



The Future of SAP Transformation Supply Chain

A decision-focused perspective on Supply Chain transformations.

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KPMG The Netherlands



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Executive overview

Supply chains are becoming increasingly interconnected, creating new opportunities for visibility, intelligence, and operational performance. At the same time, rising complexity, disruption, and changing market conditions are making it more difficult for organizations to respond effectively.

Many organizations are investing in digital technologies, advanced analytics, and AI-enabled capabilities to improve supply chain performance. Yet technology alone rarely addresses the underlying challenge. As supply chains become more connected, the ability to coordinate decisions across functions, align stakeholders, and adapt to change becomes increasingly important.

Leading organizations often distinguish themselves through their ability to simplify complexity, establish stronger decision-making foundations, and create greater alignment across planning, sourcing, logistics, and operations. Rather than focusing on isolated improvements, they view the supply chain as an integrated system where people, processes, governance, and data work together to support better outcomes.

This publication explores the pressures shaping modern supply chains, the challenges decision-makers face, and the practices that may help organizations build more connected, intelligent, and adaptable supply chain operations.

Increasingly, the question is not whether organizations can access new technologies but whether they can create the conditions to use them effectively at scale.



"Organizations that simplify complexity are often better positioned to make decisions faster and adapt more effectively to change."

- Nish Sivaprasad, Senior Manager SAP Advisory



"The challenge is no longer implementing technology. It is aligning people, processes, and decisions in a way that enables supply chains to respond faster and operate more effectively."

- Johan Smits, Partner Supply Chain & Procurement

The reality leaders face today

Understanding the structural challenges
behind supply chain

The pressure to adapt

Supply chains are operating in an environment that is becoming increasingly volatile, interconnected, and difficult to predict. Geopolitical uncertainty, trade fragmentation, digital acceleration, and growing operational complexity are placing pressure on organizations to respond faster across increasingly connected supply chain ecosystems. At the same time, many organizations are reassessing whether existing operating models, data structures, and decision-making processes are equipped to support more adaptive and scalable supply chain operations.

What most organizations overlook

Continuous volatility is reshaping global supply chains^{1, 2}

Continuous volatility is increasingly influencing how many organizations design and manage global supply chains. Geopolitical tensions, evolving tariff measures, regional conflicts, and shifting trade policies are contributing to an operating environment that may become more complex and less predictable across suppliers, markets, logistics networks, and regulatory frameworks. At the same time, growing trade protectionism, regionalization strategies, and pressure on critical trade routes and infrastructure can add further complexity to global supply chain operations.

As a result, many organizations are reassessing how supply chains are structured, coordinated, and governed across the enterprise. In practice, this often includes greater focus on supplier diversification, regional production models, adaptive sourcing strategies, and broader risk management capabilities aimed at supporting resilience and operational continuity across interconnected operations. Increasing volatility may also expose limitations in operating models that were historically optimized around predictability, linear planning cycles, and efficiency-driven decision-making.

Against this backdrop, organizations may place greater emphasis on integrated visibility, scenario modeling, trade data analysis, and real-time decision support capabilities to help assess disruption impact and support more coordinated decision-making across functions and regions. As volatility becomes more structural, many organizations are also exploring more adaptive operating models that can support faster cross-functional alignment, integrated planning, and improved responsiveness across interconnected supply chain ecosystems.

“Supply chains designed for predictability may struggle under continuous volatility.”

¹ Source: [KPMG, Key trends impacting supply chains in 2026](#)
² Source: [KPMG Belgium, Top geopolitical trends shaping the business environment today](#)

E2E Orchestration and Procurement optimization¹

Fragmented supply chain operations may limit coordination, scalability, and responsiveness across the enterprise. As supply chains become more interconnected and complex, many organizations are exploring more integrated operating models to improve cross-functional alignment, standardize processes, and support more consistent decision-making across supply chain activities.

