The New Supply Chain Playbook:

From Cost Center to Profit Driver

LeanDNA

Introduction

Supply chain management is no longer just about cutting costs and ensuring operational efficiency—it has become a strategic driver of business growth. Despite this shift, many manufacturing organizations still struggle to align supply chain priorities with broader business objectives.

LeanDNA partnered with Wakefield Research in Q1 20225 to survey 200 U.S. manufacturing executives and supply chain leaders to uncover the biggest shifts, challenges, and opportunities shaping the future of supply chain management. The findings reveal an industry in transition:

- **Leadership alignment remains a challenge.** 85% of executives and 94% of supply chain leaders say their company's top leadership is still skeptical of the link between supply chain resiliency and business growth.
- **Digital transformation is falling behind.** Digital transformation (the seamless connection of data, systems, and workflows across suppliers, production, and logistics) is falling behind. 81% of manufacturers haven't fully synchronized their supply chains—leading to inefficiencies, production delays, and lost revenue.
- **AI is the next frontier, but adoption is slow.** While 92% of executives agree AI-driven insights are essential for predicting and preventing disruptions, only 19% of companies have fully digitized operations.

This misalignment surfaced in the research often results in underinvestment in digital transformation, delays in AI adoption, and missed opportunities to create a more resilient, agile supply chain. In this new era, leading manufacturers are redefining supply chain execution through digital synchronization, AI-driven insights, and proactive decision-making.

This playbook will break down:

- Why supply chain must transition from a cost center to a business growth engine
- How top manufacturers are aligning supply chain with C-suite priorities
- The role of AI and digital synchronization in driving transformation
- Real-world success stories from industry leaders like Veeco Instruments, MSA Safety, and Modine Manufacturing
- Practical steps and strategies for supply chain leaders to implement these changes in their organizations

The Cost Center Mindset is Holding Supply Chains Back

For decades, supply chain has been viewed primarily as a cost center—a function tasked with keeping expenses low, reducing excess inventory, and maintaining efficiency. But in today's dynamic environment, supply chains are key to competitive differentiation, revenue generation, and market expansion.

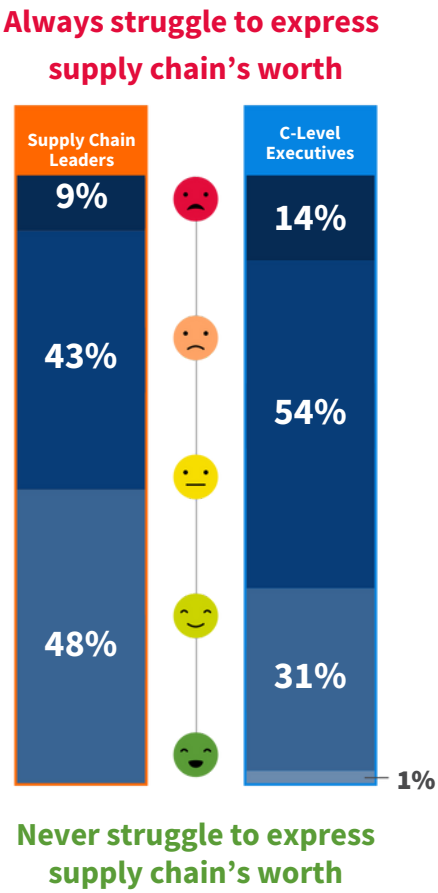
The C-Suite Perception Gap

While supply chain leaders recognize the business impact of supply chain operations, 30% of executives still view it as a cost center rather than a strategic enabler. This perception gap leads to slower decision-making, reduced investment in technology, and resistance to change. Our study found:

- 100% of supply chain leaders say they struggle to communicate their value to the C-suite.
- 99% of executives acknowledge that supply chain leaders fail to effectively convey their business impact.
- 53% of supply chain leaders cite lost revenue as the biggest risk of delaying innovation.

