

Issue 1 – Jan/Feb 2026

IN SUPPLY

SUPPLY CHAIN & LOGISTICS

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PART OF THE FOOD CHAIN?



IN Food issue 1 is out now.



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TARIFFS, CHOKEPOINTS AND ROUTING'S RETURN

by Jon Hughes, Editor, IN Supply

Supply chains have always had politics baked into them, but the last few years have made the relationship explicit.

Trade policy is back in the cost model, and it is no longer confined to a line in a customs spreadsheet. It shows up in sourcing decisions, contract clauses, and conversations between procurement and sales when “delivered” turns into “delayed”, and the margin disappears somewhere between the factory gate and the customer’s dock.

That is all to say that uncertainty has, unfortunately, become a permanent consideration rather than a temporary disruption. Tariffs, counter-tariffs, and the threat of both now sit alongside fuel, labour, and capacity as variables that can move quickly and without warning. For logistics teams, the work is less about building the single best route

and more about keeping multiple routes viable, with the paperwork, compliance processes, and carrier relationships ready to be activated at short notice. The global trade map is not flat anymore, and anyone still running their network as if it is deserves the invoice.

The sea has been a brutal teacher on this point. Detours around the Cape of Good Hope have turned “just in time” into “just in case”, stretching transit times, tying up equipment, and forcing inventory buffers back into fashion. Now, there are early signs of cautious movement the other way, with operators and cargo owners watching for opportunities to reintroduce Red Sea transits on selected services.

That is not a grand reopening, and it is certainly not a return to the old normal. Security assessments, naval protection, and insurance appetite



will decide the pace, and the industry has learned — expensively — that a route is only open if it is commercially insurable.

If more services do flow back through the Red Sea, the effect will be felt well beyond the obvious headline of shorter voyages. Capacity effectively increases when ships stop burning weeks of extra sailing time, schedules can be rebuilt with fewer blank sailings, and the working-capital penalty of “inventory at sea” starts to ease. The transition, however, will not be neat. Networks that have been optimised around longer loops do not snap back without consequence, and ports, depots, and inland carriers will need to manage the inevitable bunching, equipment imbalances, and rate volatility that come with any major reconfiguration.

That is why this edition of IN Supply comes at a crucial time for the

industry. Because, for all the upheaval, there are still age-old structural challenges lurking in the background. Labour availability remains tight in warehousing and transport, even as automation becomes more credible and more affordable in specific use cases. Decarbonisation is still moving, but it is moving through procurement requirements rather than through sudden fleet-wide transformations.

The throughline is simple enough to state, and annoyingly hard to execute: build for reversibility. Contracts that acknowledge rerouting reality, customs competence that prevents self-inflicted delays, and inventory strategies that treat time as money, because it is. If the last few years have proved anything, it is that the world will keep offering reasons to change plan, and the only sustainable advantage is being able to do it faster than your competitors.

HUMANOID ROBOT CLOCKS IN AT SIEMENS

Humanoid, a UK-based AI and robotics company, and **Siemens** have completed a proof of concept (POC) to evaluate humanoid robots performing industrial logistics tasks in an operational factory environment. The trial deployed Humanoid's HMND 01 wheeled Alpha robot on a tote-to-conveyor destacking workflow at the Siemens Electronics Factory in Erlangen, Germany, with both companies positioning the work as an initial validation step toward broader, real-world deployment.

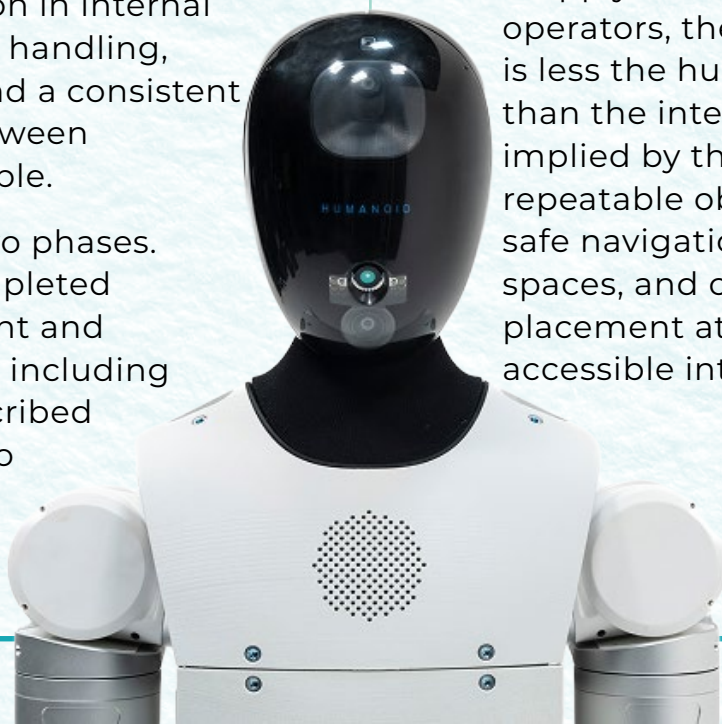
The use case was deliberately narrow and repeatable: the robot autonomously picked totes from a storage stack, transported them to a conveyor, and placed them at a defined pickup position for human operators. The sequence repeated until the stack was emptied, targeting a task profile common in internal logistics — repetitive handling, predictable paths, and a consistent interaction point between automation and people.

The POC ran in two phases. First, Humanoid completed in-house development and demonstration work, including building what it described as a “physical twin” to support testing, optimisation, and rapid iteration.

The second phase moved into production conditions, with a two-week on-site deployment at Siemens' Erlangen electronics facility to assess the robot's performance in a working environment.

Both companies framed the evaluation around performance and reliability under autonomous operation, using a defined set of target metrics. Those targets were reported as met in full, including a throughput of 60 tote moves per hour, operation with two tote sizes, continuous autonomous task execution for more than 30 minutes, and uptime exceeding eight hours. Success indicators also included overall pick-and-place success rate, and autonomous pick-and-place success rate, with both reported above 90%.

For supply chain and warehouse operators, the detail that matters is less the humanoid form factor than the integration challenge implied by the workflow: repeatable object handling, safe navigation in shared spaces, and consistent placement at a human-accessible interface point.





Tote handling is also a useful test case because it sits on the boundary between structured automation and the messy reality of mixed manual and mechanised processes, where standardisation exists, but variability still creeps in through damaged containers, inconsistent stacking, congestion, and human workarounds.

Humanoid's positioning, however, is explicitly commercial rather than experimental. "At Humanoid, we are a commercially driven company. Our focus is on creating robots that deliver measurable value in real-world settings. Working closely with industrial and technology partners allow us to validate our systems against real operational requirements and understand which use cases matter outside the lab. This joint POC with Siemens showed clear potential for practical deployment of humanoid robots. We see them move steadily toward the real world, and partnerships like this one help accelerate that transition," said Artem Sokolov, founder and CEO of Humanoid.

From Siemens' side, the Erlangen site was presented as an internal proving ground for manufacturing technologies intended to scale across the company's wider footprint. Stephan Schlauss, Global Head of Manufacturing Motion Control at Siemens AG, said: "As Siemens' customer zero, the Electronics Factory Erlangen is excited to partner with the Humanoid team. We're tackling production automation, discovering new opportunities for Siemens, and are eager to advance this promising technology across our factory network to deliver customer value."

The partners described the work as a first step toward a longer-term collaboration, with scope to add further use cases beyond tote destacking. They also left open the possibility of deploying larger numbers of humanoid robots across Siemens facilities, contingent on the robots' "specific skill set" and validation in additional operational scenarios.

WARE ROLLS OUT MECALUX WMS AT KNOWSLEY

Cleaning and catering wholesaler **WARE UK** is implementing a new warehouse management system at its Knowsley distribution centre to support distribution and e-commerce operations, as it looks to scale capacity alongside growth across the Liverpool area.

The site receives 10–12 inbound lorry deliveries per day. Mecalux's Easy WMS will manage and monitor goods movements, classifying products by family on arrival. A proportion of inbound goods will be cross-docked to reduce touches and accelerate order fulfilment. The project is intended to further tighten control of stock rotation and picking accuracy across a broad product mix, while giving

the business real-time visibility of inventory positions for both trade distribution and online orders.

"We need to guarantee traceability for our SKUs, which include janitorial, tableware, glassware and packaging solutions," said Jon Crossfield, operations manager at WARE UK. He said the system will provide full stock visibility, helping the business control inventory with greater accuracy.

