How supply chain and operations leaders are using Al 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 Al.

Usage is growing—but most

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.

leaders want to move even faster More companies are using AI in some capacity, leaders across functions say, though few say their company

Not yet using Al Using it in Using it in some functions it in some functions most or all functions or business units or business units or business units

is using it across most or all of the organization yet. Supply chain and operations leaders are aligned.

Piloting

44%

Nearly 60% of supply chain and operations leaders say their companies are adopting AI too slowly,

Don't know

Too slowly

Other

Don't know

Don't know

2023

2024

Customer or technical service

A focus on internal use

A strong majority of supply chain Internal use and operations leaders say they are External use with customers focused on AI for internal use... External use with suppliers and partners

and productivity gains

the highest share among their C-suite peers.

Too fast

At the right speed

...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 Al.

Opportunity to increase productivity 74% Opportunity to drive innovation Opportunity to cut costs 21% Employee interest 17% Competitive pressure 14% Customer interest Other

0%

10%

20%

40%

30%

50%

7%

59%

8%

saying their companies are using it for engineering and maintenance and coordinating with ecosystem partners rose nearly as much.

Between 2023 and 2024, the

their companies were using Al in manufacturing operations and sourcing and procurement

more than doubled. The shares

shares of supply chain and operations leaders who said

> Manufacturing operations Planning/logistics Engineering/maintenance Product or service development Sourcing/procurement Talent acquisition, access, and allocation Quality Distribution/transportation Coordinating with ecosystem partners Environmental, health, and safety Other Currently In 2 years' time 0% 10% 20% 30% 40% 50% Customer or technical service

expect they will be using AI for sourcing and procurement and talent acquisition, access, and allocation.

Looking two years ahead, supply

functional tasks, with the biggest jumps in environmental, health,

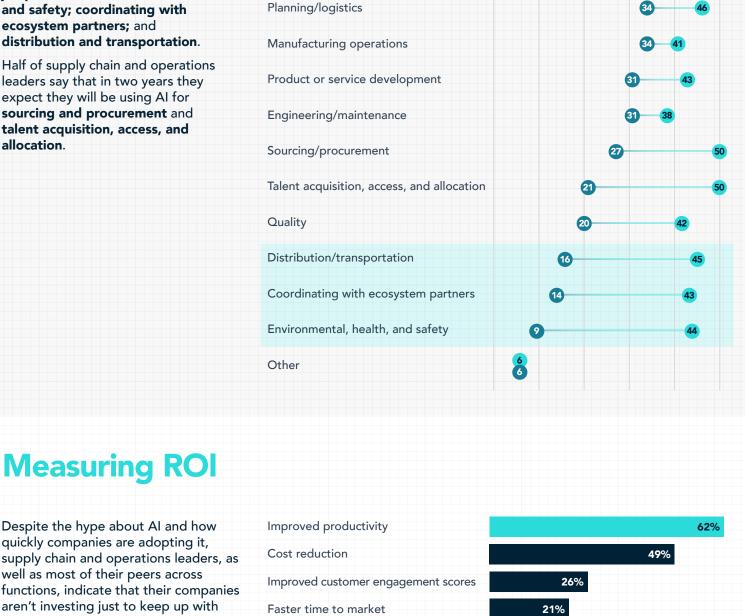
chain and operations expect to increase the use of AI across all

and safety; coordinating with ecosystem partners; and

distribution and transportation.

Half of supply chain and operations

leaders say that in two years they



Increased market share

similar across most functions.

10%

16%

28%

Other

Don't know

Don't know

Who's taking

Measuring ROI

Despite the hype about AI and how

quickly companies are adopting it,

well as most of their peers across

peers: they are measuring success based on their goals, as they would

any other investment.

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

in setting AI policies, and just over

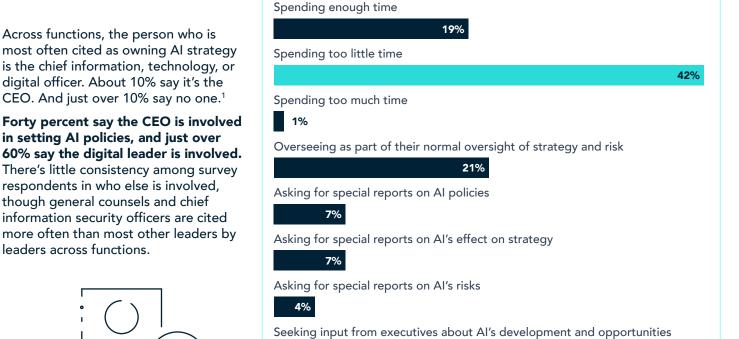
respondents in who else is involved,

though general counsels and chief

leaders across functions.

Finding Al expertise for

supply chain and operations



Seeking input from external experts about AI's development and opportunities

57%

54% 54%

46%

As for the board, 42% of supply chain and operations leaders do not think the board is spending enough time on AI. This share is

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 aren't trying to build AI expertise halved, making it the lowest share in any function. 2023 2024 Collaborating with external technology partners or vendors Developing internally, including upskilling

or reskilling existing workforce

Other

Don't know

Engaging consultants 20% 18% Engaging on-demand talent **9**% 17% Hiring full-time leaders 12%

16%

1%

7%

We aren't trying to build AI expertise

Challenges when building AI talent Too few leaders with We don't know how Too few leaders who Too few people Lack of interest can combine AI and with AI expertise Al expertise to define roles among leaders at business expertise available at any level available related to AI our company in available developing AI expertise themselves Too few leaders who We have other People with AI Our compensation We aren't trying to for AI talent is not have run a large Al priorities for expertise are less build AI expertise interested in our program available investing in talent competitive industry than others Other Don't know No specific challenges



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 enterprise will have a senior leader responsible for the AI strategy and for AI platforms and tools. This executive may or may not have a chief AI officer title.

Across functions, it's still hard for companies to find the AI talent they need.

projects—eventually rewiring business processes across the enterprise—we expect high demand for Al-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

As leaders seek to use AI for a broadening range of tasks and

In spring 2024, we surveyed 1,894 executives: 518 executives in finance; About the research 401 executives in human resources; 153 executives in legal; 335 executives

¹ Notably, only 31% of the respondents who said no one owns the Al strategy also said their company is not yet using Al;

39% said their company is piloting, and another 29% said their company is using it in some areas.

Talent considerations for leaders

Victoria Reese **New York**

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. Heidrick & Struggles' Supply Chain & Operations **Heidrick & Struggles' Corporate Officers Practice Officers Practice** Fabrice Lebecq

in marketing; 93 executives in sales; 90 executives in strategy; and 304

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