100% **of supply chain leaders struggle explaining to leadership the value their staff brings to their company**

Frequency of Difficulty Supply Chain Leaders Have Communicating to Leadership the Business Value Supply Chain Creates



Shifting Mindsets: How Leading Manufacturers Are Proving the Value of Supply Chain

To change this outdated perception, supply chain leaders must shift the conversation from cost reduction to value creation. Here's how forward-thinking manufacturers are leading the way:

1 **Building Cross-Functional Collaboration:**
- Engage finance, sales, and operations teams to demonstrate how supply chain decisions impact revenue and profitability
- Establish regular touchpoints with the C-suite to align on business goals
- Develop shared KPIs that tie supply chain performance to overall business objectives

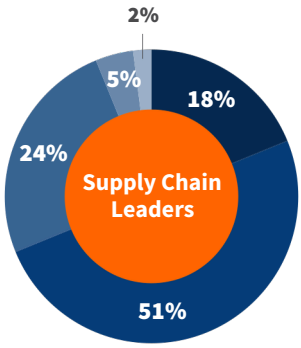
2 **Quantifying Business Impact:**
- Use data analytics to show the financial impact of supply chain optimizations
- Create reports that link supply chain initiatives to business outcomes, such as improved cash flow, cost savings, and customer retention
- Demonstrate how investments in supply chain technology can deliver measurable ROI

3 **Investing in AI & Digital Tools:**
- Implement AI-driven forecasting models to reduce uncertainty in supply chain planning
- Showcase predictive analytics as a means of mitigating risks and preventing disruptions before they occur
- Use automation to reduce manual processes and optimize supply chain execution

Driving Toward Digital Supply Chain Synchronization Continues

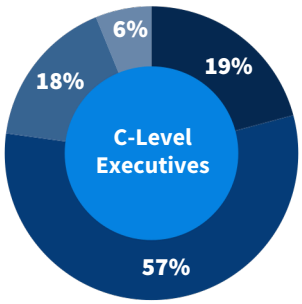
Companies Report Big Progress Toward Supply Chain Synchronization

- We have reached full synchronization
- We are working steadily towards full synchronization
- We have started the process but are still a ways away
- We have not started the process but are planning on it
- We are not pursuing synchronization



69%

of supply chain leaders are fully synced or working toward it



76%

of C-Level executives are fully synced or working toward it

Case Study: Veeco Instruments – Reducing Critical Shortages by 50% Through Digital Synchronization

Veeco Instruments, a leading global supplier of semiconductor processing systems, faced a major challenge in shortage management and supply chain execution. Managing the production of complex systems that take 13 weeks to build and launching multiple systems per month required a high level of precision in planning and execution. However, their existing manual processes and siloed data made proactive decision-making difficult, leading to frequent disruptions and inefficiencies.

The Challenge: Manual Processes & Lack of Forward Visibility
Before implementing LeanDNA, shortage reporting was slow, reactive, and prone to errors. The team relied on downloading data from SAP, reformatting it in Excel, and manually sharing it with management. This process consumed valuable time and made it difficult to anticipate and prevent shortages before they disrupted production. Additionally, Veeco's ERP system lacked the ability to provide real-time visibility into future shortages, leaving teams focused on immediate issues instead of proactively addressing potential disruptions.

> *We had to run reports, reformat them, and then use Excel to communicate shortages back to management. The shortage meetings would take over an hour, and communication wasn't effective because actions were outside of SAP.*
>
> **— Greg Martin, Master Scheduler**

The Solution: Digital Synchronization & AI-Driven Decision-Making
To improve shortage visibility, execution speed, and collaboration, Veeco implemented LeanDNA's intelligent supply chain execution platform, leveraging:

- Clear to Build capability – Provided visibility into orders ready for production, surfacing missing parts that could delay builds and allowing buyers and planners to proactively prevent shortages
- Line of Balance reports – Allowed the team to forecast production delays in advance, prioritize actions, and collaborate effectively to avoid supply chain bottlenecks
- Real-time supplier collaboration – Enabled faster decision-making by ensuring that buyers, planners, and suppliers had access to live data feeds

