

The top ranking strategic business objective for this year is identifying and managing change, underscoring that change is indeed firmly on the boardroom agenda. Growth and expansion into new markets - ranked second - is a continuing theme from last year, as opportunities in Africa and abroad become potentially more lucrative and diversification becomes more of a priority.

The cost of doing business is the top ranked constraint by respondents, up from second place in last year's survey. With most input costs increasing, high levels of uncertainty, competition from low cost producing nations and a relatively stagnant economy, companies are focusing on cost effectiveness to remain competitive. The cost of doing business is typically only a factor where a company has a competitive disadvantage in relation to its competitors.

Concerning supply chain objectives over the next 5-10 years, the top three rankings in this section are consistent with last year's survey: Improvement of service levels to customers remains the foremost supply chain objective, while the integration of technology, improving the flow of business intelligence, lowering procurement costs and reducing order lead times are also focus areas.

Breaking habits is tough

When questioned about supply chain challenges, respondents ranked the top supply chain challenge as the willingness to change/breaking old habits/relationships, which is undoubtedly a leadership, management or communication issue.

She says that it is important to note that seven out of the top ten ranked supply chain challenges relate to people.

"These views support the fact that change is difficult - and the greatest obstacle is to change people. Leaders are required to create the context and environment for change in order to effect change seamlessly and successfully."

When viewing change in the supply chain, 36% of respondents said there is a controlled and deliberate process to managing change in their supply chains, whilst the remaining 64% said their companies either react or change when required to respond to market needs) or see little or no development potential of their supply chains).

Only 42% of respondents said their organisations are constantly in touch with anticipated shifts in the market and predicting game changing trends. Concerning capabilities to implement change within organisations, 45% of respondents believe it is well executed but needs improvement, and only 7% responded that it is extensive and comprehensive. A high percentage (68%) of respondents believes that the health of their companies is at risk in the face of current and potential changes in global market structures and emerging technologies.

Emerging megatrends

This year's survey also sought to understand respondents' views on the emerging megatrends, and their potential impact on supply chains, businesses and industries. The key observation is that all the megatrends are viewed as opportunities and less so as threats. The greatest perceived opportunity is from technology innovation, and the greatest threat is seen as the rise of Asian economies.

From an industry perspective, the construction and engineering companies rated the Asian Economies megatrend as a major perceived threat, perhaps indicating the influence Asian countries are having on infrastructure development projects, especially in East Africa.

Respondents ranked the level of opportunity and threats at a similar level in almost all of the stated trends, which suggest a more comprehensive understanding of these and related trends need to be further explored.

"Industries, companies and individuals need to fully understand and carefully assess which future trends are most applicable to them and then develop strategies to prepare for and leverage the opportunities they represent. Visionary leadership and change management skills will be key to navigating and succeeding in a dynamic business environment in the coming years," concludes Stubbs.

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