

Course for Change: Building resilient FMCG supply chains for an unconventional world



MAERSK

ALL THE WAY

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01. Executive summary

Resilient supply chains have always underpinned the success of fast-moving consumer goods (FMCG) companies. However, these companies are also having to adjust to new challenges: rapidly shifting business environments, emerging risks and increasing unpredictability.

This research, conducted by FT Longitude on behalf of Maersk, reveals how a small group of frontrunners outperforms other FMCG companies in building and maintaining supply chain resilience.

By analysing their strategies and priorities, we reveal how you can achieve the same resilience.

This report analyses the responses from 190 supply chain professionals from the food and beverages; beer, wine, spirits and tobacco; and home and personal care industries. These FMCG supply chain experts were part of a larger, multisector survey carried out in February and March 2025.

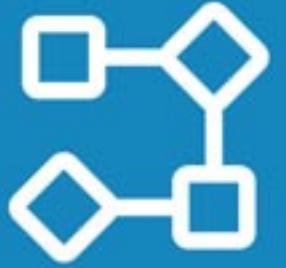


What we found out

FMCG businesses lost 3.7% of revenue to supply chain disruptions, while frontrunners limited losses to under 1%.



Frontrunners treat resilience as a strategic priority, not just a crisis response.



Frontrunners prioritise data skills to maximise the value of supply chain technologies.



Frontrunners prioritise collaboration and relationship management with supply chain partners.



Logistics can significantly boost or hinder resilience, depending on execution.



02. Introduction

It's hard to think of a sector that's more exposed to supply chain disruption than fast-moving consumers goods (FMCG). Supplying everything from the ice creams we eat on warm days to the toothpaste we use every morning, FMCG companies' supply chains have to cope with everything from rapid innovation to volatile demand.

On top of this they are, like other companies, exposed to severe climate events, cyber threats and geopolitical upheavals. The losses resulting from these disruptions – both financial and in terms of business continuity – can be significant.

Our research shows that many FMCG companies struggle to contain disruption-related losses: companies in the sector lost the equivalent of 3.7% of revenues to disruption in their most recent fiscal year. But a small group that we call the resilience frontrunners is keeping losses to below 1%. In this report we will show how they achieve that, so that other companies can learn from their best practices.



Resilience matters

According to a study by Nature and King's College London, the impacts of climate change will generate losses that could reach nearly US\$25tn by 2060. Tracking global trade routes, the study found that everything from crop failures to labour slowdowns caused by extreme heat could disrupt supplies of raw materials and manufacturing. Countries that are known for manufacturing, such as China and the US, are expected to feel the impacts of such disruptions most.¹

The potential results of disruptions include delayed shipments, penalties and lost sales. This would be particularly painful for companies in the FMCG sector where margins are razor thin, translating into rising costs that either dampen profits or need to be passed on to the consumer.

In the last fiscal year, the average FMCG company incurred disruption-related losses equal to 3.7% of revenues.

This gives the procurement team a critical part to play in business success. "The role of procurement is to ensure supply chain resilience, which is critical in our efforts to keep our factories running and our products available for the consumer," says Jacob Nielsen, chief procurement officer at Nestlé and CEO of Nestrade, the company's global procurement services division.

FMCG can also be more damaged than other sectors because its products include perishable items such as fruits, vegetables, dairy products and drinks, as well as some personal care products with short shelf lives.

Compared with other sectors, FMCG does have some advantages. For example, with supply chains that are often regionalised, companies are less exposed to the risk of global disruptions.



They also tend to be ahead of the curve when it comes to using data and technology to make decisions, manage inventories and optimise revenues.

However, the sector also faces talent shortages, particularly when it comes to filling the roles needed to drive innovation and efficiencies in supply chain management.

As disruptions become more frequent and severe, FMCG companies will need to be able to act pre-emptively and with far greater speed. They must invest in resilience to future-proof their supply chains against the inevitable.

This report explores how the FMCG resilience frontrunners are doing this. Their approach gives us examples of best practice across three crucial pillars of supply chain resilience:

- They get the most from **technology and data**
- They count on **leadership, people and skills**
- They **share responsibility** for supply chain resilience