The Results: A 50% Reduction in Critical Shortages & Faster Execution
Since implementing LeanDNA, Veeco has seen transformative improvements in shortage management and overall supply chain efficiency:

- 50% reduction in critical shortages – Veeco's real-time insights and proactive planning significantly lowered the number of supply chain disruptions impacting production
- Saved time in shortage meetings – Meetings that previously took over an hour were cut in half, allowing teams to focus more time on solving issues rather than discussing them
- 50% improvement in days to resolve quality purchase orders (QPOs) – The time required to resolve QPOs was reduced from 240 days to 120 days, with progress toward a 90-day target

> *LeanDNA allows me to focus on not just what's on shortages now, but also looking ahead to see future shortages. I couldn't do that before. We are able to identify not only current status but future needs. With LeanDNA, we see live feeds from our suppliers, so we are all in the know faster.*
>
> **— Greg Martin, Master Scheduler**

Overcoming the Supply Chain Value Gap with the C-Suite

Executives and supply chain leaders agree that supply chain must play a more strategic role, but there's a disconnect when it comes to execution. Many supply chain teams lack the data visibility, synchronization, and AI capabilities needed to demonstrate their full impact on the business.

The Value Gap: What the Data Tells Us

The communication gap between supply chain leaders and the C-suite is a critical roadblock:

- 85% of supply chain leaders see supply chain as a growth driver, yet skepticism about its strategic impact remains high, with 30% of C-level executives still viewing supply chain as a cost center.
- 46% of executives expect supply chain operations to gain greater visibility in the C-suite over the next 12 months, highlighting an urgent need for supply chain leaders to clearly articulate their impact.
- 99% of executives and 100% of supply chain leaders acknowledge that supply chain teams struggle to effectively communicate their value to leadership.
- The misalignment extends to priorities—53% of supply chain leaders cite lost revenue as the biggest risk of delayed innovation, while 53% of executives are more concerned about production disruptions.

Greatest Risks of Delaying Supply Chain Operational Innovations

Supply Chain Leaders			C-Level Executives	
Reputational damage and lost revenue	**53%**		**53%**	**Increased risk of production disruptions or delays**
Paying higher costs for inventory	**53%**		**43%**	Slower response to market fluctuations
More challenging to stay in compliance with regulations	**50%**		**41%**	Paying higher costs for inventory
Increased risk of production disruptions or delays	**46%**		**39%**	Reputational damage and lost revenue
Falling behind competitors	**32%**		**37%**	More challenging to stay in compliance with regulations
Slower response to market fluctuations	**31%**	RISK	**30%**	Falling behind competitors
None of these	**0%**		**1%**	None of these

How to Bridge the Gap

1 **Align Supply Chain KPIs with Business Objectives:**

- Move beyond operational metrics (inventory reduction, efficiency) to focus on revenue impact, profitability, and customer satisfaction
- Develop KPI dashboards that provide real-time performance tracking against business objectives
- Collaborate with finance and executive leadership to create metrics that highlight the direct business impact of supply chain decisions

2 **Invest in AI and Digital Synchronization:**

- AI-driven insights can help forecast demand, optimize inventory, and mitigate disruptions before they happen
- Digital synchronization ensures that teams across the supply chain are working from a single source of truth
- Real-time analytics and automation can help supply chain teams make faster, more revenue-impacting decisions

3 **Improve C-Suite Communication:**

- Supply chain leaders need to translate their initiatives into language that resonates with executives—growth, risk mitigation, and market competitiveness
- Share success stories that demonstrate how supply chain innovation directly impacts business expansion
- Develop business cases that clearly articulate how supply chain transformation initiatives contribute to corporate growth strategies

