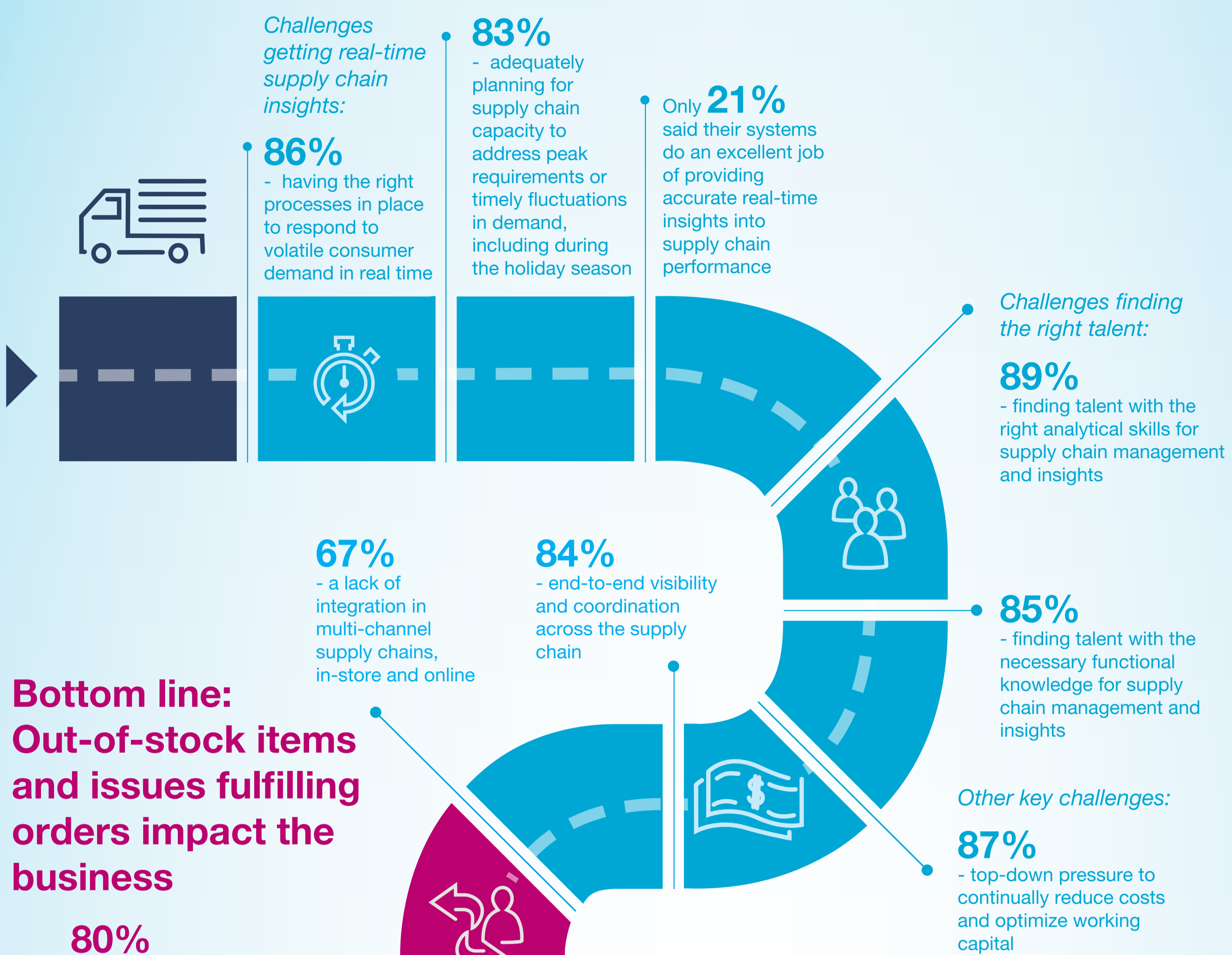


# The Struggling Supply Chain:

Lack of talent and processes among key challenges in satisfying real-time consumer demand during the holidays

## Capgemini asked U.S. supply chain managers about their biggest challenges to maintaining seamless supply chain operations



### Bottom line: Out-of-stock items and issues fulfilling orders impact the business

**80%** of supply chain managers recognize that consumer expectations for perfect, on-time delivery of their products has increased over the last five years. But they risk losing holiday shoppers to competitors. Consumers report:

- What frustrates them about the online and in-store holiday shopping experience:
  - 95%: retailers delivering the wrong product
  - 93%: retailers delivering an order late
  - 82%: retailers not having an in-store item in stock

**89%** are likely to shop with another retailer in the future if an item is delivered late

**74%** have a specific gift in mind when holiday shopping for a loved one

If they are not able to find the item they want in-stock during this year's holiday shopping season:

**73%** would purchase an item from a different store than originally intended

**29%** would decide not to purchase the item at all

**54%** of supply chain managers admit supply chain issues have had a negative impact on their company's revenue or profitability over the past few years

**31%** - yet a third feel their company's top executives are not concerned about supply chain issues during the holidays impacting revenue or profitability

### The rocky road ahead – Talent and Analytics

To meet increasingly demanding consumer expectations for perfect orders, supply chain managers' priorities for next year are:

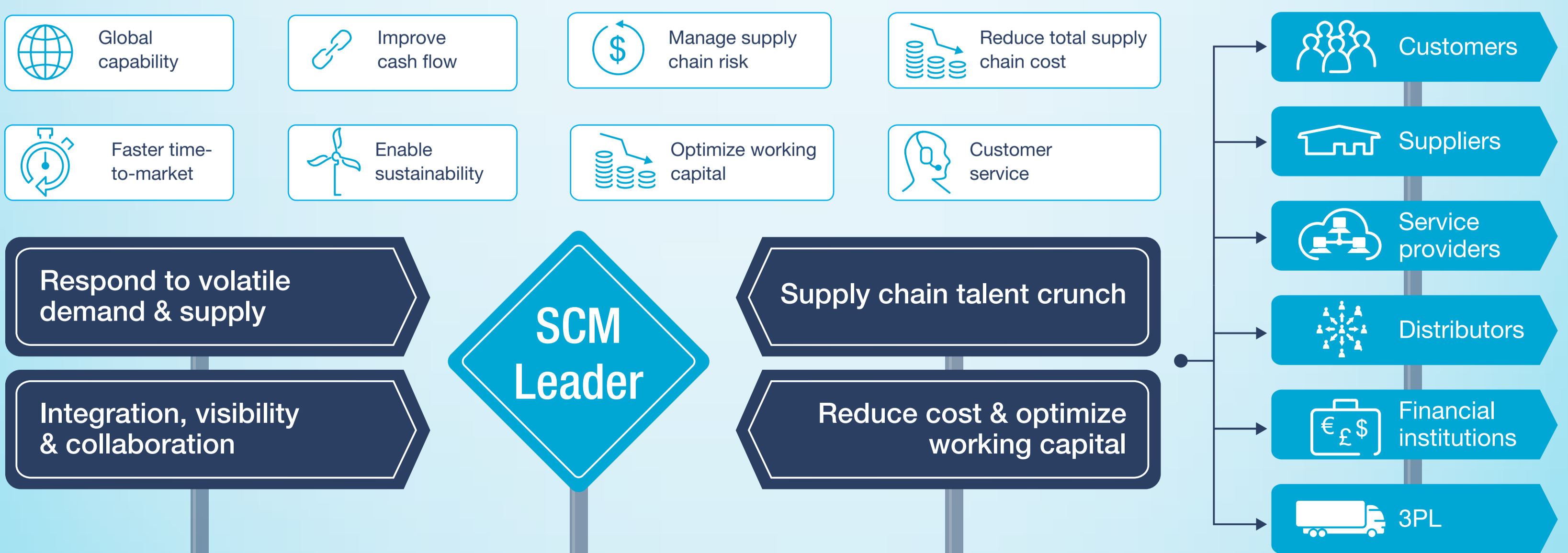
**65%** - increasing the talent and skillsets for those overseeing supply chain processes

**55%** - bringing in best-in-class processes to improve specific business outcomes

**54%** - better leveraging data and analytics modeling to improve supply chain response to consumer demand



To help supply chain managers tackle these issues and realize their goals, Capgemini offers a BPO Supply Chain Management framework:



Findings come from the "Supply Chain Impact" study, commissioned by Capgemini and conducted online in October 2013 by KRC Research. The study surveyed two audiences – 150 U.S. senior supply chain managers at retail, consumer products and distribution companies with at least \$1 billion in revenue worldwide and 1,000 consumers nationwide.