There's a resilience gap

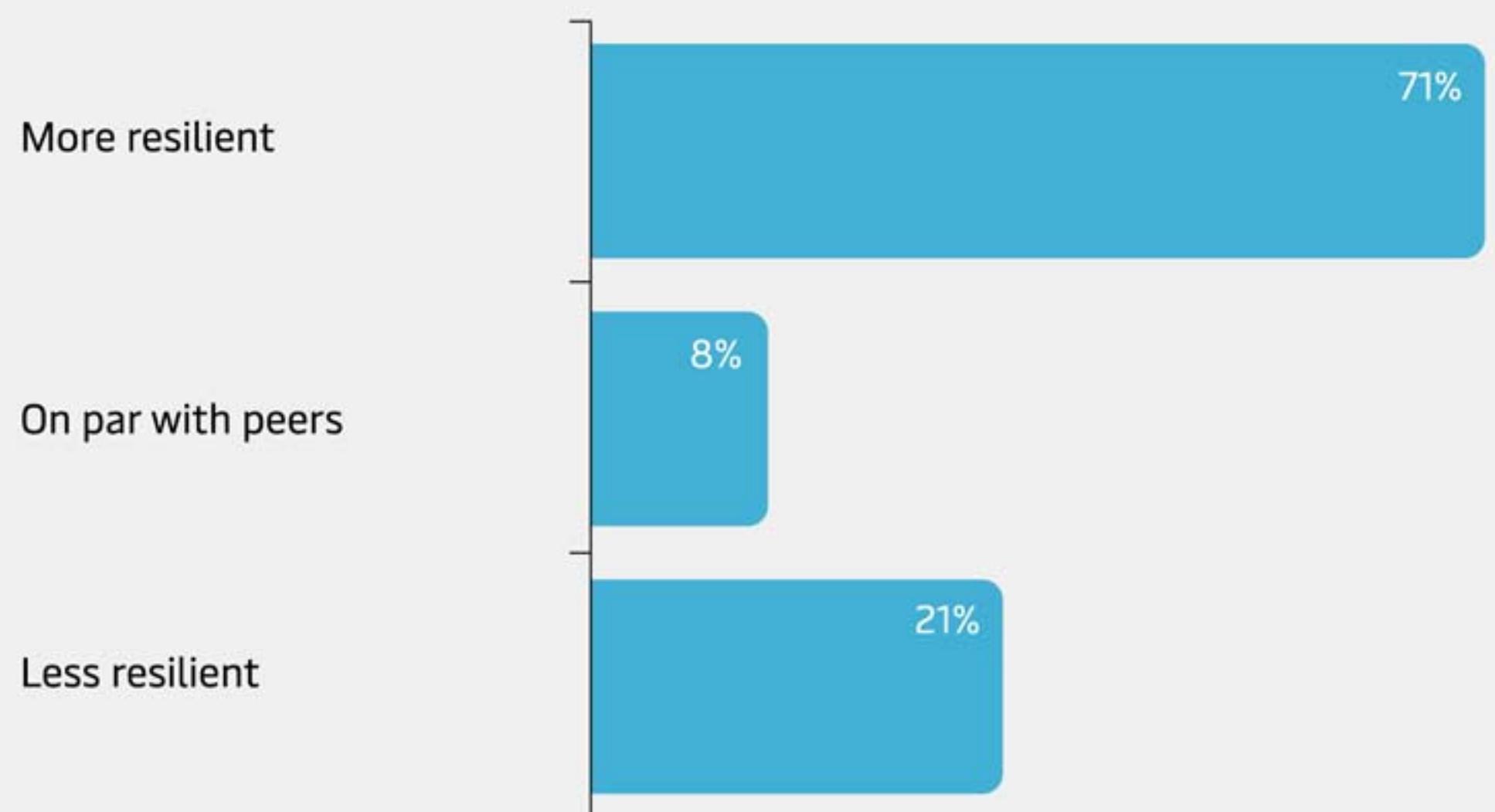
Many companies think they're more resilient than other businesses in their industry: 71% of FMCG companies say their supply chain is more resilient than that of their peers, and only 21% think they're less resilient (see Chart 1).

But it's impossible for more than half of companies to be more resilient than their peers: for every more resilient company, another must be less resilient. Many organisations must be overestimating their own resilience. And the danger of this overconfidence is that it leads to a complacency that leaves companies underprepared for what's to come.

They do seem to be unprepared. The average disruption-related losses of FMCG companies are 3.7% of their annual revenues. This is lower than in the automotive sector, which is the highest in our five sectors at 4.7%, and in the lifestyle sector at 4%, but it puts FMCG higher than technology and retail (both about 3.6%).

But the resilience frontrunners in our research are much better at minimising the financial impact of supply chain disruption, and they react faster when a crisis occurs. How are they doing it?