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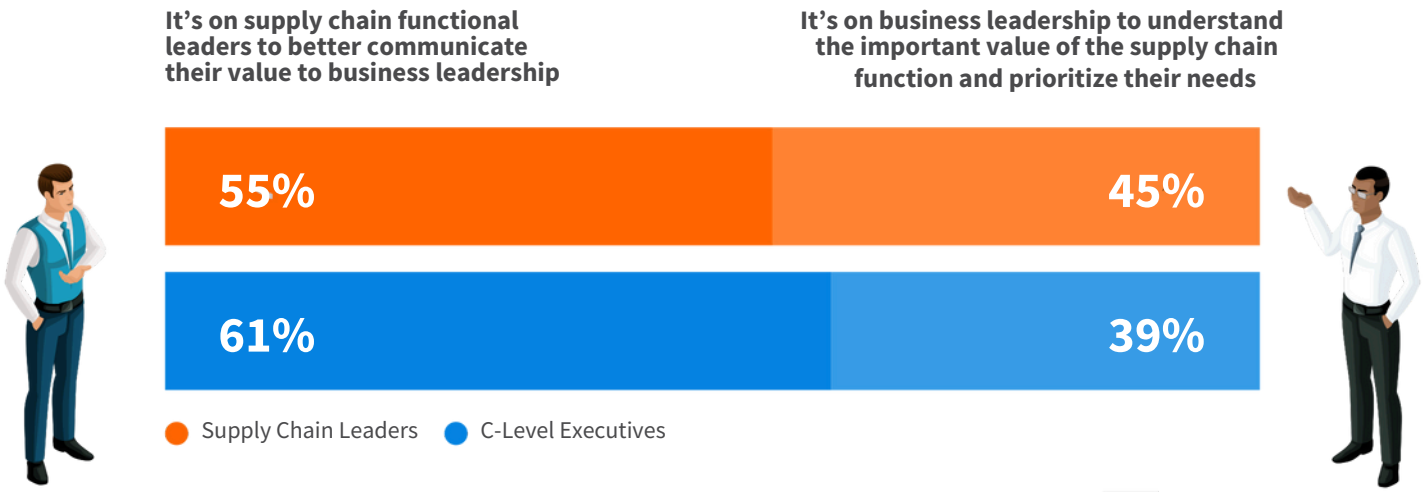
How to Bridge the C-Suite / Supply Chain Leadership Divide



Case Study: MSA - The Safety Company

MSA - The Safety Company, a leader in safety equipment manufacturing, faced challenges with inventory visibility and demand fluctuations due to its Assemble-to-Order (ATO) process. Traditional methods of managing inventory became ineffective as supply chain complexities increased. By implementing LeanDNA, MSA was able to enhance supply chain execution, improve collaboration, and optimize inventory management.

> *After implementing LeanDNA, visibility in demand forecasting became clearer. LeanDNA gave us an interactive picture of what changes were happening and where we had the potential for critical material shortages*
>
> **— Carl McKinney, Buyer**

LeanDNA provided prioritized actions ordered by importance and criticality to help supply chain teams make decisions that positively impact short and long-term goals. Digitally enabled shortage reporting advanced MSA Safety purchasing effectiveness and improved the quality of the conversations between buyers and planners.

By utilizing LeanDNA's centralized inventory optimization capabilities, the MSA team:

- Gained real-time visibility into demand fluctuations, reducing delays and shortages
- Improved buyer and planner collaboration, ensuring proactive issue resolution
- Created a streamlined, digitized procurement process, enhancing efficiency across teams

The result? Faster response times, reduced shortages, and a more resilient supply chain.