The WMS will integrate with WARE's transport management system, enabling automated carrier selection based on destination. WARE is also deploying a labour performance module to analyse warehouse activity and productivity. Mecalux said the tool will "help the company plan resources more effectively, balance workloads and improve overall logistics efficiency".

AR RACKING GALVANISES AR LS

AR Racking has launched a galvanised version of its AR LS medium-duty shelving system, switching to galvanised steel uprights as the standard finish for the range.

The change replaces the previous painted uprights, aligning with a wider shift across its catalogue towards higher-performance storage solutions with longer service life. Other AR LS components remain configurable to suit specific installation requirements.

"With galvanised AR LS we have taken another step in our commitment to solutions that work in the day-to-

day operations of the warehouse: greater strength and durability to ensure operational availability," said Gorka Arteaga, EMEA Sales Director at AR Racking.



EXOTEC OPENS LILLE-AREA HQ TO SCALE OUTPUT

Exotec has opened its new global headquarters, Imaginarium, in Wasquehal in northern France, bringing research, development, production, and operations into a single site as the company scales warehouse robotics deployments across Europe and North America. The company said the 25,000-square-metre building will operate as a combined innovation and industrial hub, consolidating more than 700 employees across engineering, product, and support functions.

According to Exotec, the site includes an 8,560-square-metre production area equipped with 11 operational Exotec systems, used for manufacturing, system testing, validation, and continuous improvement of software and hardware. For customers, that kind of internal capacity tends to show up in shorter lead times, cleaner acceptance testing, and faster iteration on known failure points, particularly when deployments involve complex site conditions and evolving operational requirements.

Imaginarium also formalises the company's longer-term commitment to building in Europe while serving a global customer base. The headquarters was developed with BMG Group under a 12-year forward-funded lease agreement signed in 2022, and Exotec framed the investment as a way to



strengthen its ability to develop “robust, scalable solutions” closely aligned to customer requirements. As Romain Moulin put it, “Imaginarium represents a major technological and industrial investment.”

For the European intralogistics market, the move underlines a broader shift: robotics and high-density picking systems are no longer “innovation budgets” but core infrastructure for retailers, manufacturers, and 3PLs. Vendors that can industrialise effectively — build faster, test harder, and deploy with fewer exceptions — will be the ones that win in the next cycle, when buyers focus less on novelty and more on predictable performance at scale.

CIPS FLAGS RENEWED LANDED-COST PRESSURE

The CIPS is warning that volatility in shipping and wider supply chain costs is likely to feed through into consumer goods pricing during 2026, with procurement teams already seeing renewed instability in the cost base for imported products. The organisation's latest commentary adds to a growing pile of evidence that logistics is not a "normalised" input cost, but a variable that can swing quickly enough to overwhelm carefully negotiated supplier pricing.

One anchor point is what has happened in ocean rates in the opening weeks of the year. Freight indices tracking container spot pricing show sharp moves on Asia–destination corridors since late December, a pattern that tends to flow into contract negotiations, surcharges, and the cost of recovery options when planned sailings fail. For UK importers of electronics, machinery, and transport equipment, even modest changes in ocean pricing can turn into disproportionate unit-cost shifts once handling, insurance, inland transport, and working capital effects are added.

The CIPS's broader point is that the operational burden is landing on procurement teams that are expected to deliver price stability into retail and industrial channels while key inputs remain unstable. In its Pulse survey series, CIPS has previously identified shipping and logistics as one of the categories most exposed to sharp price increases, driven by fuel-linked costs, capacity discipline, disruption, and uneven demand cycles.

For supply chain leaders, the response is increasingly structural. Some are using dual routings and multi-port strategies to avoid being locked into a single corridor's disruption profile; others are adjusting order frequency and lot sizing to reduce exposure to freight spikes and rolled bookings. None of these changes are free. They shift cost into inventory carrying, complexity, and management time, but they also reduce the risk of being forced into premium freight at exactly the wrong moment.

The more immediate issue for UK buyers is timing. When ocean pricing starts moving early in the year, it tends to collide with annual budgeting cycles and contract renewals, leaving limited room to absorb increases without passing them downstream. That is particularly acute for electronics and machinery categories where margins are tight, lead times are long, and price competition is persistent.

If 2024 and 2025 were characterised by "known instability", 2026 is shaping up as a year where volatility is simply treated as the operating environment. Procurement teams that can quantify exposure — by lane, supplier, and product category — will be better placed to decide when to hold pricing, when to hedge with inventory, and when to redesign the supply chain rather than pay to keep patching it..



MAERSK AND HAPAG-LLOYD TEST RED SEA ROUTE

In a statement on 2 February, **Maersk** and **Hapag-Lloyd** said the IMX service is expected to resume Red Sea passage in February, reversing the longer diversion around the Cape of Good Hope that has dominated Asia–Europe schedules for more than a year.

Operationally, it is a single-loop decision that restores the shortest trade lane for a defined set of port pairs, while leaving the bulk of the alliance’s services on the longer Cape routing. The split reflects the practical reality that risk tolerance is being set lane by lane, voyage by voyage, and that network reliability still depends on avoiding last-minute reroutes that cascade across vessel rotations.

The IMX loop is expected to transit the Suez Canal and re-enter the Red Sea with a Middle East stop pattern that includes Aqaba and Jeddah. For shippers, that matters less as a symbolic “return” than as a measurable change in lead time, inventory days, and equipment positioning. A single service can help smooth the worst of the Asia–Europe timing distortions,

but it will not, on its own, unwind the capacity and schedule impacts created by widespread diversions.

The carriers said they “must continue to see an improved security” environment and noted that “naval assistance continues to be critical to safe passage.” That is a clear indicator that the route is being treated as conditional, and that the operational baseline includes external protection and active monitoring, rather than a straightforward resumption of routine transit.

For procurement and logistics teams, the near-term question is whether the IMX decision is a one-off, or the beginning of a phased return tied to corridor-specific risk thresholds. Either way, the alliance’s decision to keep most services on the Cape route signals that carrier planning is still prioritising predictable operations and crew safety over headline transit times, with a limited number of “fast lane” sailings used to test conditions and offer targeted relief.

THE PRICE OF PROGRESS

NAVIGATING ENERGY COSTS IN INDUSTRIAL SUPPLY CHAINS

— Steve Atkins, Head of Customer Experience,
Consultus International

The UK's industrial sector faces a complex wave of energy cost pressures. Beyond wholesale volatility, a fundamental shift is underway: the 'green agenda' is driving higher prices, increasing competition and pushing inflation through the supply chain.

Having been with the business for 22 years, Steve Atkins, head of customer experience at **Consultus International**, is an expert in helping customers manage energy costs against uncertain global climates.



ver the past two decades, I've seen this industry evolve through multiple crises. Today, however, the challenge is unique. It's no longer simply a case of reacting to market spikes; it's about anticipating the unavoidable escalation of non-energy charges as the UK grapples with its energy trilemma: achieving clean power, ensuring security of supply, and maintaining affordability.

While there is strong political motivation to shift to green energy, renewables are somewhat of a poisoned chalice. While renewable energy much better from an environmental view, transitioning an outdated, centralised system to support diverse energy sources such as solar and wind, is a significant logistical challenge – not to mention, extremely costly.

The government's Planning and Infrastructure Bill (PIB) aims to accelerate this transition by streamlining the delivery of these essential upgrades. However, while the bill seeks to bypass bureaucratic delays, the resulting surge in construction and grid reinforcement will inevitably be financed through the non-commodity levies seen on business invoices.

Industrial businesses are therefore at a critical turning point where there will be even more to consider, and our analysis points to three focus areas.

NON-ENERGY PRICES

Large investment is needed to support the construction of new transmission lines, and for the national

grid to transport power from often remote sites – such as offshore wind farms – to power industrial locations or homes. These costs are recovered through regulated “non-energy charges,” such as Transmission Network Use of System (TNUoS) tariffs.

Current forecasts indicate that these fixed charges, which fund essential grid maintenance and upgrades, are set to rise significantly. For many business users, the fixed tariff element of TNUoS could more than double from April 2026.

The Nuclear Regulated Asset Base (RAB) levy is also set to impact electricity bills to fund new nuclear power station construction. The net effect is that over 60% of a typical business electricity bill will soon be comprised of non-commodity charges. This makes the UK an increasingly uncompetitive environment, alongside having some of the highest industrial electricity prices in the developed world - approximately 25.33 p/kWh, significantly higher than the EU average.

GEO-POLITICAL VOLATILITY

Furthermore, we are still feeling the impact of the war in Ukraine on the wholesale market. While we have moved away from the extreme peaks of 2022 - which saw prices hit a staggering £700/MWh - the market has settled into a higher ‘new normal.’

