

How supply chain and operations leaders are using AI today

Our second annual survey of leaders in supply chain and operations about their use of AI shows that they are focused on it as an opportunity to boost productivity, and that they expect to increase its use across the function in the next two years. However, **nearly 60% of these leaders say their companies are moving too slowly adopting AI.**

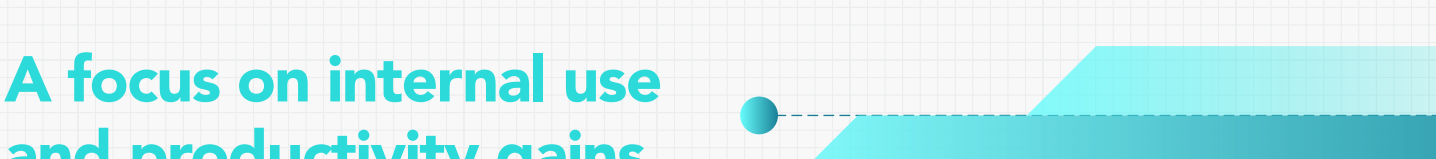
Separate surveys explored the perspectives of chief people officers; chief marketing officers; chief legal officers; chief sales officers; chief strategy officers; chief digital, technology, or information officers; and chief AI officers. Other survey reports and other insights on leadership and AI can be found on heidrick.com.

Usage is growing—but most leaders want to move even faster

More companies are using AI in some capacity, leaders across functions say, though few say their company is using it across most or all of the organization yet. Supply chain and operations leaders are aligned.

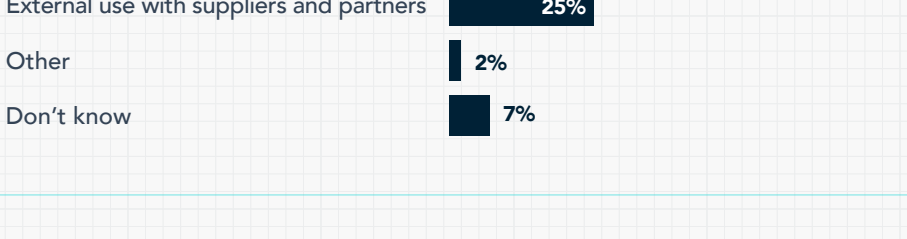


Nearly 60% of supply chain and operations leaders say their companies are adopting AI too slowly, the highest share among their C-suite peers.