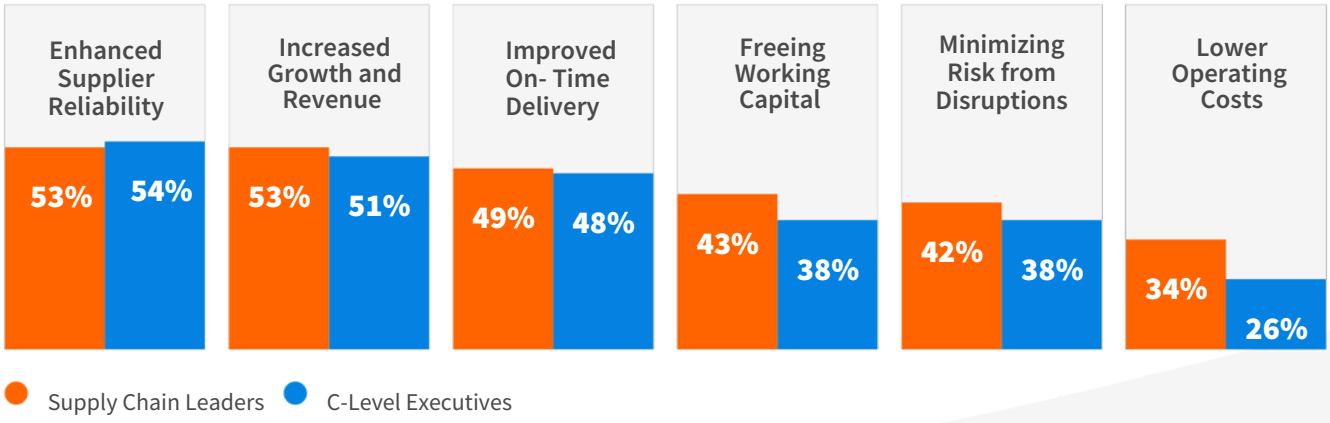
Digital Synchronization & AI Are Reshaping the Future

81% of manufacturers haven't fully synchronized their supply chains, leading to inefficiencies, slow response times, and unnecessary costs. Only 19% of manufacturers have fully digitized their supply chain operations, yet AI adoption is already proving its value.

Why Digital Synchronization Matters

- Real-time supply chain visibility improves decision-making and agility
- Predictive analytics reduce the risk of disruptions before they impact production
- AI-driven automation optimizes inventory levels and supplier collaboration
- Improved supply chain agility allows companies to respond to market changes more effectively

What Manufacturers See as the Benefits of Digital Supply Chain Synchronization



Case Study: Modine Manufacturing – Transforming Supply Chain Execution with AI and Business Intelligence

At Modine, a leading provider of thermal management solutions, supply chain transformation was critical to sustaining business growth. James Dawsey, Senior SIOP & Demand Management Leader, led the company's initiative to leverage business intelligence and AI-powered analytics to drive efficiency and reduce supply chain shortages.

Prior to implementing LeanDNA, Modine struggled with:

- Limited visibility into future demand and inventory risk, leading to increased shortages
- Disjointed communication across teams, making proactive planning difficult
- High inventory carrying costs, restricting agility and tying up capital