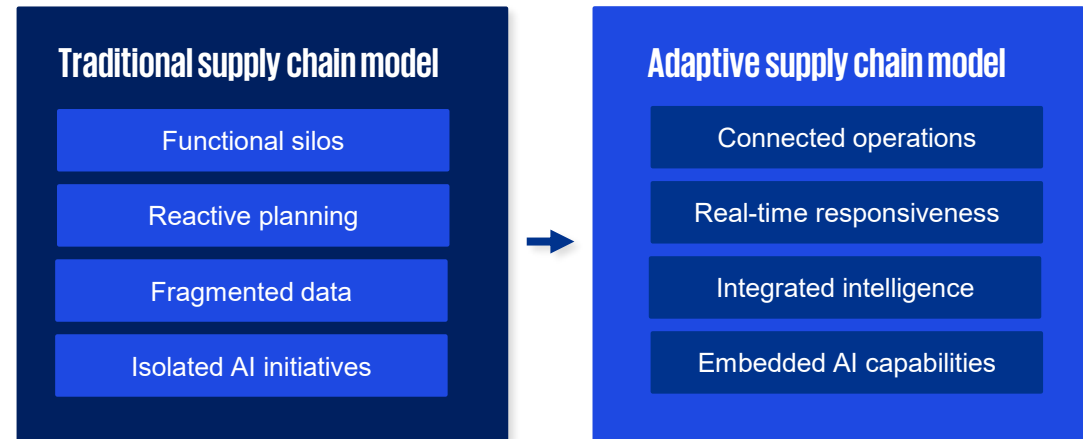
At the same time, the growing use of AI and intelligent automation is increasing the importance of integrated data foundations, governance, and collaboration between technology and operations functions. This may help organizations improve operational responsiveness while supporting more scalable and adaptive supply chain transformation.

Scaling intelligence requires integrated foundations¹

Scaling intelligence across the supply chain increasingly depends on integrated data, technology, and governance foundations. As organizations move beyond isolated AI experimentation, many are exploring how AI capabilities can be embedded more consistently across enterprise operations through connected data structures, ERP integration, and scalable digital platforms. In practice, fragmented systems and inconsistent data foundations may limit the ability to scale AI-driven use cases such as demand forecasting, inventory optimization, and operational planning across the enterprise.

This shift is also placing greater emphasis on governance, change management, process standardization, and cross-functional collaboration to support more reliable and scalable adoption of AI-enabled decision-making. Organizations are increasingly focusing on integrated foundations that combine data, technology, operations, and governance to enable more connected and adaptive supply chain ecosystems.

Figure 1. *Traditional supply chain model vs. adaptive supply chain model*



The underlying structural challenge

The underlying challenge is that many supply chains were built for stability, cost efficiency, and functional specialization rather than continuous disruption and enterprise-wide responsiveness. As geopolitical uncertainty, trade fragmentation, and AI-driven complexity continue to increase, organizations may struggle to align planning, sourcing, logistics, and operational decision-making across increasingly interconnected networks. In many cases, digital capabilities are advancing faster than the organizational structures needed to support them. This is increasing the importance of more adaptive ways of working, clearer ownership across functions, and supply chain architectures that enable faster decision-making, stronger visibility, and more coordinated execution across the enterprise.

¹ Source: [KPMG, Key trends impacting supply chains in 2026](#)

The decision leaders face

Leaders are increasingly balancing the need for operational efficiency with growing pressure to improve resilience, responsiveness, and coordination across interconnected supply chain ecosystems. As organizations explore more intelligent and adaptive supply chain capabilities, many are reassessing whether existing planning structures, operational models, and decision-making approaches can support more connected and scalable enterprise operations.

Balancing efficiency with adaptability

Leaders are increasingly balancing the need for operational efficiency with growing pressure for resilience, responsiveness, and adaptability across interconnected global operations.

Many supply chains were historically optimized around cost efficiency, predictability, and lean operations. However, increasing volatility, geopolitical uncertainty, and shifting market conditions require organizations to build more flexible and adaptive supply chain models without significantly increasing operational complexity or cost structures.

What this means for...

CIO/CTO

(and IT leadership)

Balancing standardization
with operational flexibility

Improving visibility across fragmented
systems and dataflows

Supporting scalable planning
and orchestration capabilities

CFO

Managing the trade-off between
efficiency and resilience investments

Balancing inventory optimization
with operational continuity

Improving visibility into supply
chain risk and cost exposure

COO

(and operations leadership)

Responding faster to operational
disruptions and demand shifts

Coordinating decisions across
increasingly interconnected functions

Building more adaptive sourcing
and production strategies

Barriers

Many organizations may find it difficult to balance efficiency and adaptability due to legacy operating structures, fragmented decision-making, and increasing supply chain complexity.



