5 Biggest Supply Chain Trends in 2019

For top businesses, supply chain management (SCM) can only be viewed in the context of maximizing strategic competitive advantage.

In the midst of a projected global economic slowdown in the next few years and heightening trade wars between trade giants, supply chain trends in 2019 have focused on minimizing risks from volatility while optimizing the supply chain. A labor shortage across the supply chain and rising automation can be seen as the driving force for innovation in SCM. The capacity of businesses to adapt to creating 'digital supply chains' can make or break their lead.

Here are the biggest supply chain trends in 2019:

Demand-driven strategies

In SCM, the end really does justify the means as demand-driven strategies are coming to the forefront in the industry. Supply chain visibility not only increases the security in the whole logistics chain, but also responds to consumer demand for faster deliveries. Retail shipments are taking a backseat as brands are now directly shipping to consumers which requires supply chain planning to strategically locate its warehouses and remodel its logistics based on that demand. [Brands are branching out in response to strong consumer spending in China](#), Australia, South America, and Southeast Asia.

Warehouse Execution Systems

Warehousing and storage management are also benefiting from the digital supply chain trend. Warehouse execution systems (WES) are real-time systems that automate and orchestrate warehouse management. Through pre-programmed guidelines, WES sensors in the storage facilities can send constant and immediate feedback to the centralized software used to assess, analyze, and prompt urgent action. Autonomous mobile robots in warehouse markets are also seen to grow exponentially. [Supply Chain Dive reports that the growth in e-commerce](#) is projected to drive the need for more robotic and automated systems in warehouse and logistics facilities.

Digitization of Logistics and Fleet Management

The trend of digital transformation in logistics and fleet management has continued in 2019. [Trucking Info notes that a driver shortage continues to force rapid innovation](#) in the fleet management industry. Though driverless trucks are still seen as a long-term solution, deploying current digital solutions enable SCM companies to drive down operational costs and increase efficiency in fleet vehicles. [Verizon Connect UK](#)

[details how British fleet companies use tracking solutions](#) to optimize routes. This is done by using data to find the shortest routes and helps their drivers avoid external factors like traffic congestion. Other solutions include integrating machine learning software to extend the life of vehicles by proactive tracking and flagging pre-emptive repairs.

Machine Learning: The Future of SCM

Machine learning enables businesses to reveal patterns and improve the supply chain by identifying inefficiencies. Since the early 2000s, machine learning systems — software that use neural networks to self-improve and self-learn — have been used in SCM mainly to improve demand forecasts. Currently, the machine learning that is being utilized in helping to reduce freight costs, improve sourcing mechanisms, and minimize supplier risk by constantly identifying gaps and generating real-time insightful data analysis. Machine learning has enabled sourcing companies to make build-to-order and order-in-demand relationships with suppliers, greatly contributing to the sustainability of supply chains.

JJ is a freelance writer and digital nomad currently stationed in UK. She is passionate about the developments in the tech industry and enjoys writing about how to bring the latest tech closer to various businesses. When she's not working on a new piece, you'll find her jogging at her favorite local park.

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