Wholesale costs now trade in a stable but elevated range of £70 to £100/MWh, nearly double the pre-crisis baseline of £40-£70/MWh.



Furthermore, the shift from Russian pipeline gas to global Liquefied Natural Gas (LNG) means the UK is now more exposed to price competition from the US, Australia, and the Middle East.

POLICY UNCERTAINTY

While businesses are expected to make decisions on a 10- to 30-year timescale, energy policy remains a political football. The industry craves certainty, which can only be achieved by establishing a long-term national consensus that spans more than a single five-year government plan.

This is particularly important given that UK electricity demand is projected to grow by 50% by 2035. This surge, driven by the rapid electrification of heat and transport alongside the 'Internet of Things' (IoT), will place unprecedented strain on an already aging infrastructure, potentially baking in higher prices for the next decade.

The current political and economic landscape also makes a watering-down of some green policies almost inevitable as the government seeks to protect businesses and keep the UK competitive - a balance of doing what is 'right' for the planet versus what is 'necessary' for survival.

THE PATH FORWARD

For businesses, the shift from 40% to 60% non-commodity charges on energy invoices means that traditional procurement is no longer enough. But there are ways to help manage a high-cost future that should start now.

1. AUDIT AND OPTIMISATION

Before investing in new tech, businesses should consider where waste can be eliminated. This includes ensuring your site isn't overpaying for capacity you don't use – as network charges are now banded by usage.

As we say often, 'you can't manage what you don't measure', and submetering is a great way to collect that granular data and identify when energy is being consumed the most, and possibly shift these times.

2. DEPLOY FLEXIBLE RISK STRATEGIES

The "one-size-fits-all" fixed contract is often a gamble in volatile markets, so we would always urge customers to consider more dynamic approaches.

Some businesses opt for a prescriptive, cost averaging strategy, which means dipping in from time to time and finding what works best for the business – however this may not suit less flexible contracts.

Probably the most popular is a 'Capital at Risk' strategy. It is proactive and provides budget certainty from the get-go – however, you need to be careful to avoid purchasing the energy at the wrong point. The 'Fix/unfix' automation strategy is what we see the most, which uses technology to automatically lock in prices when the market dips.

3. ON-SITE RESILIENCE AND MONETISATION

The grid is congested, but your roof or car park doesn't have to be. Looking towards self-generation will be critical in the coming years. Solar and battery storage provide a hedge against the



grid, and charging batteries during cheap overnight periods to avoid peak daytime tariffs is becoming a standard industrial necessity.

It's also advised to look into schemes (accredited by NESO) that offer business incentives to reduce usage during peak events.

4. LEVERAGE RELIEF SCHEMES

Finally, it pays to stay ahead of legislative help. While the Energy Intensive Industries (EII) relief is well-known, the upcoming British Industrial Competitiveness Scheme (BICS), set to begin in 2027, will offer new exemptions for manufacturing 'foundational' industries. Early feasibility studies now will ensure you are application-ready when these windows open.

FINAL THOUGHTS

To achieve long-term energy resilience against rising prices,

businesses must move beyond simple procurement and adopt a continuous cycle of operational and strategic improvements. This begins with a rigorous 'measure and audit' phase, followed by a 'report and adapt' culture.

To build true independence from market shocks, firms should 'analyse and engineer' capital projects, such as on-site generation or battery storage. Finally, but most importantly, a robust risk management framework will provide the necessary price control, helping to protect the bottom line from ongoing market volatility.



FROM ASSET OWNERSHIP TO TECH-ENABLED CAPACITY

— Lyall Cresswell, Founder & CEO,
Transport Exchange Group (TEG)

The procurement challenge facing British businesses today isn't capacity shortages. It's the inability to access the capacity that already exists.

Across manufacturing, construction, and logistics, the traditional approach has been clear: when you need more capacity, you buy more assets. Own the trucks, own the equipment, own the infrastructure. This model offered control and certainty when supply chains were stable and demand was predictable.

But in today's environment, where market conditions shift weekly and capital is expensive, that same model has become a constraint. Businesses are trapped working with familiar suppliers not by choice, but because they lack the infrastructure to safely and rapidly expand their networks. Meanwhile, the capacity they need sits idle elsewhere in the market, inaccessible behind layers of compliance complexity and onboarding friction.

The solution isn't more assets. It's automated compliance frameworks

that enable rapid, secure network expansion while maintaining operational control: a fundamental shift in procurement strategy from asset ownership to technology-enabled capacity sourcing.

SCALING COLLABORATION EFFECTIVELY

Supplier verification and onboarding remain resource-intensive processes, creating barriers to the rapid network expansion that today's market conditions require.

Consider the typical process: each new supplier requires weeks of manual verification across multiple systems, checking everything from company registration to insurance and licensing credentials. For businesses needing to work with hundreds or thousands of suppliers, this becomes impossible to manage.

The result: constrained supplier choice for buyers, limited market access for smaller operators, and a fragmented sector seeking better collaboration infrastructure. Traditional



payment solutions address cash flow symptoms but solving the underlying challenge requires integrated approaches that combine verification, execution, and settlement.

AUTOMATED COMPLIANCE AS INFRASTRUCTURE

The breakthrough comes when compliance verification integrates directly into operational workflows rather than existing as a separate, manual process.

Modern compliance frameworks verify suppliers through automated, real-time checks: KYC, AML, VAT status, operating licences, insurance credentials. This creates an “onboard once, transact everywhere” model with continuous verification.

Once onboarded, suppliers can work across an entire network with continuous automated verification without repeated onboarding for different customers or business units.

The operational impact is measurable: over 1 million invoices paid through the platform in 2025, the ability to fulfil 80% of capacity requests within

two minutes rather than weeks, and settlement in under 60 minutes rather than the industry standard 30-90 days.

When payment processing integrates with this verification layer through solutions like SmartPay (enabling settlement in under 60 minutes rather than the industry standard 30-90 days), the financial friction that prevents enterprises from opening their networks disappears entirely.

This isn't theoretical. Our platform processes over three million bookings annually, connecting 10,000 verified businesses with £500 million in gross transaction value, demonstrating this works at scale. Enterprise clients from Dachser to Kinaxia to Howard Tenens to TVS operate using these frameworks to manage complex subcontractor operations whilst maintaining full operational control.

NETWORK EFFECTS AT SCALE

Technology enabled capacity sourcing creates powerful network



effects that enable industry wide collaboration. As more suppliers gain verified status, enterprises gain confidence to work with a broader base.

The model transforms procurement economics. This infrastructure enables genuine collaboration at scale. Where logistics providers can confidently work with hundreds of verified carriers through standardised workflows, creating resilience that no single organisation could achieve independently.

Consider the infrastructure this creates: a virtual fleet of 50,000 vehicles accessible through a single platform, enabling businesses to scale operations without proportional increases in fixed costs or administrative overhead. When market conditions change, operations adapt with them.