Operating models optimized primarily for cost efficiency



Limited visibility across suppliers and logistics networks



Siloed planning and disconnected decision-making



Inflexible sourcing and production structures



Increasing geopolitical and regulatory complexity

Enablers

Organizations that improve adaptability at scale often combine operational flexibility with stronger visibility, coordination, and decision-making capabilities.



Integrated business planning across functions and regions



Greater supply chain visibility and value-based scenario modeling



More diversified supplier and sourcing strategies



Standardized processes and clearer governance structures



Real-time data and AI-supported operational insights

The challenge is no longer optimizing isolated functions but enabling coordinated decision-making across the enterprise.

What's next?

Building more adaptive supply chains may increasingly require organizations to rethink how planning, sourcing, and operational coordination are structured across the enterprise. Rather than optimizing individual functions in isolation, the focus is shifting toward improving responsiveness, visibility, and enterprise-wide alignment across interconnected supply chain ecosystems:

- Strengthen responsiveness alongside operational efficiency.
- Improve visibility across suppliers, logistics, and production networks.
- Enable faster alignment across business and operations functions.
- Reduce dependency on concentrated sourcing structures.
- Create supply chain models that can adapt more dynamically to disruption.

Scaling intelligence across fragmented operations

Scaling intelligent supply chain capabilities increasingly depends on how effectively organizations connect data, technology, and decision-making across the enterprise.

Many organizations are moving beyond isolated AI experimentation and are exploring how intelligent capabilities can be embedded more consistently across planning, sourcing, logistics, and operational processes. However, disconnected systems, inconsistent data structures, and fragmented ownership models may make it difficult to scale intelligent capabilities consistently across enterprise operations.

In practice, AI-driven use cases often depend on integrated dataflows, standardized processes, and closer alignment between business, technology, and operational functions. As a result, organizations are increasingly focusing on creating more connected and scalable foundations that support broader orchestration, coordination, and enterprise-wide decision-making.

What this means for...

CIO/CTO

(and IT leadership)

Integrating AI capabilities across fragmented system landscapes

Improving data consistency and interoperability

Enabling scalable digital platforms and architectures

CFO

Increasing ROI from AI and digital investments

Reducing inefficiencies caused by disconnected operations

Improving visibility into operational performance and planning

CSCO

(and operations leadership)

Scaling AI-enabled planning and forecasting capabilities

Improving coordination across functions and regions

Supporting faster and more consistent operational decisions

Barriers

Many organizations may struggle to scale intelligent supply chain capabilities due to fragmented technology environments, inconsistent data, and disconnected operational structures.



Siloed systems and fragmented data landscapes



Limited process standardization across functions



Inconsistent governance and ownership structures



AI initiatives disconnected from operational execution



Limited alignment between business and technology teams

Enablers

Organizations that scale intelligent operations more effectively often focus on stronger integration, clearer governance, and more connected ways of working across the enterprise.



Integrated data and ERP environments



Standardized operational processes and planning structures



Cross-functional collaboration between business and technology



Scalable governance and change management capabilities



AI-enabled visibility and decision support capabilities

Disconnected operations may limit the ability to scale intelligent decision-making.

What's next?

Organizations may increasingly need to move beyond isolated AI initiatives and focus more on enabling connected intelligence across enterprise operations. The priority is not simply implementing AI capabilities but creating the organizational and technological conditions required to scale intelligent decision-making consistently across the supply chain:

- Improve integration across systems, data, and operations.
- Standardize processes and planning structures.
- Strengthen governance and cross-functional ownership.
- Embed AI capabilities into operational decision-making.
- Enable more connected and adaptive supply chain ecosystems.



Our structured path forward

From fragmented initiatives to a coherent,
risk-driven approach

Our expert view

What leading organizations do differently

Leading organizations increasingly recognize that supply chain performance depends not only on efficiency but also on the ability to respond effectively to changing market conditions, disruptions, and operational complexity. Rather than focusing primarily on individual functions, many organizations are exploring more connected approaches that support coordination across planning, sourcing, logistics, and operations.