Chart 1: FMCG businesses are too confident about their supply chain resilience



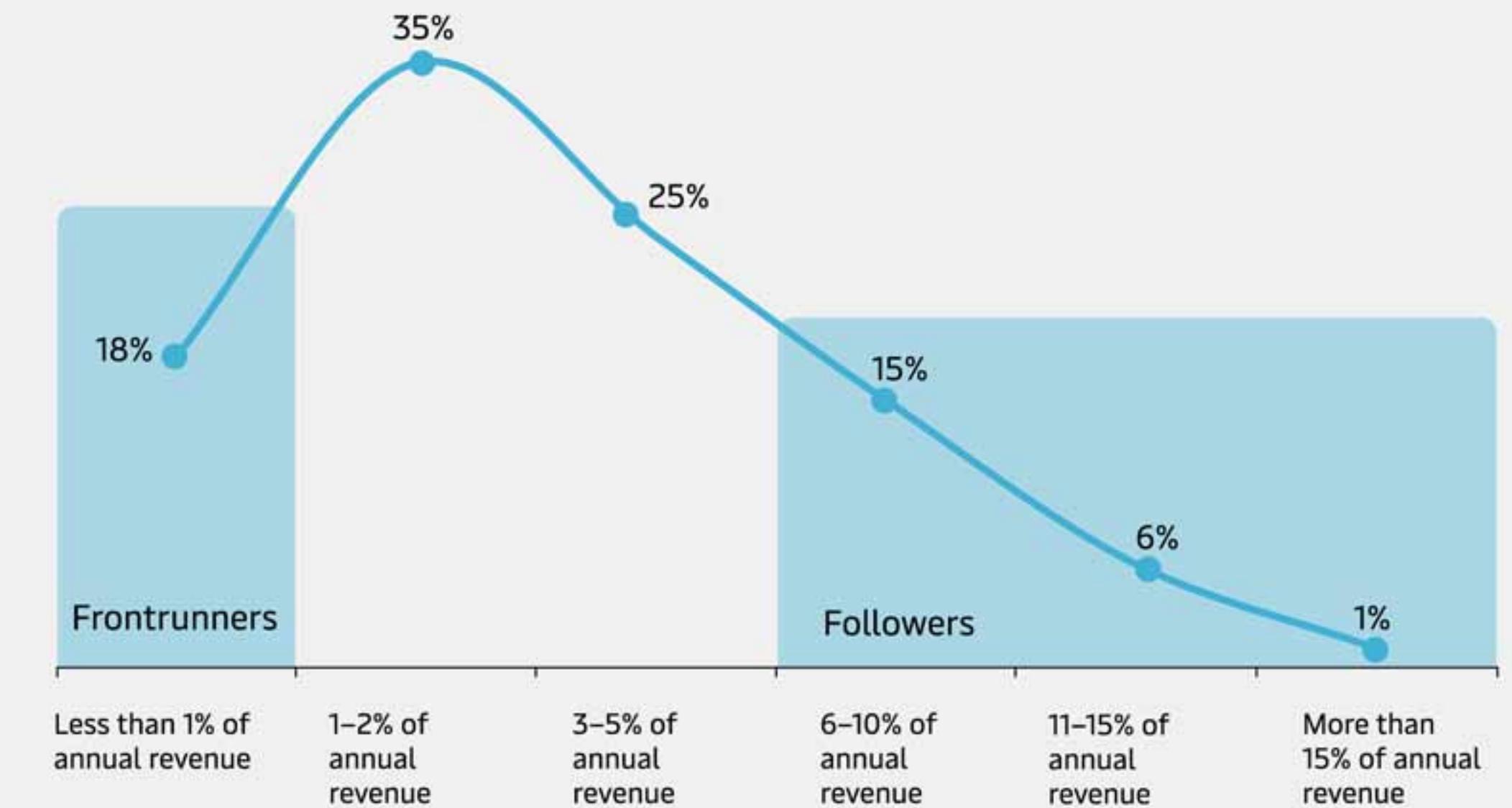
A closer look at the resilience frontrunners

We looked at variations in average annual revenue losses in FMCG companies caused by supply chain disruptions. The ones with losses of less than 1% of revenues in the most recent fiscal year are the resilience frontrunners, and the ones with losses of more than 5% are the resilience followers. Using this methodology, 18% of FMCG companies emerge as frontrunners and 22% are followers (see Chart 2).



The frontrunners more often achieve revenue growth linked to resilience improvements, as well as generating faster returns on their resilience-related investments. On the flip side, twice as many followers as frontrunners faced setbacks in minimising their disruption-related downtime.

Chart 2: In the past year, the frontrunners lost less than 1% of their revenues because of supply chain disruption



03. The frontrunners are making the most of technology and data

In 2001, the terrorist attacks on New York sent authorities scrambling to shore up logistics supply chains. For the first time, they had to consider the prospect of a shipping container being turned into a chemical or biological weapon, and this led to rapid developments in 'smart container' technologies designed to identify suspected security threats. It was a new world.