OPERATIONAL FLEXIBILITY AT SCALE

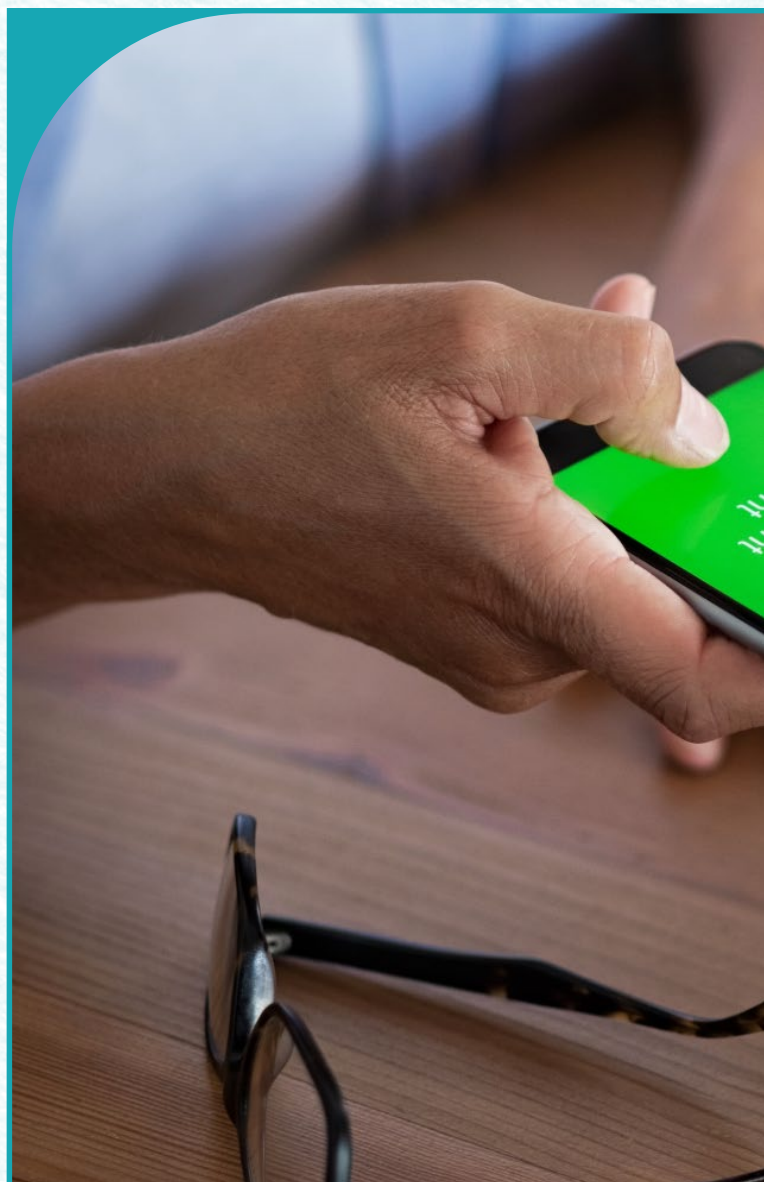
What we're witnessing isn't just operational efficiency. It's businesses gaining new operational flexibility regardless of their existing infrastructure.

Businesses with significant asset investments can enhance operational flexibility through platform integration. Technology enabled capacity sourcing complements existing infrastructure, enabling businesses to respond to demand fluctuations without proportional increases in fixed costs. When market conditions shift, operations can adapt while maintaining the control and reliability that enterprise operations require.

Platform enabled operations work alongside existing assets to source

capacity from diverse networks, automatically ensure compliance, and maintain real-time visibility regardless of operational complexity. This enables businesses to enhance service levels and operational resilience by integrating owned assets with verified market capacity through a single infrastructure.

We've operated profitably for 25 years while consistently investing 25% of revenue into platform innovation. This isn't venture capital-fuelled disruption. It's sound business strategy that performs under real-world pressure.



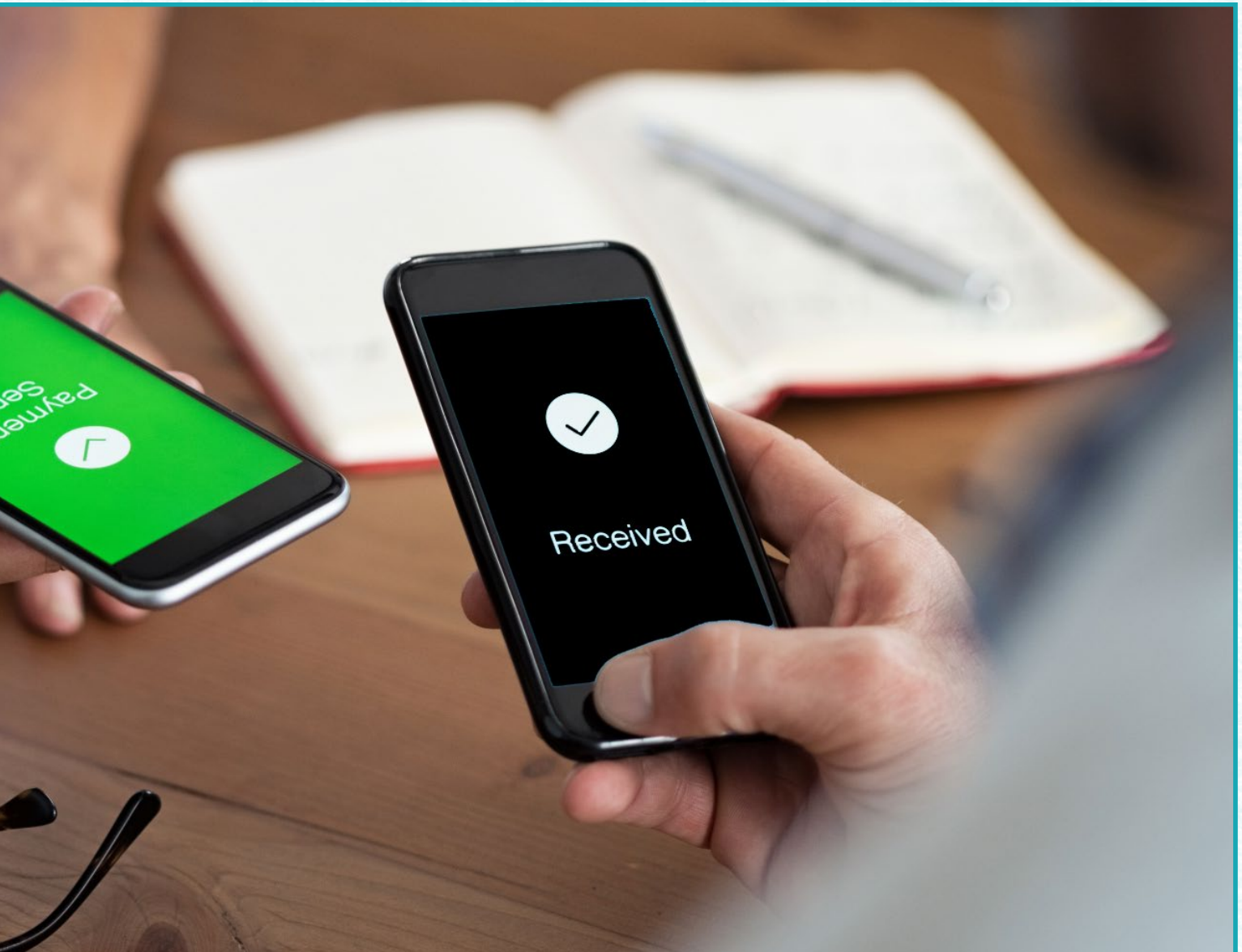
FROM THEORY TO PRACTICE

The infrastructure exists. The business case is proven. The question facing operations and procurement leaders today isn't whether technology enabled capacity sourcing works. It's how to integrate platform capabilities alongside existing operations to gain enhanced flexibility while maintaining operational control.

For businesses operating under sustained market pressure (driver shortages, pricing volatility, availability challenges, demanding customer SLAs), the ability to rapidly expand verified supplier networks while maintaining operational control provides meaningful competitive advantages in an increasingly complex market.

The traditional procurement and operations question, "Should we buy more assets?" is being replaced by a more strategic one. "Do we have the infrastructure to access the capacity we need, when we need it, without compromising control?"

For a growing number of businesses across the industry, automated compliance frameworks provide the collaborative infrastructure required to navigate today's market complexity.



SMES: THE NEXT BIG BUYERS OF AI-DRIVEN PROCUREMENT TOOLS

— Jason Tassie, Business Growth Expert & Founder,
Know Your Business

For the past decade, AI-driven procurement has largely been built for big business.

Enterprise platforms promised efficiency, optimisation and strategic insight, usually wrapped in long implementation timelines, complex integrations and six-figure price tags. For large organisations with dedicated procurement teams, that made a lot of sense. For SMEs, it didn't.

Most smaller businesses don't really have the luxury of a procurement department. They buy what they need, from who they trust, under constant time pressure. Until recently, that reality kept them on the sidelines of AI procurement altogether.

That's starting to change. Not because SMEs have suddenly become excited about AI, but because the pressure they're under is now forcing their hand. By 2026, SMEs are likely to become the most active buyers of AI-driven procurement tools, and the market will shift to meet them.

WHY SMES ARE THE NATURAL ADOPTERS

SMEs are operating in an environment that is far more fragile than it was even five years ago. Staffing shortages are the most obvious issue. Many small businesses are running leaner teams than ever, often with procurement handled by finance, operations or even the founder. When someone leaves then usually that knowledge leaves with them.

At the same time the regulatory and compliance demands are increasing. Trade documentation, supplier due diligence, sustainability reporting and fraud risk are no longer "enterprise problems". They can land on SMEs just as hard, but they do not always have the resources to manage them.

Then there's volatility. Supply chains no longer behave in predictable ways because prices shift quickly, lead times fluctuate and suppliers disappear without much warning. So large corporates can absorb some of that disruption but SMEs usually can't.