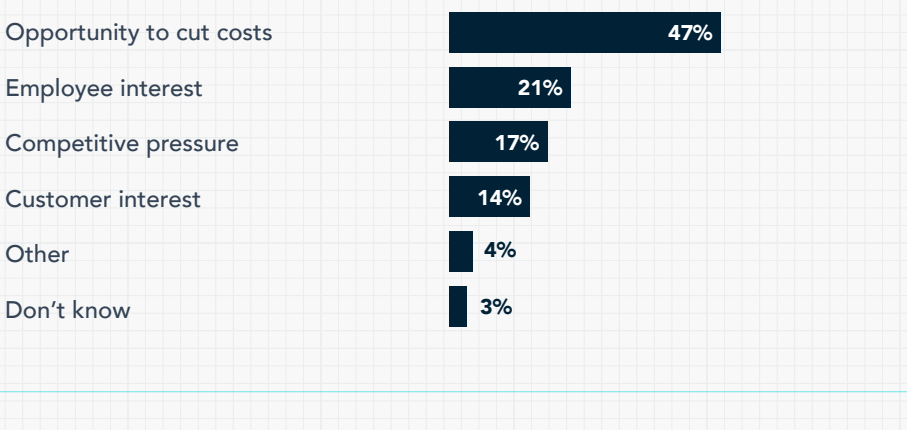


A focus on internal use and productivity gains

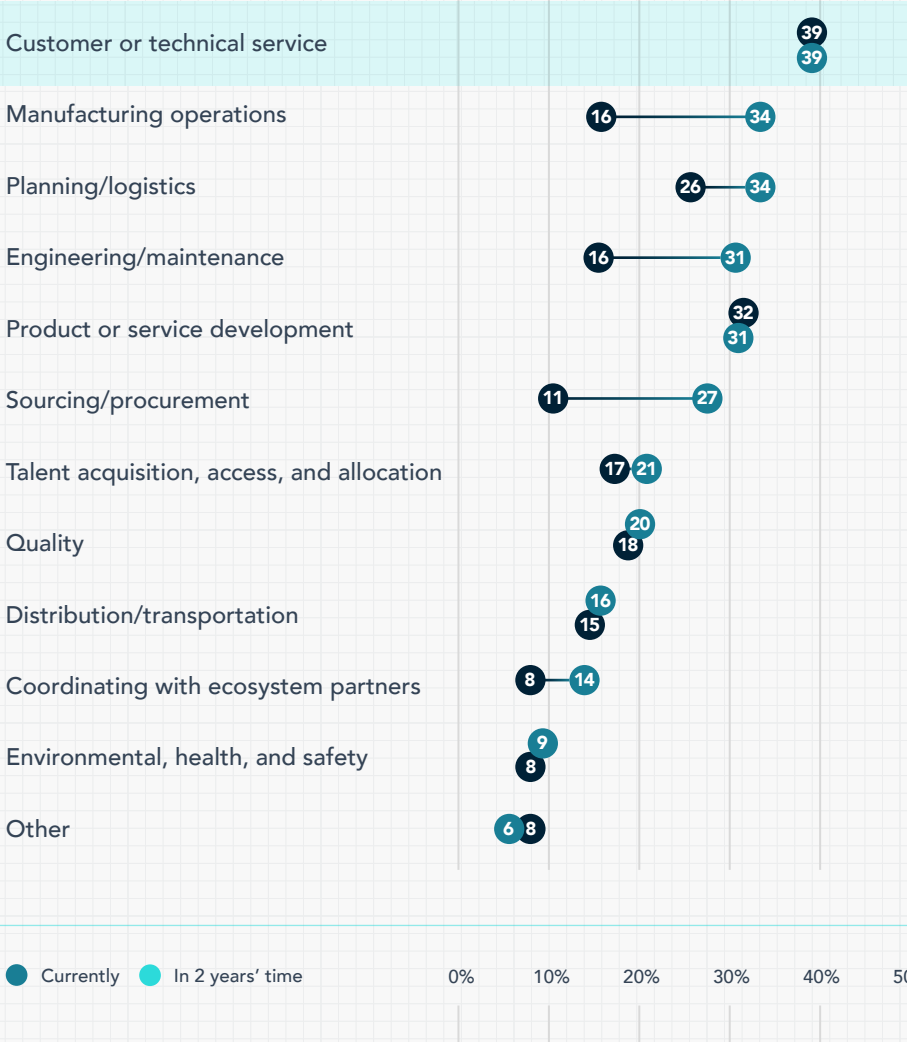
A strong majority of supply chain and operations leaders say they are focused on AI for internal use...



...with nearly three-quarters saying that it is the opportunity to increase productivity that has had the most influence on their company's adoption of AI.