Now, it's the new normal. In 2025, software and data are deployed across the supply chain to mitigate and manage risks ranging from malicious attacks to disruptions caused by climate change. And technologies such as digital twin simulations, predictive analytics and supplier mapping are generating insights that help companies to manage these risks.

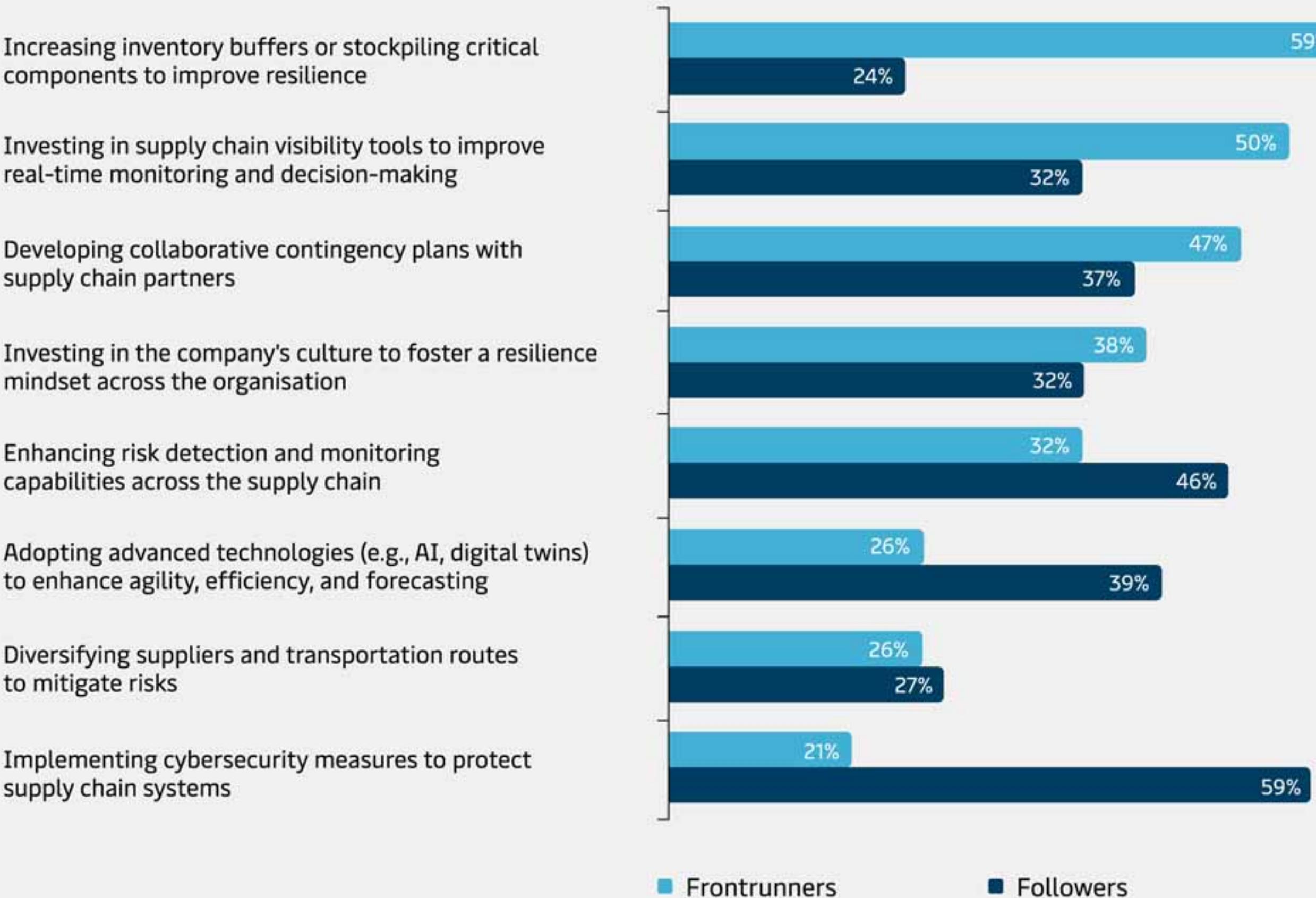


Consumer goods group Reckitt is among the companies that's ahead here. It relies on digital twin technology to give it the insights it needs to build resilience. "It's the whole supply chain simulated," explains Harald Emberger, the company's Chief Supply Officer. "It takes some time to feed the data into the system, but then you can run scenarios."

While companies like Reckitt are already using technology to make their supply chains more resistant against disruption, others are trying to catch up. More of the followers than the frontrunners are focused on technology investments – probably because they're behind their peers.

More advanced businesses, meanwhile, can move on to other strategic investments. Our research suggests that they're focusing on building inventory buffers for critical components and collaborating with supply chain partners on contingency plans (see Chart 3).