These organizations often place greater emphasis on cross-functional alignment, integrated planning, and end-to-end visibility across supply chain activities. By improving how information and decisions flow across the enterprise, they may be better positioned to respond to change while maintaining operational performance.

Many organizations are also seeking to balance standardization with flexibility. Common processes, governance structures, and shared data foundations can help create greater consistency across operations, while still allowing adaptation where business requirements differ.

***You need to cocreate with the business & IT.
They need to be part of defining their own future.***

- Johan Smits, Partner Supply Chain & Procurement

They strengthen coordination across the enterprise

Leading organizations often improve responsiveness by increasing alignment across functions, regions, and supply chain activities. Greater visibility, integrated planning, and more coordinated decision-making can help organizations respond more effectively to changing conditions and operational disruptions.

As supply chain ecosystems become more interconnected, organizations are increasingly seeking to reduce friction between planning, sourcing, logistics, and execution activities. This may help support faster decision-making, clearer accountability, and improved coordination across the enterprise.

They embed accountability for value realization in the business

Organizations that scale intelligent capabilities successfully often invest in integrated data environments, standardized processes, and clearer governance structures. These foundations may help support the broader adoption of AI-enabled insights, scenario modeling, and decision-support capabilities across supply chain operations.

Many organizations are also placing greater emphasis on governance, ownership, and change management to support more consistent adoption across functions and regions. Rather than treating intelligent capabilities as stand-alone initiatives, they increasingly seek to embed them into existing planning, sourcing, logistics, and operational decision-making processes.

They simplify and standardize before they scale

Leading organizations recognize that scalability often depends on simplicity. Rather than carrying forward unnecessary complexity, they continuously challenge existing processes, customizations, and ways of working to identify opportunities for standardization and simplification.

Many organizations also focus on establishing common processes across functions and regions before introducing new technologies or intelligent capabilities. This may help reduce operational complexity, improve consistency, and create a stronger foundation for future innovation and growth.

They create a common language across systems and data

Leading organizations increasingly recognize that intelligent decision-making depends on more than connected technology alone. As supply chain environments become more diverse, organizations are focusing on creating common definitions, shared data structures, and consistent business terminology across systems and functions.

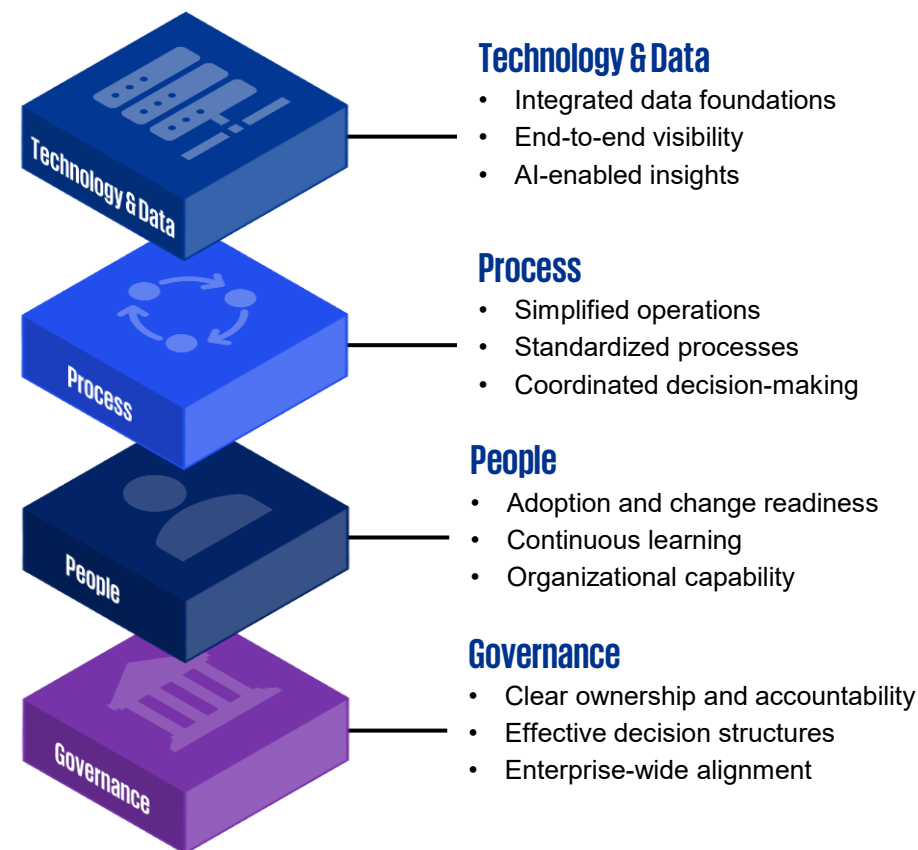
This may help improve interoperability between platforms, strengthen data quality, and support more reliable planning, forecasting, and AI-enabled decision-making. A shared data language can also help organizations scale capabilities more effectively across interconnected supply chain operations.