This is why AI procurement suddenly makes sense for smaller firms, as a way of reducing the number of decisions that have to be made under pressure.

WHERE ENTERPRISE PROCUREMENT TOOLS MISS THE MARK

Most existing AI procurement platforms weren't designed with SMEs in mind.

They assume a level of structure that simply doesn't exist in smaller organisations. Clean data, standardised suppliers, formal approval workflows, internal change management, all of that is taken for granted.

For SMEs, those assumptions become barriers. The tools are often too expensive to justify and too complex to set up. In many cases, they solve problems SMEs don't really have, while ignoring the ones they do.

SMEs don't need beautifully layered dashboards or multi-year optimisation roadmaps. They need to know which supplier is suddenly charging more than usual, whether a delivery risk is emerging, or whether a document has been filled in correctly before it causes a delay.

That gap between what enterprise tools offer and what SMEs need has left a large part of the market underserved.

WHAT SME-FIRST AI PROCUREMENT LOOKS LIKE

The next generation of AI-driven procurement tools will look very different. They will be narrower in scope, faster to deploy and far more pragmatic.





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Instead of full procurement suites, we'll see tools that focus on specific, high-value problems.

Demand forecasting that isn't perfect, but is good enough to flag risks early.

Automated supplier comparisons that work without months of onboarding. Simple anomaly detection that highlights potential fraud or pricing errors before they escalate.

Paperwork is another area where AI can make an immediate difference. Auto-filled trade documents, compliance checks that run in the background and alerts when something doesn't look right. These aren't headline-grabbing features, but they remove friction where SMEs feel it most.

Crucially, these tools won't require a dedicated procurement team to run them. If a system needs extensive training, internal champions and ongoing configuration, it's already too heavy for most SMEs.

WHY 2026 IS THE TIPPING POINT

Several forces are converging to make 2026 a turning point. First, the technology itself has matured. AI models are more accessible, cheaper to deploy and easier to integrate into lightweight tools. Not every solution needs to be a platform anymore.

Second, SME buying behaviour has changed. Smaller businesses are now far more comfortable adopting software quickly, testing tools and switching if something doesn't work. They don't expect perfection; they expect usefulness.

Third, regulatory and operational pressure isn't easing. If anything, it's



intensifying. SMEs will be forced to find ways to do more with less, and manual procurement processes simply won't scale.

The result is a market that's ready for AI, but only on its own terms.

One uncomfortable reality is that enterprises may not be the fastest adopters in the next phase of AI procurement. Large organisations move slowly, especially when systems touch finance, suppliers and compliance.

SMEs, by contrast, will move quickly because they don't have a choice. The most successful AI procurement tools won't be the most advanced. They'll be the ones that fit into messy, imperfect businesses and quietly remove problems rather than announcing transformation.

For vendors, that means rethinking how products are built, priced and sold — with SMEs in mind.



GEOPOLITICS IS REDRAWING COMMODITY SUPPLY CHAINS

— Dan Romanelli, SVP,
Quoreka



Global supply chains are being reshaped by the new realities of geopolitics. The combined effects of sanctions, tariffs and regional realignments have up-ended the once-connected network that moved energy, metals, and agricultural products around the world. The result is a trading environment where logistics and risk management are gaining as much visibility as front office processes.

What began as a series of short-term disruptions, from the Covid-19 pandemic to port congestion and sanctions, has evolved into a structural shift in how global trade operates. The Russia-Ukraine conflict exposed how dependent Europe had become on single-route energy corridors, while escalating US-China trade tensions are prompting countries across Asia and the Americas to diversify suppliers and logistics hubs. These changes have redrawn trade routes and altered traditional sourcing models, introducing both resilience challenges and new opportunities for regional players.

For logistics planners and commodity traders alike, the rebalancing of flows is far from straightforward. Europe's search for alternative gas and metals suppliers, or China's expanding links with differing economies, illustrate how politics can define supply as much as price or demand. Long-established trade corridors are slowly being augmented to include new, costlier ones that can be harder to predict and maintain. Cargoes are being rerouted, blending standards are shifting, and inventory management has become a far more dynamic process than it was a just a

few years ago.

At the same time, the return of tariffs and export controls has complicated procurement and pricing. Fluctuating trade policy distorts price discovery and arbitrage, forcing firms to hedge more aggressively and to make faster decisions about storage, transport, and contract exposure. For bulk commodities such as copper, nickel, wheat or corn, the knock-on effects reach from mine and field to port and warehouse. Logistics teams must adapt to changing flows while contending with higher insurance premiums, longer lead times, and increasingly volatile freight markets.

Even efforts to strengthen supply chain security bring trade-offs. Nearshoring and so-called 'friend-shoring' are reshaping regional manufacturing and logistics hubs, but they also create inefficiencies that must be managed. More production is being brought closer to home yet input materials often still cross multiple borders. That means greater reliance on real-time data and collaboration between trading, procurement and logistics teams.

CTRM'S EXPANDING ROLE IN A FRAGMENTED TRADE ENVIRONMENT

This environment has elevated the role of Commodity Trading and Risk Management (CTRM) systems beyond their traditional remit. Once used mainly for pricing, position management, and compliance reporting, CTRM platforms are now at the heart of operational resilience. Modern solutions integrate real-time



shipping and warehouse data, cargo tracking and country-level risk analysis, helping firms model disruption and re-route shipments before losses mount.

In practice, that means traders and supply chain operators can run scenario tests to simulate events such as sanctions, port closures, or even extreme weather events. By linking trading positions to freight contracts, credit terms, and insurance exposure, CTRM tools provide a dashboard view of the financial and physical implications of disruption. Firms can compare the cost of alternative routes, quantify potential penalties or missed deliveries, and make faster decisions about reallocating cargoes.

The same systems are also becoming crucial for ESG and regulatory compliance in some areas of the world. New frameworks such as the EU Deforestation Regulation (EUDR), demand traceability from mine or farm through to processing and transport. Integrating those data points within a single CTRM environment allows firms to automate reporting and reduce the risk of non-compliance while

maintaining agility.

Ultimately, the convergence of trading, logistics and risk data is changing how global supply chains operate. Instead of treating these as separate functions, leading firms are building integrated decision platforms that merge operational visibility with financial intelligence. This evolution makes CTRM software less a back-office tool and more a real-time command centre for trade.

As commodity flows continue to fragment, success will depend on agility and insight. The ability to integrate new data sources quickly, visualise exposure across suppliers, trade routes and financial positions, will allow action before disruption hits. In this world, data integration is no longer a luxury; it's the infrastructure that keeps global trade moving.



THE STRATEGIC FRAMEWORK ALL SUPPLY CHAINS SHOULD FOLLOW

— Matt Sherwen, Managing Director, [Sherwen Studios](#)

Historically, supply chains have focused on getting a product from A to B. The logistics have been relatively straightforward: the vendor takes the order, communicates it to the warehouse/manufacturer, who sends the goods to the customer. But now, those linear supply chains have become far more dynamic. They have become complex ecosystems which involve multiple partners, technologies and geographies.

While these systems are more intuitive, they're also more fragile.

A minor disruption in one place can now cause widespread chaos across the entire distribution line. For example, a single technical issue in a warehouse, such as a mis-scanned pallet or a system outage, can delay outbound shipments, disrupt distribution channels, and ultimately lead to missed deliveries, poor customer service, and financial losses.

Regardless of what sector you work in, no business can afford to run those risks.

That's why supply chains need holistic oversight and a strategic framework that aligns people,

processes, and technology to anticipate and adapt to change.

MORE THAN A TECHNICAL TRANSFORMATION

It's easy to assume that efficiency gains come from technology. AI and automation have become game-changers in productivity and scaling up systems and processes. But while having the proper technical infrastructure is essential, it's not the silver bullet businesses might be hoping for.

That's because too often, businesses invest in the wrong technology. They don't necessarily understand the problems they are trying to solve, resulting in wasted resources and a negative ROI.

Before realigning their technical foundations, businesses should clarify their operational reality. They need to ask themselves:

- What issues are causing delays or errors?
- Where do bottlenecks occur?
- Which processes lack accountability or visibility?



Identifying the answers to these questions will help businesses start to address the root causes of any problems.

Without this clarity, businesses risk investing in solutions that don't address root causes. Supply chain resilience requires a structured approach which combines operational insight with targeted technology adoption.

A THREE-STEP FRAMEWORK FOR SUSTAINABLE PROGRESS

To help businesses future-proof their logistics and improve supply chain resilience, we recommend a proven three-step methodology that addresses operational issues and ensures that digital investments are spent in the right places.