Chart 3: The frontrunners and the followers have different investment priorities



How AI and analytics can strengthen the supply chain

Companies such as Nestlé, for example, are using artificial intelligence (AI) and predictive analytics to identify changing weather patterns and potential geopolitical disruption. "We do a lot of modelling to predict what crops are going to do, but also to generate a heat map of tensions around the world," says Nielsen.

Many FMCG companies are already using AI in their supply chain functions and are preparing to go further. Areas where organisations are particularly enthusiastic about increasing their use of AI in the next two to three years include dynamic optimisation of inventory levels and dynamic routing.

The frontrunners are using technology to navigate increasingly complex regulations in the areas of traceability, raw material sourcing, packaging and waste. More than half are developing dashboards to track compliance metrics and optimise costs, compared with only about a quarter of the followers.

55% of the frontrunners develop digital dashboard to track compliance metrics, compared with only 27% of the followers.

To be valuable, these technologies need data that's in the right format and accessible at the right place and time. This can be difficult. Many companies – and a higher proportion of the followers than the frontrunners – say that data sharing with supply chain partners is a weak point in their resilience strategies. And even when the right data is available, a lack of the skills and knowledge needed to turn data into actionable insights can hold back technology's role in resilience.



The technology itself can help here. Nestlé, for instance, is also using AI and machine learning to make sense of vast amounts of procurement data. "This improves user friendliness, and the predictive analysis required to get ahead on managing supply risks," says Nielsen.

Key takeaways:

How to optimise technology and data for supply chain resilience

-  Future-proof your supply chain by investing in AI, digital twins and other advanced technologies.
-  Consider where technology will help you most. Many of the frontrunners see value in technology that ensures regulatory compliance.
-  Think about what data exists in your organisation today, where it's located, how to access it and how it contributes to resilience.



04. How the frontrunners use leadership, people and skills to maximise resilience

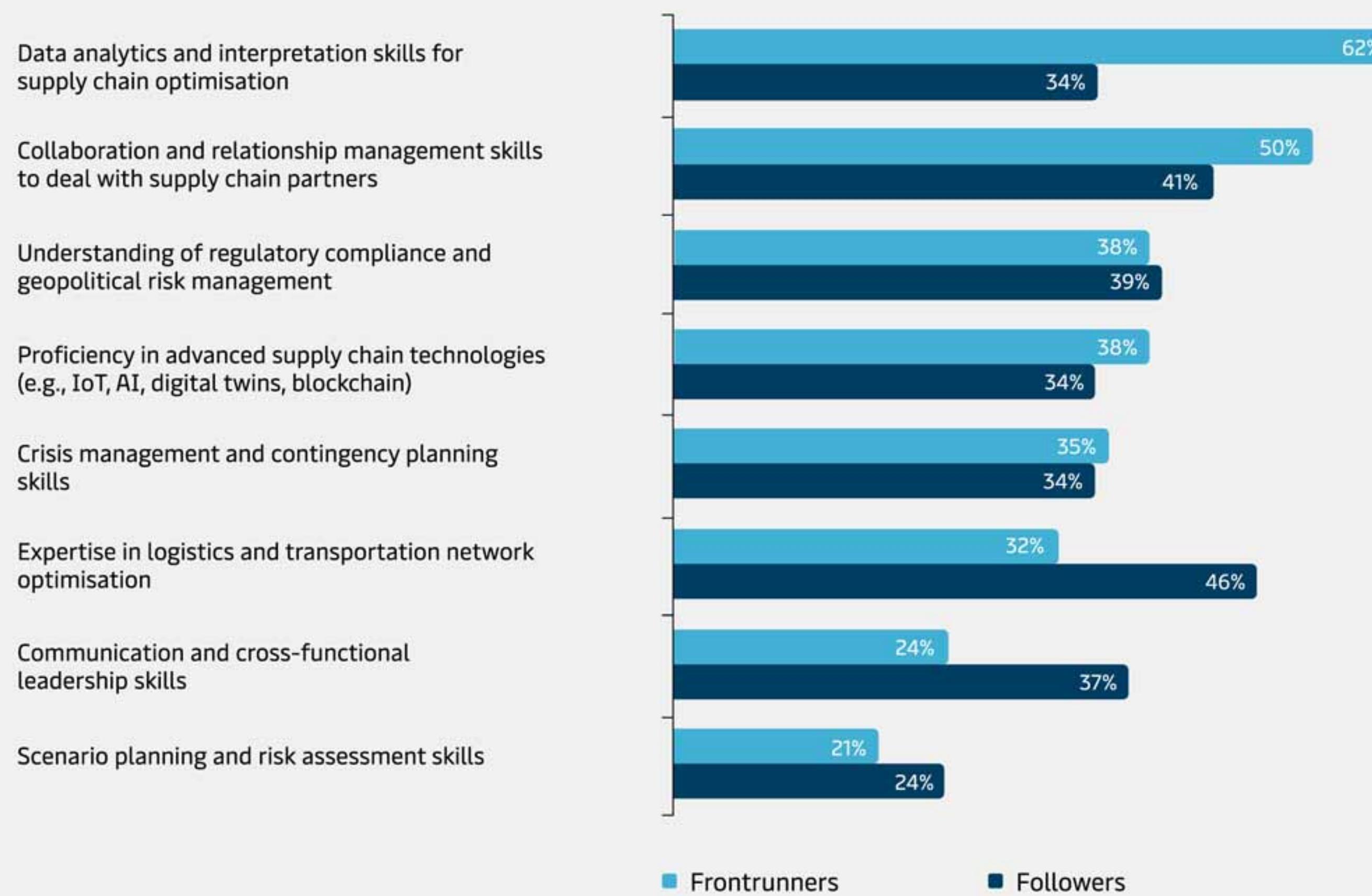
Technology is a critical pillar of supply chain resilience, but it can only perform this role if people are equipped to make the most of it.