Technology supports process, process supports people, and people create adaptability.

- Nish Sivaprasad, Senior Manager SAP

Critical success factors for intelligent supply chain transformation

Building a more intelligent and adaptable supply chain requires more than connected technology. Leading organizations align people, processes, governance, and data to enable faster decision-making, greater adaptability, and sustainable business value.



Lessons from real transformations

Supply chain transformations often reveal a common pattern: the challenge is rarely the technology itself but how organizations align decisions, ways of working, and ownership across increasingly interconnected operations. While priorities differ between organizations, recurring themes emerge around adaptability, coordination, and the ability to translate new capabilities into operational outcomes. The following lessons reflect observations from real-world transformation programs and highlight practices that may help organizations navigate growing supply chain complexity.

Lesson 1: Adaptability requires coordinated decision-making.

Many organizations respond to volatility by adding buffers, contingency plans, or localized solutions. While these measures may improve resilience in specific areas, they do not always address the underlying challenge of coordinating decisions across increasingly interconnected supply chain networks.

Organizations that adapt more effectively often focus on improving visibility, alignment, and decision-making across planning, sourcing, logistics, and operations. Rather than optimizing individual functions in isolation, they create structures that support faster responses and more coordinated execution across the enterprise. They also recognize that adoption requirements differ across roles, making persona-driven adoption essential for sustaining change at scale.

State of control: Decisions are connected across functions and regions.

Visibility extends beyond individual teams, enabling more consistent responses to disruption and changing market conditions.

Lesson 2: Simplicity enables faster decision-making.

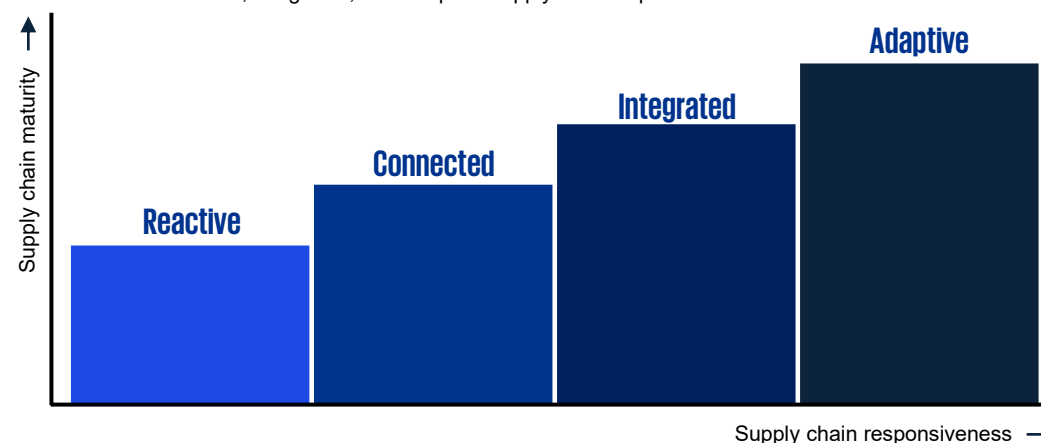
Organizations often seek to improve responsiveness through new technologies, advanced planning capabilities, and intelligent decision support tools. In practice, however, many transformation programs reveal that decision-making speed is often constrained by process complexity, fragmented ways of working, and reluctance to challenge established approaches.