This practical framework ensures that improvements are strategic, scalable, and aligned with long-term goals.

STEP 1 IS ABOUT UNDERSTANDING THE OPERATIONAL BASELINE.

Before jumping into decisions or technical changes, businesses need to critically assess processes, data flow, and performance metrics.

- **Process analysis** should observe how businesses document inbound items. How does replenishment work? What are the processes involved with picking, packing, shipments or returns?
- **Data analysis** is about understanding how information moves between systems and stakeholders. It's establishing

whether there is any loss of information during the transfer between digital and manual systems.

- **Performance metrics** are about checking existing KPIs so businesses can have a benchmark for potential improvements. For example, what is the pick accuracy? Or the returns metrics, inventory accuracy or product cycle time?

Taking this step will ensure that organisations critically reflect on how they are currently working. From there, they need to question why they are working in those ways.

The answers to those two questions should help them understand their operational baseline. If the answers are still unclear, that indicates root cause inefficiencies that need to be addressed before any technical improvements can begin.

STEP 2 DIAGNOSES BOTTLENECKS AND OVERCOMES CHALLENGES.

With the baseline operational challenges identified, businesses can move into specific bottlenecks and challenges. This discovery phase allows them to determine which specific issues are causing escalating derailments and longer-term problems elsewhere within the supply chain.

It's about recognising whether those bottlenecks are internal or customer-facing. If they are inbound, are they caused by freight delays or labelling issues? If the problems are internal, do staff shortages cause them, or is more training needed? Are customers suffering due to external delivery partners or unclear order cut-off times?



Ideally, these bottlenecks should be categorised into three groups: Data-driven, process-driven, and resource-led. This categorisation helps businesses focus their time and money on the right areas by identifying root causes and creating clear steps to solve problems with the right technical solutions.

STEP 3 CAPTURES THE QUICK WINS BEFORE SCALING AND GROWING.

Improving supply chain resilience isn't a one-and-done solution. It requires continual management and assessment.

The data collected through steps one and two will help businesses identify quick wins that can result in immediate improvements, giving them more time to adapt to new challenges.

When they are no longer working reactively and dealing with preventable problems, it becomes easier to look at the bigger picture and start to anticipate what is needed to scale and grow.

A key part of this requires implementing a new system that establishes continual feedback loops from all users.

Listening to and collaborating with all partners across the entire ecosystem is essential because effective supply

chains need a system that functions as intended, is easy to use for all users, and has the agility to predict, react, and respond to future challenges.

INVESTING IN THE RIGHT SOLUTION WITH CONFIDENCE

Future-proofing logistics and building resilience across the supply chain requires both technical innovation and operational improvements.

These two elements must work together to deliver maximum ROI.

It's easy to chase trends and invest in the latest technology, but without understanding the specific problems and fixing underlying processes, that approach will fail. When strong processes are in place, tools such as data analytics, robotics, automation, and AI can genuinely add value by anticipating disruptions, optimising resources, and maintaining customer trust.



IN CONVERSATION

DAN JONES, TANIUM

Tanium is a company that specialises in autonomous IT — a suite of solutions that is increasingly appealing for supply chain professionals. Naturally, as those solutions become more common, so too do concerns about cybersecurity. Dan Jones, Senior Security Advisor – EMEA, gives his two-cents on supply chain cybersecurity.

Cybersecurity is not always treated as a supply chain issue. Why is that changing?

“Supply chains now rely heavily on digital systems to operate. Procurement platforms, warehouse management systems, transport planning tools and operational technology all depend on endpoints being visible, managed and trusted.

“When organisations experience cyber incidents, the disruption is rarely caused by data loss alone. More often, it is caused by uncertainty. Teams cannot say with confidence which devices are secure, whether systems are patched, or whether operational data is reliable. In those situations, the safest option is often to pause activity.

“This is why cyber incidents increasingly result in production stoppages and delayed shipments. According to IBM's Cost of a Data Breach Report, operational disruption now accounts for a significant proportion of breach-related costs, often exceeding direct recovery expenses. In supply chain environments, that loss of confidence can halt operations as effectively as a physical failure.”



What factors are increasing cyber risk across logistics, warehousing and supplier networks?

“The most obvious factor is endpoint growth. Organisations are managing far more than traditional IT devices. They now rely on scanners, sensors, robots, industrial control systems and cloud workloads, often spread across multiple sites and suppliers.

“At the same time, tool sprawl is creating visibility gaps. Our research, shows endpoint environments are growing rapidly, with 72 percent of organisations reporting at least 1,000 devices and 93 percent saying employees use multiple endpoints daily. The report also highlights that most organisations manage multiple endpoint tools as complexity rises. That fragmentation makes it difficult to maintain a clear picture of asset health and slows response during incidents.

“Skills shortages are compounding this problem. According to Gartner, 69 percent of CIOs are focusing on upskilling existing employees rather than hiring, reflecting how difficult it has become to recruit experienced cyber and operations professionals. This leaves smaller teams responsible for increasingly complex environments, increasing the likelihood of delayed response and operational disruption.”

Why are suppliers and operational environments increasingly targeted by attackers?

“Attackers focus on environments where disruption is easiest to achieve and supplier networks and operational systems often rely on older technology and patch less frequently than central IT environments.

“Many high-impact incidents exploit

basic weaknesses such as delayed patching, poor configuration and limited visibility, which continue to create avoidable points of failure in operational environments.

“When attackers compromise a supplier or an operational endpoint, the impact can move across multiple organisations. In logistics and warehousing, a single compromised system can affect routing, inventory accuracy or automated processes, creating widespread disruption without touching core IT systems.”



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What practical steps can organisations take to improve resilience across complex supply chains?

“The starting point would be real-time visibility as organisations need a continuously updated view of endpoints across IT, OT, cloud and mobile environments. Periodic audits or spreadsheets do not provide enough confidence during incidents.

“Reducing unnecessary complexity is equally important as many organisations rely on fragmented sets of tools to manage and secure endpoints, which slows investigation and response when incidents occur. A more unified approach improves



“Many high-impact incidents **exploit basic weaknesses** such as delayed patching, poor configuration and limited visibility.”

visibility and reduces the risk of operational disruption, particularly in complex IT and OT environments.

“Automation is critical too, tasks such as patching and configuration checks are time-sensitive and repetitive. Automating these activities allows teams to act faster and focus limited human effort on decisions that require judgment and experience.”



What should supply chain and operations leaders be doing differently as a result?

“The key shift is recognising that cyber resilience is an operational issue, not just an IT one. Supply chain leaders need to understand their digital dependencies in the same way they understand physical ones.

“That means asking practical questions. Do we know which systems are critical to daily operations? Which suppliers introduce the greatest operational risk? How quickly could we recover if those systems became unavailable?

“Organisations that treat cyber risk as part of routine resilience planning are better prepared for disruption. In complex, interconnected supply chains, confidence in systems and data is what allows leaders to act quickly and keep operations moving.”



IN CONVERSATION MARK RUTHERFORD, ALEXANDER BATTERY TECHNOLOGIES

Alexander Battery Technologies (ABT) is a global manufacturer of custom lithium-ion battery packs. These solutions are critical in many industrial applications, which naturally subjects them to many regulation shifts. Mark Rutherford, ABT's CEO, explores how the battery supply chain is fundamentally changing.



The EU Battery Passport is now moving towards enforcement. What does that actually mean for manufacturers?

“It means the regulation stops being theoretical and starts affecting whether a product can be placed on the market. Ahead of the 2027 deadline, and increasingly through 2026, manufacturers need to be able to provide a verified digital record covering materials, origin, carbon footprint and key component data for industrial and EV batteries sold in the EU.

“In practice, that puts pressure on production systems because if the underlying data isn’t being captured consistently during manufacture, it’s very difficult to produce a passport that will stand up to audit. The regulation is really testing how well traceability is built into day-to-day operations.”

You place a lot of emphasis on traceability. Why has that become such a central issue?

“Because it underpins almost everything else the regulation is trying to achieve. If you can’t reliably trace how a battery has been built, you can’t validate the information that sits behind the passport. That includes material origin, carbon reporting and, ultimately, whether the product supplied is the same one described in the documentation.

“Traceability isn’t something you can add at the end. It has to be designed into the production process so that data is captured as work is done, not reconstructed afterwards.”

What sort of production data are manufacturers increasingly expected to capture?

“It’s fairly granular - things like weld data, torque settings, firmware versions, test results and supplier records are all becoming part of a connected dataset. Individually, those data points aren’t new, but the expectation now is that they’re linked together and retained in a way that’s consistent and auditable.