The FMCG resilience frontrunners understand this: data skills are top of their lists of skills priorities for the supply chain team (see Chart 4).

Indeed, their talent priorities signal the re-positioning of the supply chain function around risk and data. As well as data skills, the frontrunners list digital twin and AI proficiency in their top four skills priorities.



Chart 4: Data expertise is the top skills priority for the frontrunners – but not for the followers



No longer just a numbers game

These talent priorities show that supply chain management is shifting from being focused on numbers to becoming a critical strategic tool that demands the analytical and decision-making skills of humans.

Ninety-seven percent of the frontrunners (compared with 83% of the followers) say the supply chain and procurement functions must evolve from a primary focus on facilitating the movement of goods to becoming a central pillar of strategic thinking.

“We've gone from being seen as cost cutters to being business people. We're managing a portfolio and ensuring that we deliver the best optimal cost for the group – not necessarily the lowest cost.”

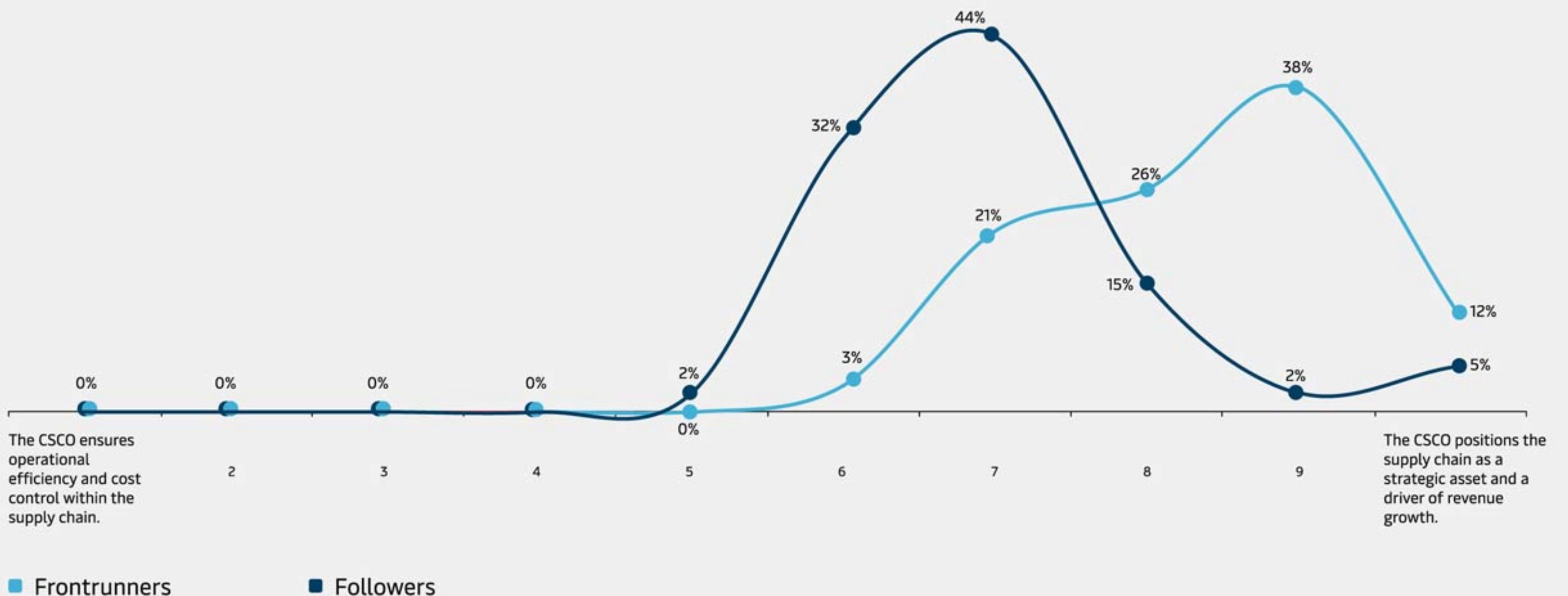
Jacob Nielsen
Nestlé

At Reckitt, Harald Emberger agrees. "In the past, supply chain was always a bit in the corner and just delivered the costs," he says. "Now, it's really a business topic. A resilient supply chain is now understood to be truly value generating for many businesses, going beyond the cost perimeter."

The strategic importance of the chief supply chain officer (CSCO) is growing at the frontrunners. For these companies, the supply chain is less of a cost concern – it's more of a strategic asset that underpins the business's ability to expand (see Chart 5).

At Nestlé, Nielsen reports regularly to the board on how changing weather patterns or geopolitical tensions might affect the flow of the company's goods and materials. "We're now factoring in these risk elements as well to try to give the best supply and price forecast possible," he says.

Chart 5: For the frontrunners, the role of the CSCO is more strategic



New talent strategies for a newly strategic function

CSCOs with a strategic remit are focusing on getting the talent mix right. Among the frontrunners, talent strategy is the second most important strategic priority of the supply chain chief. For the followers, it sits at the bottom of the top 10.

But building a team with the right skills mix doesn't always mean hiring – which in any case can be difficult because of talent shortages in many markets. Instead, the frontrunners upskill and reskill their workforce and invest in cross-functional training that blends existing tech skills with supply chain proficiencies. Seeking support from external talent is another popular solution: 44% of the frontrunners say working with logistics services providers (LSPs) and other supply chain partners is among their top three solutions to fill skills gaps.

And while the right skills and competencies mix within the supply chain function is without a doubt of high strategic importance, it doesn't stop here.

The frontrunners also understand how important it is to get everyone in the organisation involved in resilience. They're more likely than less resilient companies to work actively to create a company culture that fosters a resilience mindset across all parts of the organisation.

