Gartner Peer Community... **GenAl** for Supply Chain: A

Beginner's Guide



14%

22%

3%

before roll out

considering it

We have not

adopted GenAI, and

are not considering it

8%

Customer Service (e.g.

automation, solution

suggestions)

comes to the actual implementation, details are surprisingly sparse. How are supply chain and procurement professionals approaching the work of implementing GenAI, and what advice do they have for those just starting the journey?

One-Minute Insights:

You're not as far behind as you think: many organizations are still integrating GenAl, and most have been using it for less than six months

Many hands make light work: consider leveraging the power of cross-team

Center of Excellence to support your GenAl roll out

The devil is in the details: respondents say unrealistic expectations and unclear goals are the primary cause of roadblocks

You don't have to do it alone: many are turning to third party vendors for the GenAI tools they need

Data collection: August 24, 2023 - September 12, 2023

Partially integrated

Fully integrated

functions

n = 69

across supply chain

While GenAI is a hot topic in Supply Chain, few

Respondents: 69 Supply Chain and Procurement professionals who have visibility

into their organizations GenAl implementation processes

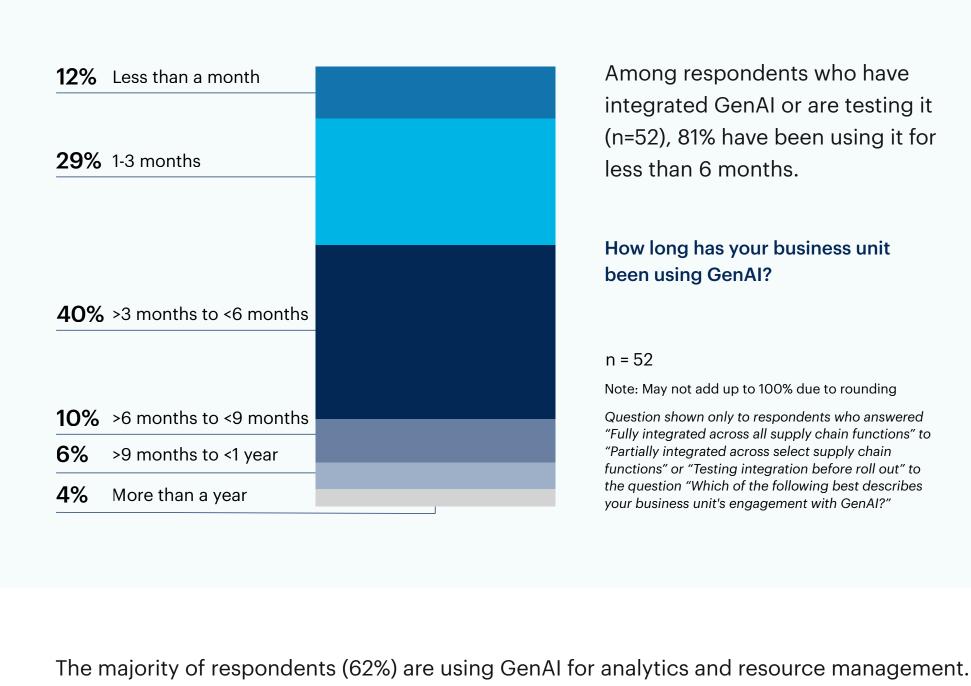
functions, 45% have it at least partially integrated.

Which of the following best describes your business unit's engagement with GenAI? 45% Testing integration

organizations have have a mature implementation

While only 16% of respondents have fully integrated GenAI across supply chain

across select supply chain functions We have not adopted 16% GenAl, but we are



Note: May not add up to 100% due to rounding n = 52Question shown only to respondents who answered "Fully integrated across all supply chain functions" to "Partially integrated across select supply chain functions" or "Testing integration before roll out" to the question "Which of the following best describes your business unit's engagement with GenAI?"

Which of the following high-level use cases best describes

how your business unit is currently using GenAl?

31%

Process automation (e.g.

knowledge base

enhancement, etc.)

low-level task management, chatbots, call forwarding

62%

Analytics & resource

management (e.g. supply chain

optimization, disruption

mitigation, supply chain visibility)

Can you briefly describe one of the ways your

business unit has actively adopted GenAI?

"We have used GenAI to run different models for potential supply chain functions. We analyze what we do and compare that to different inputs. And because we can generate so much data so quickly we are able to visualize doing things in a completely different way and see the true cost and time impact it would have on service." - Manager, consumer goods industry, <1,001 employees

"Understanding of

83%

39%

Procurement

53%

Finance

Respondents advise setting clear goals, and

28%

Legal

consumption patterns to

help create structures for

refurbishment of raw assessment with materials and goods." scenarios generated" - C-suite, finance, banking and - Manager, finance, banking and insurance industry, 10,001+ employees insurance industry, 10,001+ employees

Bringing together the Supply Chain, IT and InfoSec

a popular way to manage the GenAI roll out process

More than two-thirds of respondents (69%) say they leveraged a cross-departmental

teams in a cross-departmental Center-of-Excellence is

83% said the supply chain team was **Supply Chain** 44% involved, 53% said IT was involved and InfoSec 44% said InfoSec was involved. What teams are involved in the implementation of

n = 36

programs to ensure GenAl success When asked what roadblocks they'd advise others to watch out for, respondents most commonly selected unrealistic expectations (58%), rushing implementation (38%) and a lack of clear objectives (37%). What roadblocks did you encounter during your GenAI implementation that you'd advise others to watch out for? Select all that apply. 38% 37% 33% 58% 35% Unrealistic Rushing Lack of clear Insufficient Inadequate domain expectations implementation objectives training data knowledge

implementing robust training and change management

"It's important to keep an open mind and be willing to learn what AI models can teach you. You might go in with very specific goals but I promise if you have an open mind you will see new avenues open up that you did not initially envision."