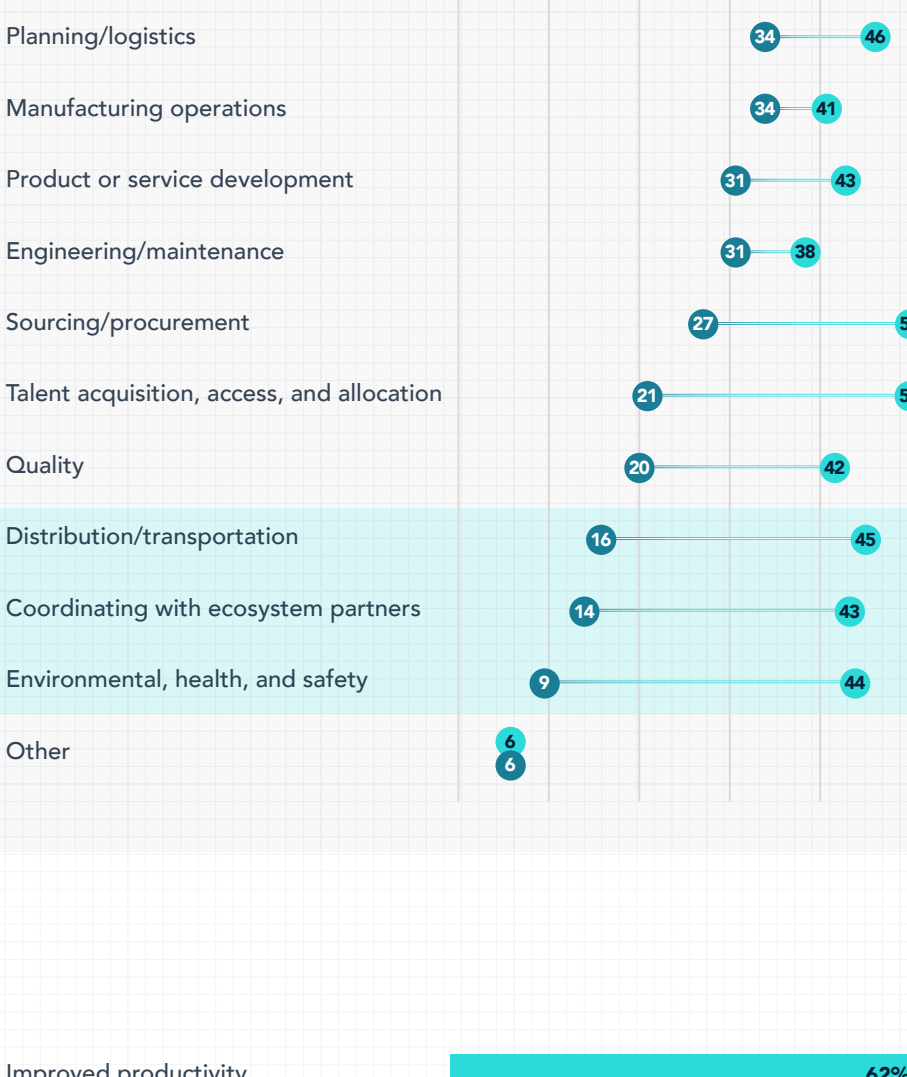


Between 2023 and 2024, the shares of supply chain and operations leaders who said their companies were using AI in manufacturing operations and sourcing and procurement more than doubled. The shares saying their companies are using it for engineering and maintenance and coordinating with ecosystem partners rose nearly as much.



Looking two years ahead, supply chain and operations expect to increase the use of AI across all functional tasks, with the biggest jumps in environmental, health, and safety; coordinating with ecosystem partners; and distribution and transportation.

Half of supply chain and operations leaders say that in two years they expect they will be using AI for sourcing and procurement and talent acquisition, access, and allocation.



