

# SUPPLY CHAIN PREDICTIONS FOR 2022

The CIO at VAI says “the past year equipped us with the knowledge and experiences to maintain operational efficiency and continue business growth”

January 5, 2022 • Tissue Online • Kevin Beasley

Another holiday season with an overloaded supply chain was bad news for retailers and business leaders. “If nothing else, it means we have spent the entire year battling supply chain disruptions”, said Kevin Beasley, CIO at VAI enterprise. From the increase in cyberattacks in the first quarter to port congestion and labor shortages, business and supply chain leaders faced several major challenges in 2021.

With the start of this new year, it is important to take stock and look ahead to the challenges and opportunities in store for the supply chain in 2022.

Many of the supply chain issues that arose in 2021 will continue to complicate operations, and business and supply chain leaders must prepare now for 2022. While it is difficult to make predictions in this volatile supply chain market,

Beasley shared with Forbes four likely scenarios that can be expected to become reality:

## **CONTINUED SUPPLY CHAIN ISSUES**

The current supply chain landscape is not going to fix itself with the beginning of 2022.

The global paper and plastic shortage are spilling over into the new year, driving down the stock of items like straws and food packaging. Industries like manufacturing, transportation and warehousing are struggling to find workers, which directly impacts supply chain operations. This means continued order delays, supply shortages and potentially unhappy distributors, retailers and consumers.

## **AUTOMATION TO FILL THE LABOR GAP**

In 2021, warehouse managers and leaders continued investing in

automation technology to perform tasks such as inventory counts and product restocking. Additionally, the market has seen automation paired with artificial intelligence (AI) to complete more complex tasks, such as self-driving trucking and analyzing workflows.

Since businesses are implementing automation for more strategic and complex initiatives, the technologies can also be used to aid the understaffed workforce. Automation will not replace the need for human workers, but rather complement human activity in warehousing, trucking and other industries along the supply chain.

## **AN EVEN GREATER EMPHASIS ON SECURITY**

In 2021, businesses saw a 10% increase in the average cost of a data breach and a record-high number of data compromises. Cybercrime is evolving, and it does



not appear to be abating anytime soon.

Historically, only larger enterprises were targets of these crimes, but smaller businesses have been under siege just as frequently this year — and will likely continue to be targeted in the new year. The past year taught that many ways of protecting data are no longer enough to maintain secure operations, especially in remote or hybrid workplace environments. Security cannot be an afterthought but will continue to come first in every business strategy and initiative.

#### **INCREASED SPENDING ON SUPPLY CHAIN TECHNOLOGY**

Nearly half of supply chain leaders increased spending on technologies such as predictive analytics and AI during the pandemic. Spending will likely continue to climb in 2022 considering the operational efficiency it provides and its other time-tested benefits.

Over the past several years, many organizations turned to cloud-based enterprise resource planning (ERP) software for a more secure and reliable way to map out and oversee supply chain operations. Mobile support for ERP solutions is becoming ubiquitous, especially as organizations continue to operate in a remote or hybrid environment. 2021

underscored the ability to access critical information in real time, from anywhere.

Lastly, anticipate the cloud to increasingly become a common tool for smaller businesses as it is for larger organizations.

“Moving further into 2022, many of the supply chain woes we faced in 2021 will continue to hinder operations. However, the past year equipped us with the knowledge and experiences to maintain operational efficiency and continue business growth. With this knowledge, we can navigate 2022 with confidence, a skilled workforce and a technology-driven strategy”, declares Kevin Beasley.