"Figure out what are your long-term goals that you want to achieve with

the use of GenAI, study how it aligns with your current goals."

- Director, retail industry, 10,001+ employees

- Manager, consumer goods industry, <1,001 employees

- Director, telecommunications industry, 5,001-10,000 employees

•

"Invest in training!!!"

10,001+ employees

37%

Building

entirely

in-house

mitigation, supply chain visibility)

(e.g. low-level task management,

(e.g. chatbots, call forwarding automation, solution suggestions)

knowledge base enhancement, etc.)

Process Automation

Customer Service

business unit outsourcing to vendors? Select all that apply."

Question shown only to respondents who answered "Outsourcing entirely to vendors"

or "A mix of both" to the question "Which of the following GenAl use cases is your

n = 52

"Start now, implementation "Proper documentation is will take a while until then required to be in place for efficient implementation" enjoy lessons learned!" - Manager, manufacturing - Director, utilities industry, 10,001+ employees industry, 10,001+ employees Many organizations are turning to third-party vendors for

their analytics and resource management GenAI tools

2%

Unsure

27%

A mix of both

35%

Outsourcing

entirely to

vendors

and engaging discussions from a community of your peers.

Click here to explore the revamped, retooled and reimagined Gartner Peer Community. You'll get access to synthesized insights

Want more insights like this from leaders like yourself?

41%

10,001+ employees 37% 34% 5,001 - 10,000 1,001 - 5,000 employees 22%

Director C-Suite 24% VP 9% 4% Respondents: 69 Supply Chain and Procurement professionals who have visibility into their organizations GenAI implementation processes

Respondent Breakdown Region North America 51% APAC 43% **Job Level Company Size**

Manager

63%

Gartner

© 2023 Gartner, Inc. and/or its affiliates. All rights reserved.

This content, which provides opinions and points of view expressed by users, does not represent the views of Gartner; Gartner neither endorses it nor makes any warranties about its accuracy or completeness. Source: Gartner Peer Community, GenAl Implementations: Use-Cases, Recommendations and Pitfalls survey

"It has been adopted to help with our customer support processes, it has entirely ensured that our customers receive immediate assistance, 24/7." - Manager, retail industry, 10,001+ employees "Supplier network optimization and proposing the best supply options" - Director, utilities industry, 10,001+ employees

"Data collection and

preparation, generating

forecast scenarios, risk

team or Center of Excellence for their GenAl roll out. Did your organization leverage a cross-departmental team/Center of Excellence for your GenAl roll out? Question shown only to respondents who answered "Fully integrated across all supply 69% 25% 6% chain functions" to "Partially integrated across Yes No Not sure select supply chain functions" or "Testing integration before roll out" to the question "Which of the following best describes your business unit's engagement with GenAI?" n = 52

Among those who have leveraged

cross-departmental teams or a Center of

Excellence for their GenAI roll out (n=36),

GenAl at your organization? Select all that apply.

Question shown only to respondents who answered "Yes" to the

question "Did your organization leverage a cross-departmental

team/Center of Excellence for your GenAI roll out?"

Overfitting 23% | Underestimating maintenance needs 21% | n = 52Insufficient collaboration 21% | Insufficient data privacy and security 17% | Not outlining and addressing specific needs 17% | Insufficient change management 12% | Not validating outputs 10% | Neglecting ethical considerations 2% | Vendor lock-in 2% | We didn't make any mistakes during our implementation **0%** | Other **0%** Question shown only to respondents who answered "Fully integrated across all supply chain functions" to "Partially integrated across select supply chain functions" or "Testing integration before roll out" to the question "Which of the following best describes your business unit's engagement with GenAI?"

What advice would you give to a supply chain team

on where to start with their GenAI implementation?

"It's essential to define the "Proper change management and project goals and pain points of your management are needed to organization, identify specific challenges in your supply have a properly personalized chain that could benefit from experience and avoid Al-driven solutions." implementation delays" - Manager, retail industry, - Manager, software industry,

10,001+ employees

The majority of respondents (62%)

say they're outsourcing some (27%)

or all (35%) of the building of GenAI

Is your business unit building GenAI tools

Question shown only to respondents who answered "Fully

integrated across select supply chain functions" or "Testing integration before roll out" to the question "Which of the following

56%

n = 32

<1,001

employees

employees

integrated across all supply chain functions" to "Partially

in-house or outsourcing to vendors?

Note: May not add up to 100% due to rounding

tools to vendors.

best describes your business unit's engagement with GenAI?" Respondents who are using vendors for some of all of their GenAl tools are most commonly turning to them for analytics and resource management (75%) and process automation (56%). Which of the following GenAI use cases is your business unit outsourcing to vendors? Select all that apply. Analytics & resource management (e.g. supply chain optimization, disruption **75%**