The COVID-19 crisis has raised serious questions on the resilience of global supply chains. Close to seven out of 10 organizations have taken more than three months to recover from disruptions caused by the COVID-19 crisis. This has forced organizations to question long-established supply chain practices and consider how they can future-proof their supply chains.

**What is a resilient supply chain?**

A resilient supply chain is one that can withstand future disruptions. It is characterized by several key features:

- **Contingency Planning:** The ability to anticipate and respond to disruptions.
- **Localization:** The ability to produce or source products closer to the end consumer.
- **Diversification:** The ability to source from multiple suppliers to reduce dependence on a single source.
- **Sustainability:** The ability to manage environmental and social impacts of supply chain activities.
- **Agility:** The speed at which the supply network can respond to shifts in the environment, such as scaling production up/down, reconfiguring plants and logistics networks, opening new demand channels.
- **Visibility:** Across the entire supply network.
- **End-to-End Cost Transparency:** The ability to measure costs throughout the supply chain.

**How can organizations future-proof their supply chains?**

1. Establish a supply chain resilience strategy by assessing product portfolio and identifying areas where building resilience will be critical.
2. Assess the current state of the supply chain and build the capabilities needed to resist disruptions.
3. Build the capabilities needed to anticipate disruptions and ensure the supply chain can adapt to new normal post COVID-19.
4. Build the capabilities needed to recover rapidly from disruptions.

**Visibility:**

- 16% use a digital twin for regular scenario planning exercises.

**Agility:**

- 62%–68% have a supply chain that is agile enough to support their organization’s evolving/new business models.

**Diversification:**

- 60% plan to increase their investments in supply chain digitization.

**Contingency Planning:**

- 77% are accelerating their investments in supply chain sustainability.

**Localization:**

- 65% are actively investing in localization and regionalization.

**Sustainability:**

- 44% have optimized for location-based costs.

**Digitization:**

- 6% use a digital twin for regular scenario planning exercises.

**End-to-End Cost Transparency:**

- 37% have optimized for end-to-end cost transparency.

**Transparency:**

- 57% have mapped their supply networks at all.

**Planning for the next three years:**

- 68% aim to establish a supply chain resilience strategy.
- 55% aim to standardize plant designs and material choices and strengthen collaboration and data-sharing with ecosystem partners for increased agility.
- 44% aim to improve diversification and localization gradually while focusing on customer-centric planning using analytics.
- 57% aim to increase end-to-end supply chain visibility, risk monitoring and scenario planning capabilities.

**Understanding research insights:**

- Source: Capgemini Research Institute, Supply Chain Survey, August–September 2020, N=807 organizations that faced a negative business impact due to the crisis.
- Source: Capgemini Research Institute, Supply Chain Survey, August–September 2020, N=1,000 organizations.

**Table summary:**

<table>
<thead>
<tr>
<th>Area</th>
<th>Current Capabilities</th>
<th>Plans for the next three years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency Planning</td>
<td>16%</td>
<td>68%</td>
</tr>
<tr>
<td>Localization</td>
<td>65%</td>
<td>55%</td>
</tr>
<tr>
<td>Agility</td>
<td>62%–68%</td>
<td>44%</td>
</tr>
<tr>
<td>Diversification</td>
<td>60%</td>
<td>77%</td>
</tr>
<tr>
<td>Sustainability</td>
<td>44%</td>
<td>37%</td>
</tr>
<tr>
<td>End-to-end cost</td>
<td>37%</td>
<td>57%</td>
</tr>
<tr>
<td>Transparency</td>
<td>57%</td>
<td>65%</td>
</tr>
<tr>
<td>Digitization</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

**What percentage of organizations demonstrate strength in each respective area of crisis-resilience?**

- Contingency Planning: 58%
- Localization: 54%
- Diversification: 42%
- Sustainability: 30%
- Agility: 20%
- Visibility: 21%
- End-to-end cost transparency: 9%
- Transparency: Less than 4%
- Less than 4% of organizations demonstrate strength across all seven areas of crisis-resilience.