Key takeaways:

How to use leadership, people and skills like a frontrunner

-  Technology is increasingly important to resilience, so make sure your people have the right skills to make the most of it.
-  Position the supply chain as a strategic function, not just a cost centre. This means recognising the CSCOs role as a growth enabler.
-  When you fill skills gaps, don't overlook internal talent.
-  Build skills by using the expertise and experience of external organisations such as LSPs and other supply chain partners.

The human factor in resilience: Reckitt's crisis response and what it learned

Harald Emberger, Reckitt's Chief Supply Officer, says four capabilities are essential to supply chain resilience:

01.

Protecting the physical network

02.

Protecting and managing digital/data operations

03.

Building a resilient organisation and protecting people

04.

Building agile capabilities to deal with constant uncertainty

The need for each of these capabilities depends on the disruption. But in 2024, all four were needed urgently when a tornado destroyed a warehouse in Indiana, US, that contained a significant proportion of the raw materials and finished goods for the company's Mead Johnson Nutrition business.²

Looking back, Emberger credits Reckitt's people and training for the recovery. "Given the impact, it was the commitment, agility and capability of our people to solve the crisis," he says. "The crisis training worked very well."

Many FMCG organisations underestimate the value of crisis training: Whether resilience frontrunner or follower, only about a third of companies in our research say that crisis management and contingency planning skills are among the most important skills they need in their team.

Following the incident, the company established that all staff were safe, assembled its crisis team and activated its recovery plan.

It rapidly sought alternative warehouse locations in the area as well as new supplies of raw materials.

Reckitt's diverse global network came into its own since it could provide a variety of suitable options from which to choose when making rapid decisions on which raw materials and finished goods could be moved, and where.

Crisis scenarios had been well rehearsed, and this paid off. "These are standard procedures you go through," Emberger explains. "Within 10 days, we were back in operation."

Reckitt used the incident as an opportunity to improve resilience, and to invest in advanced technology. "We diversified our finished goods and raw material location," Emberger says. "So that was the learning out of that." As well as diversification, the event also prompted the company to implement digital twin software for that part of the business.

"Given the impact, it was the commitment, agility and capability of our people to solve the crisis. The crisis training worked very well."

Harald Emberger
Chief Supply Officer
Reckitt

05. Share responsibility to drive supply chain resilience

Supply chains are some of the most complex global systems in existence, with raw materials, components and finished products flowing between thousands of interconnected procurers, suppliers, distributors and retailers.