Measuring ROI

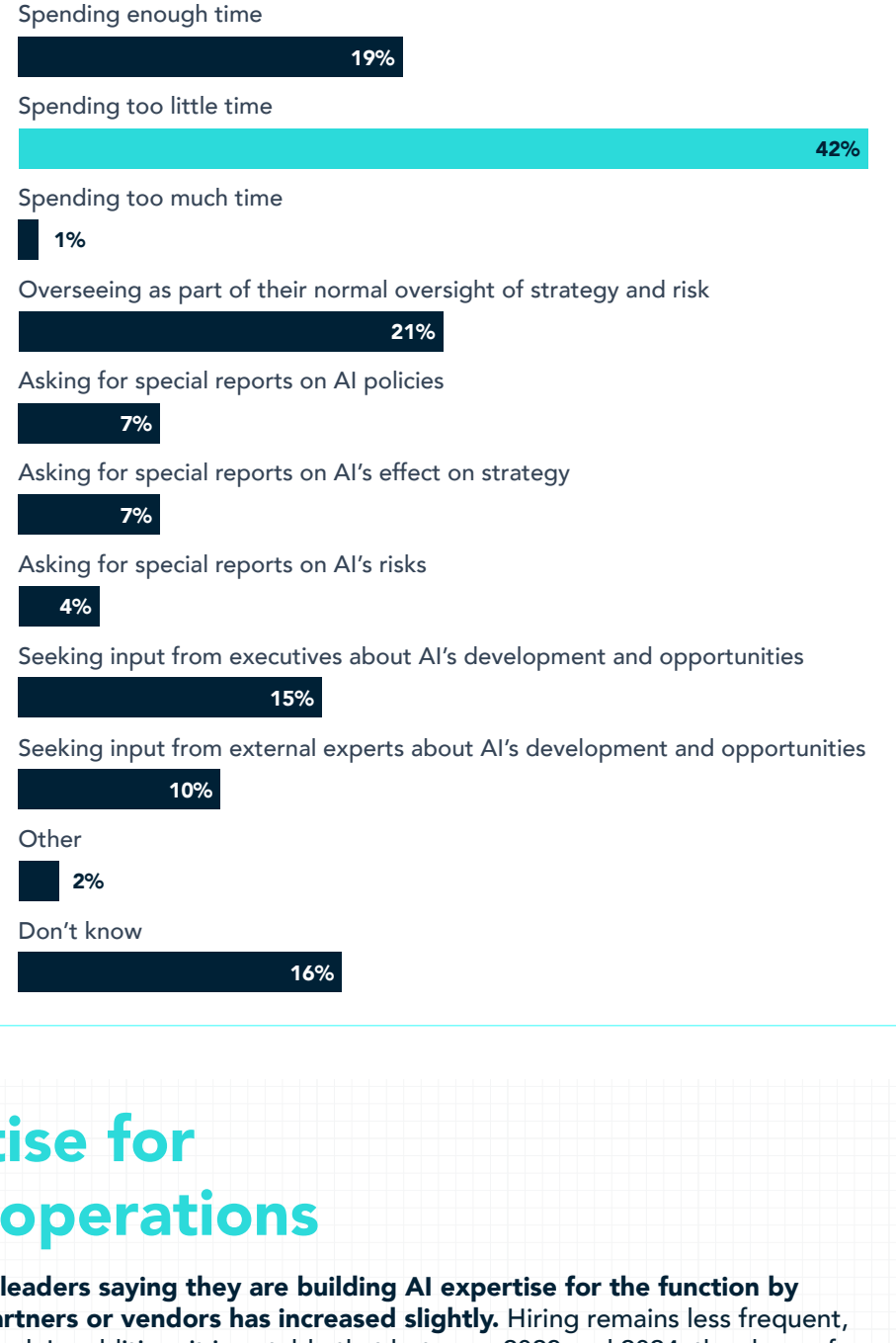
Despite the hype about AI and how quickly companies are adopting it, supply chain and operations leaders, as well as most of their peers across functions, indicate that their companies aren't investing just to keep up with peers: **they are measuring success based on their goals, as they would any other investment.**



Who's taking the lead?