“That level of detail gives you confidence that each unit leaving the factory matches what’s been approved and recorded. It also makes it much easier to investigate issues when they arise.”

How does this level of control affect efficiency on the factory floor?

“It changes where time is spent. More effort goes into defining processes and capturing data correctly, but that’s offset by fewer interruptions later on. In practice, clearer process control usually reduces rework and shortens the time spent responding to customer or regulatory queries. That stability matters more than marginal speed gains on the line, particularly once volumes increase and external scrutiny becomes routine”

You also highlight software security as a growing concern. What’s driving that?

“Software security matters because battery manufacturing increasingly relies on digital records and control systems. If those records can’t be trusted, it becomes difficult to demonstrate traceability, quality and compliance. As a result, software



security is now seen as part of overall product assurance, not just an IT issue.”

What does good practice look like in that area?

“Good practice focuses on control rather than complexity. That includes clear version management for BMS firmware, controlled update processes and maintaining audit trails that link approved configurations to specific packs. Some manufacturers also verify firmware versions as part of end-of-line testing, to confirm that the pack leaving the factory matches what has been approved and documented.

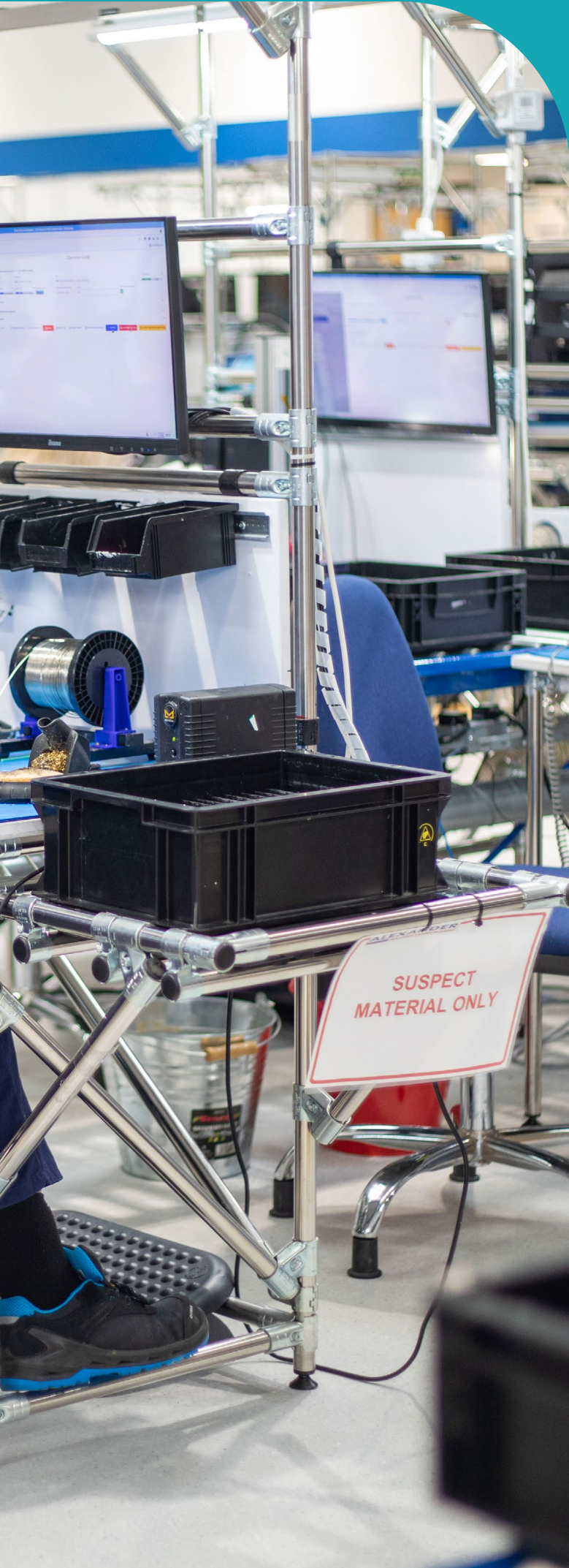
“This mirrors the wider shift described in recent Battery Passport discussions: the expectation is not just that systems function correctly, but that manufacturers can evidence how they were configured, tested and managed over time.”

There has been greater scrutiny across the battery supply chain recently. What's driving that?

“Greater scrutiny is largely driven by how lithium-ion battery packs are managed as they move from design into volume production. As programmes scale, engineering changes are sometimes introduced to address availability, performance or manufacturability, but problems arise when those changes aren't clearly approved, documented or reflected in production records.

“That has highlighted the importance of structured process control. When traceability and change management are built into day-to-day operations, issues can be identified and addressed early, rather than being





discovered at end-of-line testing or, worse, after products reach customers. This reduces disruption, avoids unnecessary cost and helps maintain confidence across the supply chain.”

How is this influencing insurance and commercial relationships?

“Insurers are paying much closer attention to process control. Companies that can demonstrate robust traceability and testing tend to be viewed as lower risk. That can affect premiums, coverage terms and how easily a business can qualify for larger programmes.

“From a commercial perspective, customers are also more cautious. Clear records speed up qualification and reduce friction. Weak or inconsistent records tend to do the opposite.”

How does this align with the way Alexander Battery Technologies operates?

“We prioritise early control over late detection, using traceability and structured change management to address issues before they reach end-of-line testing or customers. That approach reduces rework, avoids unnecessary cost and supports a more efficient, predictable supply chain.”



DON'T BELIEVE THE HYPE

— Tom Coppock, Senior Director, AI Product Management,
Tungsten Automation

Supply chains are entering a bold new era, driven by breakthroughs in technology. Tools such as Generative AI have already started to show their potential in increasing productivity and efficiency, but organisations shouldn't go rushing into deploying these advanced tools without a plan. AI's true value is achieved when it is thoughtfully integrated into a company's workflows.

Undoubtedly, there is currently a lot of hype surrounding advanced AI tools, which is clear to see when looking at the Gartner Hype Cycle. However, business leaders should be aware of a report from MIT, which found that 95% of GenAI pilots ultimately fail to achieve a positive impact on a company's P&L.

Often, this is because businesses are attempting to adopt complex technology, but before implementing any AI project, first businesses need to identify which areas they are looking to optimise for greater efficiency,

which will result in a better return on investment (ROI) when using AI.

Real resilience is built upon precise, timely, and accessible data. Even with millions spent and hundreds of hours committed to building and applying advanced AI tools, only 5% of custom AI tools make it into productive workflows. AI does have tangible benefits on supply chains, for example, we have seen that when you integrate intelligent automation to specific pain points, there is a potential 50% increase in operational effectiveness.

Reliance on manual data entry creates significant operational lag, according to the Customs Support Group, between 20% to 40% of customs delays are caused by documentation errors.

Businesses must be leveraging proven AI/Machine Learning solutions by focusing on automating real business processes rather than hype, which enables businesses to centralise data for real-time visibility.



AUTOMATING LOGISTICS DOCUMENT PROCESSING

One of the most immediate and measurable applications of practical AI lies in trade documentation. It is critical for businesses to automate complex and varied logistics documentation.

Customs Support Group observed that when AI and ML models are used to accurately capture, classify, and validate data, Intelligent document processing has been proven to halve workflow handling time and achieve over 85% classification accuracy.

From our customers at Tungsten Automation, we observed that calculating tariffs and duties due on a high volume of packages needs to be completed in a cost-effective and timely manner. Previously, this was a time-intensive task, with multiple members of staff checking each document manually.

AI automation is used here to achieve touchless processing of commercial invoices. By identifying the correct goods classification and origins to calculate new tariffs, this gives businesses a more tangible ROI

on their AI, as the cost for checking each document is now lowered. This provides an additional strategic benefit as businesses can continue to operate even as rules change. This same approach can be repurposed to find other information and can scale without having to hire new people, and can meet better Service Level Agreements for delivery times.

By using Agentic AI, combined with traditional Intelligent Document Processing (IDP) technologies, 94 out of 100 commercial invoices

won't need to be checked manually by employees. This gives teams the flexibility and intelligence to process high volumes of previously unseen documents without complex setup or long implementation projects.

DE-RISKING PROCUREMENT

Building a resilient supply base requires rapid onboarding, a process currently hindered by regulatory paperwork that extends the average onboarding time.



There is already a labour shortage in the supply chain sector, with fewer skilled employees available, which means shipping paperwork management often slows down, leading to errors.