Organizations that respond more effectively to change often focus on simplifying processes, reducing unnecessary complexity, and creating clearer decision-making structures. Rather than attempting large-scale transformation all at once, many start with smaller changes that can be adopted more easily and scaled over time.

State of control: Decision-making is supported by simplified processes, clear ownership, and the ability to **adapt quickly as business conditions change**.

Figure 2. *Building adaptability through simplification*

Organizations typically progress from reactive and fragmented operations toward more connected, integrated, and adaptive supply chain capabilities.



What leaders should do now

Technology may enable transformation, but adaptability determines its success. Leaders that simplify complexity, strengthen decision-making, and align their organization create the foundation for a more intelligent and responsive supply chain.

Immediate priorities for leadership

Building a more intelligent supply chain starts with leadership discipline. The following priorities help organizations improve adaptability, accelerate decision-making, and create a stronger foundation for long-term operational performance.

- **Simplify before you scale**
Remove unnecessary complexity, challenge legacy ways of working, and standardize where possible before introducing new technologies or capabilities.
- **Invest in people and adaptability**
Build the mindset, skills, and behaviors required to adopt new ways of working and respond effectively to change.
- **Accelerate decision-making with trusted data**
Create a common data foundation that enables faster, more confident decisions based on real-time insights rather than assumptions.
- **Align business, operations, and technology**
Establish a shared direction across functions, ensuring that technology investments directly support business priorities and operational outcomes.

Alignment is expressed through consistent application rather than agreement. When leadership operates from this shared stance, individual mandates reinforce one another and execution becomes predictable rather than reactive.

CIO/CTO

(and IT leadership)

Create a common data language across platforms

Ensure systems use consistent definitions and business terminology to support integrated decision-making and AI-enabled insights.

Simplify before introducing new capabilities

Challenge legacy customizations and unnecessary process variations before scaling new technologies or intelligent planning capabilities.

Build adaptable technology foundations

Keep architectures clean, integrated, and flexible so that new capabilities can be adopted without creating additional complexity.

Enable faster, data-driven decision-making

Provide trusted data, end-to-end visibility, and integrated planning capabilities that help leaders act with confidence.

Support people through technology change

Technology should support processes, and processes should support people. Adoption and usability are as important as technical functionality.

Build adaptability through simplicity

Adaptable people, simplified processes, and clean technology enable scalable supply chain operations.

CSCO

(and operations leadership)

- **Strengthen integrated business planning**
Align supply chain, finance, procurement, and commercial functions around shared priorities and coordinated decision-making.
- **Cocreate transformation with the business**
Involve business teams in defining future ways of working to strengthen ownership, adoption, and long-term success.
- **Prioritize adoption over deployment**
Technology creates value only when new capabilities are embedded into daily operations and consistently used.
- **Enable faster, data-driven decision-making**
Use real-time visibility, scenario planning, and predictive insights to respond more effectively to changing conditions.
- **Reduce complexity to improve responsiveness**
Simplified processes and clearer operating models help organizations adapt faster and scale more effectively.

Drive responsiveness through alignment

Integrated planning and faster decisions enable organizations to respond more effectively to change.

CFO

- **Align investments with business priorities**
Evaluate supply chain initiatives based on their contribution to strategic objectives, operational performance, and financial outcomes.
- **Focus on value realization beyond deployment**
Monitor whether new capabilities are adopted and utilized as intended to support expected business outcomes.
- **Balance efficiency and adaptability considerations**
Assess investments against both operational efficiency objectives and the need to respond to changing business conditions.
- **Establish transparency across performance metrics**
Promote visibility across financial, operational, and supply chain indicators to support informed decision-making.
- **Maintain oversight throughout the transformation life cycle**
Review priorities, assumptions, and expected outcomes regularly as business needs and operating environments evolve.

Strengthen value realization through oversight

Effective governance helps connect investments, adoption, and business outcomes over time.

How to start the journey

Building a more intelligent and adaptable supply chain requires more than technology implementation alone. Organizations that progress successfully often combine simplified processes, aligned decision-making, and strong adoption foundations before scaling new capabilities. Rather than pursuing large-scale change all at once, many focus on establishing the conditions that support long-term adaptability, responsiveness, and operational performance.