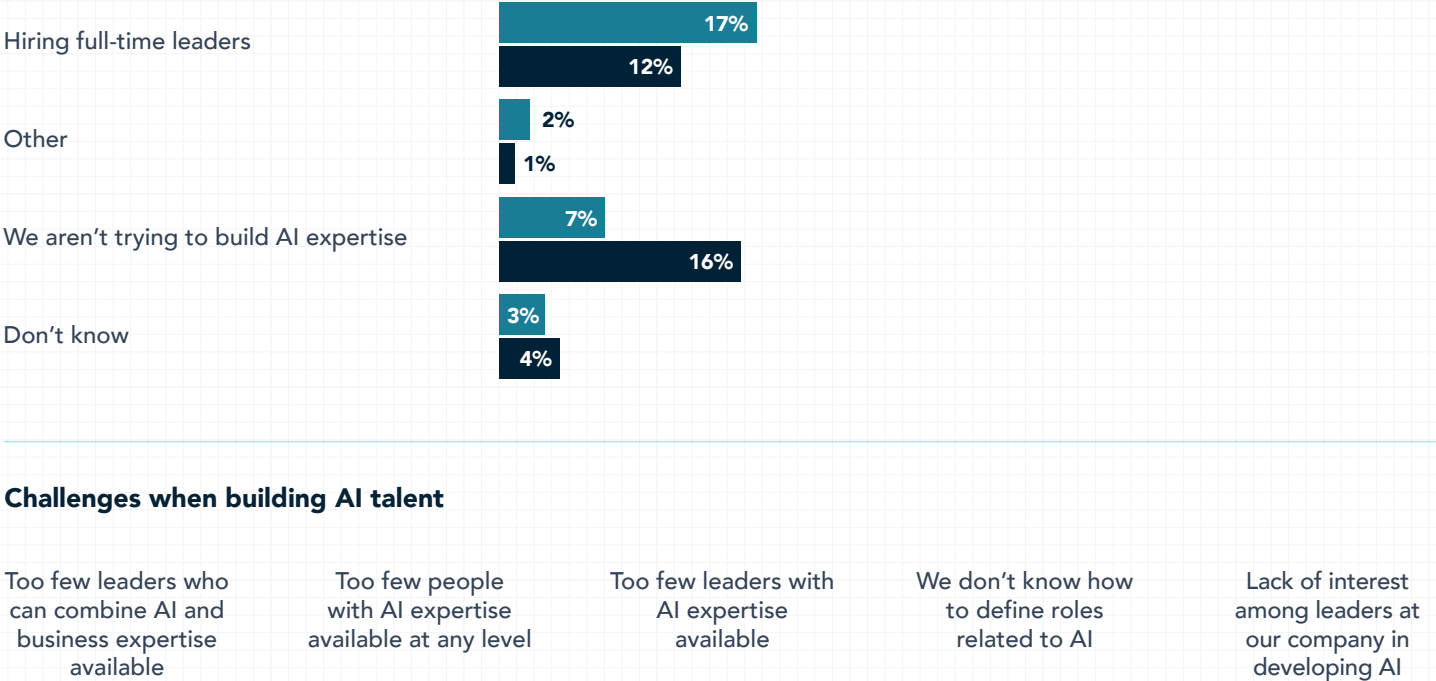
Across functions, the person who is most often cited as owning AI strategy is the chief information, technology, or digital officer. About 10% say it's the CEO. And just over 10% say no one.¹

Forty percent say the CEO is involved in setting AI policies, and just over 60% say the digital leader is involved. There's little consistency among survey respondents in who else is involved, though general counsels and chief information officers are cited more often than most other leaders by leaders across functions.



Finding AI expertise for supply chain and operations

The share of supply chain and operations leaders saying they are building AI expertise for the function by collaborating with external technology partners or vendors has increased slightly. Hiring remains less frequent, mostly because expertise remains hard to find. In addition, it is notable that between 2023 and 2024, the share of leaders who said that they wanted to build AI expertise halved, making it the lowest share in any function.



Challenges when building AI talent



Talent considerations for leaders

Across functions, it's still hard for companies to find the AI talent they need. As leaders seek to use AI for a broadening range of tasks and projects—eventually rewiring business processes across the enterprise—we expect high demand for AI-specific expertise at all levels to continue for three to six years. In the long run, it seems likely demand will follow a pattern similar to that in earlier waves of computing innovation, from personal computing to cloud, in which specific technical expertise was in high demand during the transition, but then declined as the relevant knowledge became a part of every person's role. In other words, we expect that basic working knowledge of AI will be as fundamental an expectation for senior leaders as being digitally savvy is today.



That said, we also expect every executive will have a leader responsible for the AI strategy and for AI platforms and tools. This executive may or may not have a chief AI officer title.



About the research

In spring 2024, we surveyed 1,894 executives: 518 executives in finance; 401 executives in human resources; 153 executives in legal; 335 executives in marketing; 93 executives in sales; 90 executives in strategy; and 304 executives in supply chain and operations. This survey had a global reach; respondents represent the full range of industries, company revenue levels, and various company ownership structures. In 2023, we conducted similar surveys, including a survey of 327 supply chain and operations leaders.

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