The benefits of reduced regulatory risk and faster time-to-market, which was demonstrated by Mondelēz International, showed that consolidating functions drove 54% of their supplier network to adopt e-invoicing. When AI is used appropriately, businesses can improve both profitability and increase strategic flexibility and scale up potential.

DRIVING COST OPTIMISATION

Robust invoice and e-invoicing automation is more than just faster payments; it is a critical source of clean data that turns the back office into a strategic asset for cost control and business intelligence.

AI can help feed verified data into systems that manage business functions such as finance, manufacturing and HR, to move beyond reactive tracking, and into front-footed data process systems. For example, Capita used this approach to cut invoice processing costs by over 70%, reducing per-invoice spend from £8 to just over £2 while handling 400,000 invoices monthly.

This clean data leads to optimised working capital, with

Capita additionally achieving a 92% on-time payment rate, capturing £500k in first-year savings through better negotiation leverage and anticipatory, data-driven decision making.

THE PRAGMATIC BLUEPRINT FOR A FUTURE-PROOF SUPPLY CHAIN

Business leaders who adopt a pragmatic approach and prioritise document workflow automation will find themselves in a strong position. The focus should be on pursuing purposeful innovation to build smarter operations rather than chasing the newest models.

Companies that master foundational automation will gain the agility to complete transactions in minutes instead of weeks, proving that when AI is thoughtfully and carefully integrated into workflows, businesses can see the tangible benefits of AI.



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WATER SCARCITY IS NOW A SUPPLY CHAIN RISK, NOT JUST AN ENVIRONMENTAL ONE

— Steffen Schulze-Selting, Vice President – Value Engineering, **Sphera**

Over the last five years, global supply chains have faced significant disruptions caused by water scarcity. Taiwan's 2021 drought forced TSMC, the world's largest chip maker, to truck in water to keep production lines running. The Panama Canal imposed drought limits in 2022 and again faced restrictions in 2025 as rainfall failed to arrive. In May 2025, Taiwan experienced the worst drought in four decades, and reports indicated that leading foundries reduced short-term capacity by 15-20%.

Hydrological volatility is now shaping the reliability of both maritime and inland transport routes. The Panama Canal moves around 6% of global trade, so even modest operational constraints ripple quickly through shipping schedules and

freight rates. Inland river systems face similar pressures, with low flows forcing load reductions or full diversions to longer, more expensive routes. When firms hold limited inventories and rely on tight transit windows, these interruptions manifest as delays and can severely impact revenue.

The cumulative effect is a supply chain model that's increasingly misaligned with the water systems it depends on.

WHERE WATER SHORTAGES HIT HARDEST

Many industrial processes are water-intensive, and some of the most economically significant sectors are among the most exposed. Making

semiconductors demands high-quality process water in continuous supply, and when that supply tightens, output declines.

Food and agriculture are equally vulnerable. Droughts can shutter processors and disrupt packing schedules, as shown when Thomas Foods scaled back operations in South Australia due to water shortages and reduced livestock supply. Broadly, the frequency of extreme weather events has risen, altering the once-predictable seasons that businesses and planners relied upon.

Water availability is still too often viewed through an environmental lens, rather than as a core operational risk. Effective planning begins with systematic analysis, which means mapping suppliers and logistics routes against hydrological stress and climate projections, along with local infrastructure capacity. This mapping cannot be static. Each supplier requires a risk profile that is updated as conditions change, combining exposure insights with the organisation's own dependency on that supplier or route.

This is where better data and analytics can make a meaningful difference. Machine learning and Artificial Intelligence helps organisations connect climate-related risk signals with what is happening across their operations, giving them valuable lead time when conditions start to tighten. When those models integrate climate indicators with transactional supply-chain data, planners can spot constraints earlier and begin weighing alternative sourcing or routing scenarios before disruption sets in. Technology cannot remove the need for human judgment,

but it can give teams the clarity and speed they need to make well-considered decisions.

WHY BUSINESSES MUST ACT NOW

Water scarcity is increasingly determining production capacity and distribution reliability, and that has a direct bearing on financial performance. Organisations that build water availability into contingency planning put themselves in a stronger position as pressure grows. That approach depends on better data and deeper supplier engagement so that physical hydrology influences sourcing decisions and investment priorities.

Climate-driven droughts are now recurring, and their impact on trade is becoming more predictable. Recognising water scarcity as a structural risk allows leaders to shift from short-term problem-solving to deliberate, data-informed adjustments in sourcing and capacity planning. Organisations that begin detailed risk mapping today and support it with improved analytics and closer coordination with suppliers, will be better equipped as hydrological stress intensifies.

In the years ahead, water availability will play as much of a role in supply-chain design as cost or capacity, and early action will strengthen an organisation's ability to operate in a more constrained environment.



POST-PEAK LESSONS FROM SUPPLY CHAIN NIGHTMARES

— Kit Cox, Founder and CTO, [Enate](#)

January is when supply chain teams finally get a moment to breathe. Peak season is done and the inbox has finally slowed down. Now the post-mortem begins.

Everyone agrees it was painful and vows, “We won’t let this happen again.” And yet, inevitably, the next peak period looks much the same. If things are to change holistically, businesses first need to look at the origin of most supply chain nightmares: visibility.

THE REAL PROBLEM ISN’T VOLATILITY

When the peak period hits, the cracks in operations emerge. In reality, the cracks were there the rest of the year too, hiding in plain sight because supply chain operations can’t answer these fundamental questions: How much work is currently in flight across the operation? Where does work typically slow down or get stuck? Which suppliers, routes, or handoffs consistently cause delays? Who’s overloaded right now, and who has spare capacity?

Teams can’t answer these questions because there’s no operational visibility. Information is scattered across systems,

inboxes, spreadsheets, and messaging tools. Problems only surface when a deadline is missed or a customer escalates.

Over time, this creates a firefighting culture. Heroic saves are cheered on, with long nights and weekends lost to damage control. What is often ignored is the reason why the fire started in the first place. Without operational visibility, root causes stay hidden, those same bottlenecks resurface every time business ramps up, and nothing changes between one “never again” moment and the next.

AUTOMATION ALONE WON’T FIX THIS

With the pressure turned up to the max, many supply chain leaders are, understandably, looking to AI to fix their problems. On paper, it makes sense. More volume, fewer people, and tighter margins. Automation, after all, has been sold as the cure-all for operational drag.

But again, the fact of the matter is if you can’t see inside your operations clearly, automation won’t fix anything. Automation is reliant on structure. It needs clear workflows, predictable

handoffs, and defined exceptions. When you plug it into murky, fragmented operations, you don't eliminate chaos. You just speed up the mess.

Tasks still get stuck and teams are still left chasing information across systems. The only difference is that now it all happens at machine speed. This is why so many automation initiatives fail to live up to expectations. The technology isn't the problem, it's the foundations. You can't automate what you don't understand, and you can't understand operations you can't see.

The real shift in working happens when organisations start focusing on how to fix their operations as a whole. The solution to this is orchestration. Orchestration gives you a control-tower view from which you can see orders, documents and exceptions flowing across teams and systems. Not a retrospective of problems that have already escalated, but live insight into what's happening right now.

With the visibility that orchestration creates, you can:

- Spot bottlenecks before they cause downstream delays
- Identify patterns in exceptions, supplier issues, or process breakdowns
- Fix broken processes instead of endlessly working around them
- Deploy automation only where it will genuinely reduce effort or risk

Most importantly, it changes organisational behaviour. When work is visible end-to-end, problems stop being surprises. Orchestration doesn't replace your existing systems, it connects them, making your operations visible and manageable. Teams can intervene earlier, upstream, when fixes

are cheaper and less disruptive. That's how prevention eliminates constant firefighting.

WHERE ORCHESTRATION FITS IN

Orchestration tools create that control-tower view by bringing together people, systems, and processes onto a single platform. For service-heavy supply chain environments, that visibility alone is a game-changer.

Teams can finally answer those questions about workload, bottlenecks, and capacity. With the foundation in place, automation and AI can actually start to deliver on their promise. Because they're applied deliberately, to well-understood workflows, rather than patched across the operation in the hope something sticks. In practical terms, this means companies typically see around a 20% efficiency gain within a few months.

As planning for the next peak season begins, the real question isn't "how do we handle more volume next time?" It's "how do we stop fighting the same fires every year?" It all starts with visibility. Build the control tower first and use orchestration to understand and manage how work actually flows. Then you can fix what's broken and automate once your foundations are stable. Do that, and peak season stops being a survival exercise and becomes just another busy period you're genuinely prepared for.