Simplify before introducing new capabilities

Challenge legacy complexity, unnecessary process variations, and outdated ways of working before scaling new solutions.



Cocreate the future operating model

Engage business stakeholders early and involve them in defining future processes, capabilities, and ways of working.



Start small and scale what works

Validate new approaches in focused areas before expanding across functions, regions, or supply chain activities.



Define the business outcomes first

Establish a clear view of the operational and business outcomes the transformation should support before selecting technologies or capabilities.



Create a common data and decision foundation

Align data definitions, business terminology, and planning assumptions to support more consistent decision-making.



Invest in adoption from day one

Build change readiness, capability development, and ownership alongside technology implementation efforts.



Build for adaptability, not perfection

Create the structures, governance, and operating practices needed to respond effectively as business conditions evolve.

Where to focus investment and attention

Building a more intelligent and adaptable supply chain requires balanced investment across people, processes, governance, and technology. Organizations that focus exclusively on technology often struggle to realize the full value of transformation. Long-term success depends on strengthening the capabilities that support better decisions, faster responses, and sustained adoption over time.

1. Strengthening the core

Reducing unnecessary complexity creates the foundation for scalability and adaptability. Organizations often focus on simplifying processes, reducing variations, and establishing common ways of working before introducing new capabilities.

2. Data and decision foundations

Trusted data, shared business terminology, and integrated planning capabilities support more consistent and informed decision-making. Investment in these foundations helps organizations coordinate actions across functions and respond more effectively to change.

3. People, adoption, and capability building

Technology alone does not change how organizations operate. Change readiness, capability development, and business ownership are critical to embedding new ways of working and sustaining value over time.

4. Governance and alignment

Clear ownership, coordinated decision-making, and enterprise-wide alignment help organizations balance local priorities with broader business objectives. Governance provides the structure needed to maintain consistency as complexity increases.

What success looks like

Successful supply chain transformation is not defined by technology implementation alone. It becomes visible in how organizations make decisions, respond to change, and embed new capabilities into daily operations.

Faster and more informed decisions

Decisions are supported by trusted data, shared assumptions, and greater visibility across functions and operations.

Simplified and scalable operations

Processes are standardized where appropriate, reducing unnecessary complexity and enabling more consistent execution.

Adoption embedded in daily work

Teams understand, use, and continuously improve new capabilities as part of normal operations.

Greater adaptability and responsiveness

The organization can respond more effectively to changing market conditions, disruptions, and evolving business priorities.

In summary: The future of supply chain is not built on technology alone but on adaptability, alignment, and disciplined execution.

Supply chain transformation is often approached through technology, data, or process redesign. In practice, long-term success depends on an organization's ability to simplify complexity, align decision-making, and continuously adapt as conditions change. Leading organizations treat technology as an enabler, not the destination. They establish common processes, integrated data foundations, and clear governance structures that support faster decisions and more coordinated execution across the enterprise. As supply chains become increasingly interconnected, competitive advantage shifts from efficiency alone to the ability to respond, adapt, and scale intelligently over time.

Key takeaway 1

Adaptability is the new competitive advantage

Supply chains can no longer be optimized solely for efficiency. Organizations that adapt faster to disruption, demand shifts, and market changes are better positioned for long-term success.

Key takeaway 2

Technology enables, but operating models determine outcomes

Digital capabilities create value only when supported by aligned processes, integrated decision-making, and adoption across the business.

Key takeaway 3

Connected decisions outperform isolated optimization

As supply chains become more interconnected, performance increasingly depends on coordination across functions, data, and stakeholders rather than local optimization.

Key takeaway 4

Simplicity creates the foundation for scale

Organizations that simplify processes, standardize ways of working, and establish clear governance can scale capabilities more effectively while maintaining agility.

Meet the authors

The authors bring together expertise in supply chain transformation, SAP-enabled business change and enterprise adoption. Their focus is on helping organizations build more adaptive, connected and scalable supply chain operations.

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We help organizations move beyond implementation, focusing on sustained adoption and creating value from SAP transformations.

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