

# The top five supply chain bets for 2026

Kearney Supply Chain Brief 2026

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## What has changed since last year?

Our 2025 bets argued that supply chains would need to fund transformation, that resilience would likely return, that sustainability would hit an execution crossroads, that AI would fail without a data backbone, and that planning transformations needed an overhaul.

In 2026, these bets still hold, but the focus has shifted. Cost and cash discipline are more important than ever. Resilience is not only back—it has become a core pillar of enterprise performance even as many organizations remain trapped in short-term firefighting (as seen in recent disruptions across semiconductors, copper, and critical components). Sustainability is increasingly a victim of geopolitical turbulence. At the same time, AI has moved from pilots toward P&L expectations, though tangible impact remains limited to select cases, with many initiatives still failing to scale. And planning transformations? Still mid-flight—too often not in the focus of executive leadership.

In an environment dominated by geopolitical uncertainty and persistent volatility, supply chain leadership is increasingly judged by the ability to make fast, repeatable trade-off decisions across service, cost, cash,

and risk. Based on the work of Kearney's supply chain experts, we have updated our supply chain bets for 2026 to give executives clear guidance on what to double down on and what to scale back on (or stop completely).

## Bet 1: supply chain is becoming the source of competitive differentiation

Volatility is now a permanent feature, and customers punish inconsistency faster than ever. In 2026, the gap will widen between companies that are merely efficient and those that deliver reliably when others cannot—a direct evolution of our 2025 point that supply chain must fund transformation. It is now a core capability to defend and expand market share.

This forces a shift from one supply chain to a portfolio of capabilities designed around distinct value propositions including speed, reliability, customization, cost-to-serve, and compliance. Where commercial commitments are made in isolation from operations, the consequences surface later through margin erosion, excess inventory, and lost customers. Supply chain becomes the operating core of the customer promise, and leadership must be explicit about where it will overperform and equally clear about where performance ambition can be more modest by design.

Leading organizations are becoming more deliberate about how they serve each channel, market, and customer, including the trade-offs required and their operational implications. Align those choices with differentiated supply chain capabilities for each segment and translate them into targets for the core KPIs (service, cost, cash, risk). Finally, leverage the integrated planning and execution process to deliver consistently against those objectives.

## Bet 2: decision speed is overtaking strategy as a performance driver

Disruption is high-frequency, while most decision processes remain low-frequency. In 2026, competitive advantage is increasingly coming from fast, repeatable decision-making rather than from having the “best plan.”

Planning must function as a cross-functional decision engine rather than a calendar-driven ritual. The differentiator is decision latency: the time from signal to scenario to decision to execution. When that cycle remains slow, volatility is absorbed through higher cost, higher inventory, weaker service, and growing operational noise.

For leading organizations, scenario planning is becoming mandatory and operational, with pragmatic “what-if” capabilities embedded in S&OP/IBP cycles and running continuously to support clear decisions and execution actions. Performance is increasingly evaluated against decisions made in the monthly cycle, using AI where it adds leverage to detect deviations early and support pragmatic adjustments to IBP decisions. In addition, leaders are formalizing triggers and playbooks by defining early-warning indicators, thresholds, and decision rights, supported by preapproved response actions that enable faster and more consistent decision execution.

## Bet 3: resilience is being redefined through targeted investments

Resilience has returned and is now non-negotiable. Blanket resilience programs and untargeted initiatives are increasingly failing to sustain momentum, as they add cost and complexity without reliably reducing exposure and struggle to survive sustained financial scrutiny.

What differentiates leaders in 2026 is the treatment of resilience as a managed capability rather than a one-off program. This is reflected in a move away from static risk lists toward embedding resilience into operating models, investment planning processes, and everyday decision-making.

The critical enabler is maintaining an up-to-date, value-stream view of exposures—quantifying potential impact (value-at-risk) and making trade-offs explicit (for example, inventory build-up versus risk mitigation) to support targeted decisions. By doing so, organizations can concentrate investment on a small number of high-impact failure points, ensuring resilience investments deliver the highest returns.

## Bet 4: AI in supply chain is facing an earnings test

The AI conversation is shifting from experimentation to earnings impact. In 2026, many pilots will be failing to progress beyond experimentation. The root causes are predictable: unclear value cases, poor data quality, fragmented technology stacks, and pilots that were never designed to scale.

AI in supply chain needs to be treated as an industrial capability, with clear ownership, governance, monitoring, and integration into day-to-day processes. Organizations that remain in experimentation are accumulating prototypes and skepticism, while those that focus are translating AI into measurable improvements in cost, cash, service, and risk.

Leading organizations are managing AI use cases as a portfolio, with explicit scale and stop gates. A small number of use cases that materially affect service, cost, cash, or risk are being industrialized, while others are time-boxed with clear exit criteria. Investment is concentrating on priorities with the highest enterprise impact, including decision speed, resilience, and sharpening competitive supply chain advantage.

## Bet 5: execution discipline is emerging as the real battleground

Each year, a new wave of “must-do” priorities lands on the agenda of supply chain executives before previous waves are finished. Initiatives start, stall, and often resurface later under a different label while the underlying problems persist for years.

In 2026, success is increasingly defined by execution discipline. Across industries, organizations continue to struggle to convert ambition into outcomes. Implementations slip, concepts remain unused, and

realized benefits fall short of business cases. The cost of poor execution compounds as additional investment is required while benefits remain unrealized.

Leading organizations are consequently narrowing their agendas to a small number of must-win initiatives. These initiatives are supported by clear targets, single-point ownership and decision rights, and resourcing aligned to ambition. Outcomes are measured against committed targets and pragmatic project reviews are institutionalized to ensure progress and sharing of learnings beyond individual project teams.

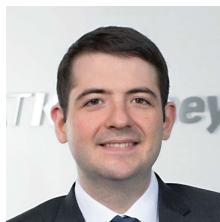
## Which bets will you choose?

In 2026, supply chain is judged less by efficiency in stable periods and more by reliability when conditions change. Organizations that perform consistently under volatility are treating supply chain as a competitive system: differentiated where it matters, resilient where it counts, fast in decision-making, and disciplined in execution.

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