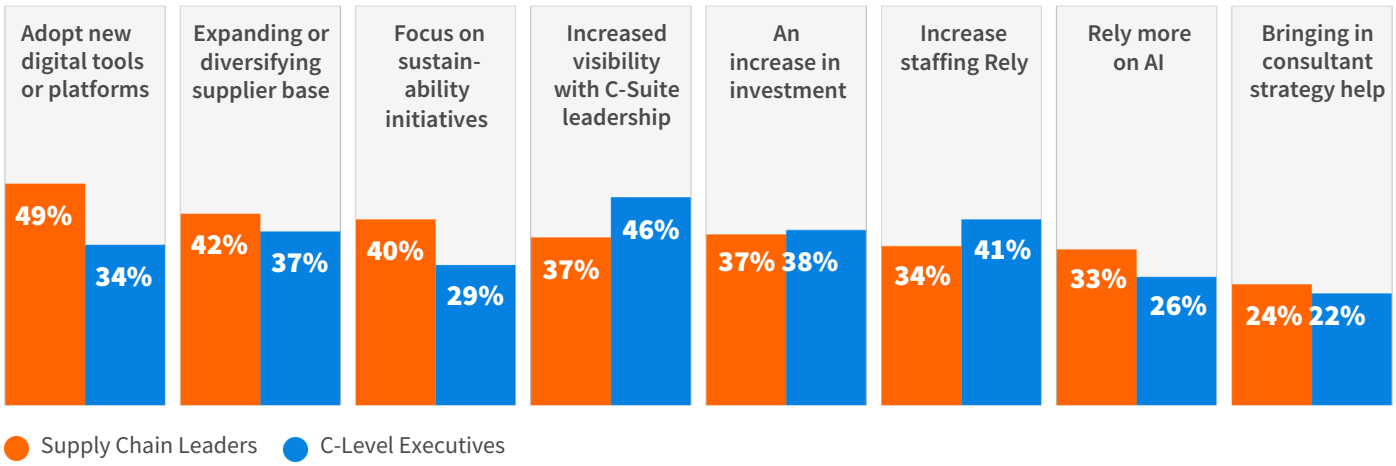
To overcome these challenges, Modine implemented LeanDNA to gain real-time insights and optimize execution resulting in:

- 33% reduction in shortages
- Clear to Build performance improved from mid-40% to over 90%, ensuring smoother production execution
- Inventory turns improved which reduced excess capital tied up in inventory while preventing shortages

> *Supply Chain is swiftly evolving with AI and business intelligence playing an ever more prominent role in expedient decision making. LeanDNA provides organizations a strategic competitive advantage by enabling rapid response and intelligent decision-making.*
>
> **— James Dawsey**
> **Senior SIOP & Demand Management Leader**

The Future of Supply Chain Execution

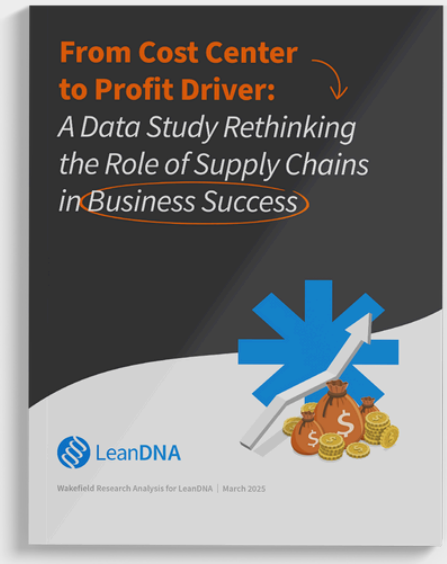
Over the next 12 months, almost half (46%) of C-Level executives expect supply chain operations to rise in visibility with their C-Suite leadership. Executives also expect to increase staffing (41%) and investments (38%). For supply chain leaders, 49% see the adoption of new digital tools or platform coming as well as expansion and diversification of the supplier base (42%).



The manufacturers leading the way in digital transformation, AI adoption, and supply chain synchronization aren't just improving operational efficiency—they're driving business growth. Those who fail to act risk falling behind in an increasingly competitive market.

Download the data study for more insights.

Download the Report



Turning Insights into Action

The data is clear: supply chain is at a crossroads. The manufacturers that embrace digital transformation, AI-driven insights, and real-time supply chain synchronization will be the ones that thrive in the years ahead.

But transformation isn't just about technology–it's about having the right combination of technology, tools, team, and processes to turn your data into actionable results.

Leading manufacturers use LeanDNA to:

- **Synchronize data across teams and suppliers for a single source of truth**
- **Improve decision-making with AI-driven insights that prioritize the most critical supply chain actions**
- **Reduce risk and drive profitability by proactively addressing disruptions and optimizing inventory**

The future of supply chain isn't just about keeping up—it's about leading the way. Learn how leading manufacturers are leveraging LeanDNA to synchronize their supply chains, optimize inventory, and drive growth.

Schedule a Demo

LeanDNA