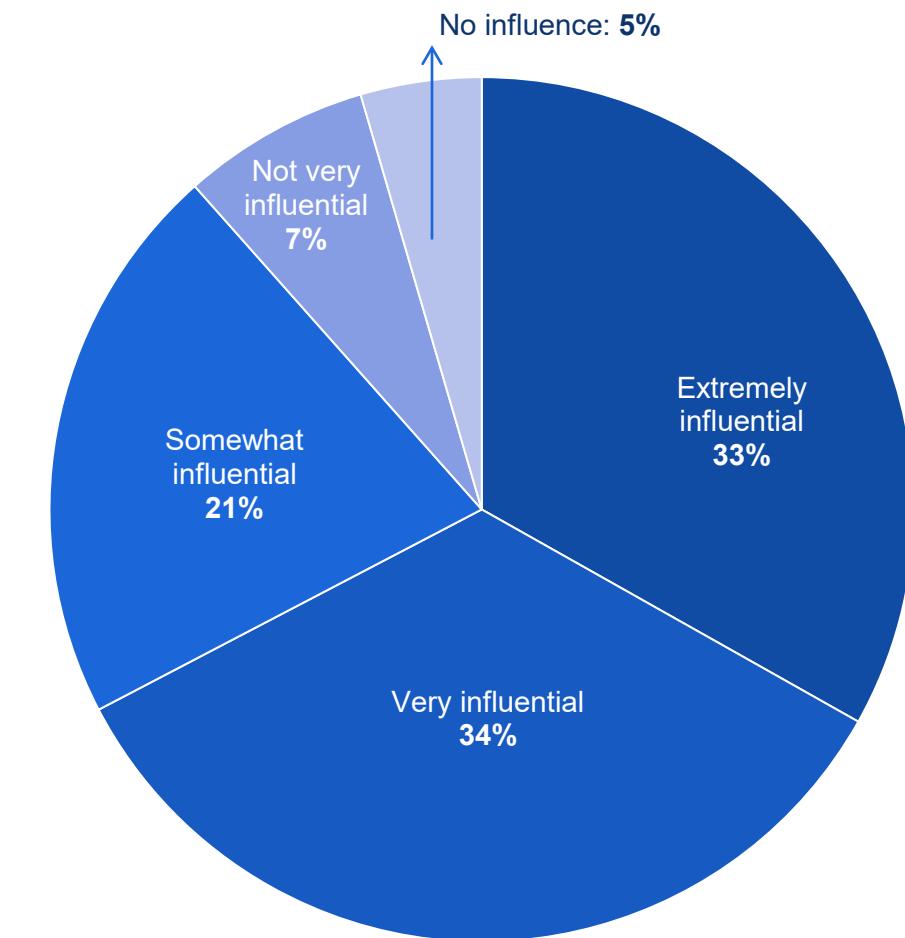
Í.M.: 2

How do they choose suppliers?

To conclude, the research analyzes how companies are currently choosing suppliers for the supply chain—and how much sustainability and decarbonization of suppliers influence the decision-making process. With 35% of managers prioritizing cost reduction and 67% considering sustainability as influential, it seems strategic to align cost savings and sustainable practices in supplier selection (optimizing the supply chain).



Influence of Decarbonization & Sustainability



I.M.: 2,4

Q23. And what are the most important factors that influence your organization's choice regarding supply chain solution providers? (Select up to 3 options) Q24. When seeking future partnerships with suppliers in your organization's supply chain, how influential are decarbonization and sustainability resources in the selection process? | BASE: 204

Key Insights from the Research

What did we learn from the research and what were the main points identified?

Companies want business partners who are: suppliers to consolidate a commercial relationship with good, fluid communication and that reduce (re)work in logistics.

The greatest demand is for cost reduction and better inventory management, and the financial impact is a problem that ultimately reaches the highest positions.

Even if a company's CFO, for example, is not familiar with the supply chain logistics, the poor performance that a manager's decisions can have (results of an ineffective strategy for the business) impact other areas of the chain, such as inventory.

Suppliers are part of the business operation and not just selling a solution. If efficiency comes at a higher cost, it should come with benefits.

To optimize the supply chain, managers are seeking partners that combine cost-effectiveness with ESG practices, as 67% consider sustainability as an influential factor in choosing to close contracts and transition suppliers. The need for better communication with suppliers (36%) indicates a search for more collaborative relationships. Suppliers offering end-to-end integration are in high demand (55%).

Suppliers should go beyond delivering solutions, adding knowledge and value in line with expectations. Those making decisions about the supply chain are looking at ESG.

Managers are feeling the weight of high costs and complexity in inventory management.

Half of them are looking towards automation and digitization as the next step, actively seeking solutions that bring financial and operational relief. Investing in new technologies is not just a strategy; it's a necessity to improve business agility, cut excess, and pave the way for greater efficiency.

Diversity, Equity & Inclusion are gaining ground in companies' internal actions and in the selection of suppliers with practices more aligned with the market.

There is an emerging focus on diversity and inclusion, with 46% of respondents either implementing or wanting to implement DEI training. Suppliers supporting DEI goals (21%) can stand out by aligning with corporate values and societal demand. Companies are seeing long-term competitive advantage, even with low current impact (T2B) in their current view.

Thank you for your attention!

Team Market Research
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