This is what makes building supply chain resilience so challenging. But it also provides opportunities for knowledge sharing, collaboration and connected strategic planning.

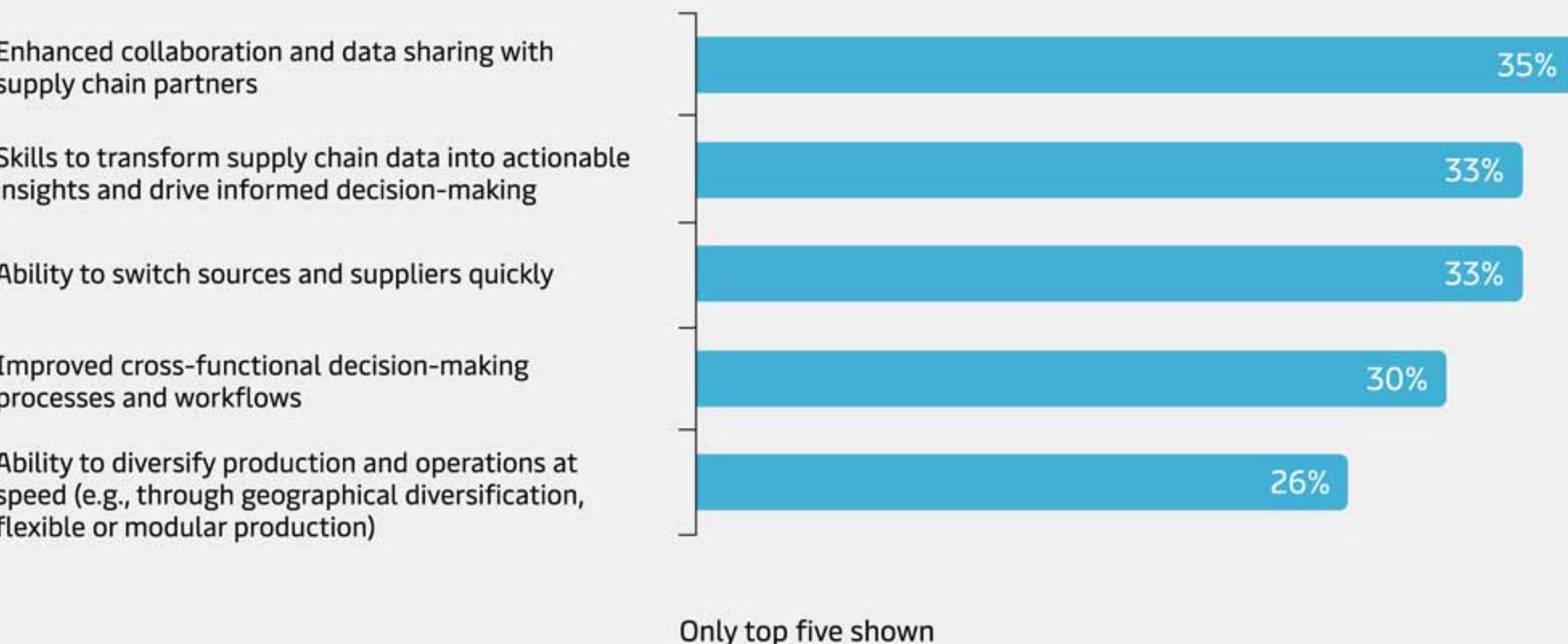


"We work very closely with our supply chain partners to have as connected an operating model as possible," says Nestlé's Nielsen.

One important benefit of a close relationship with partners in the supply chain network is the potential to access valuable data. Companies recognise the benefits of enhanced data sharing with supply chain partners, but it's an area many of them struggle with. Asked which of the resources or capabilities they don't currently have would help them most to increase agility and long-term supply chain stability, more than a third say enhanced data sharing with partners. Not only is that the most requested resource (see Chart 6). It's also higher in FMCG than in any other sector in the survey.

"At Nestlé, says Nielsen, this interconnectivity contributes to building resilience." For example, when business forecasting is impacted by external circumstances, input from suppliers or LSPs can help. "We have strategic relationships that ensure we can still manage whenever our ability to plan is impacted by external factors."

Chart 6: Third-party data is top of the wish list for improving resilience



The desire to collaborate across the supply chain goes beyond the need for data sharing. Another advantage of being part of a global network is the logistics flexibility it offers, and the frontrunners are more likely than the followers to recognise this.

“It's critical to have very collaborative and strong partnerships. It's a mutual relationship - especially on the logistics side - because these are often the companies that touch the products for the last time before the customer sees them. So we invest time in working with partners. //

Harald Emberger
Chief Supply Officer
Reckitt

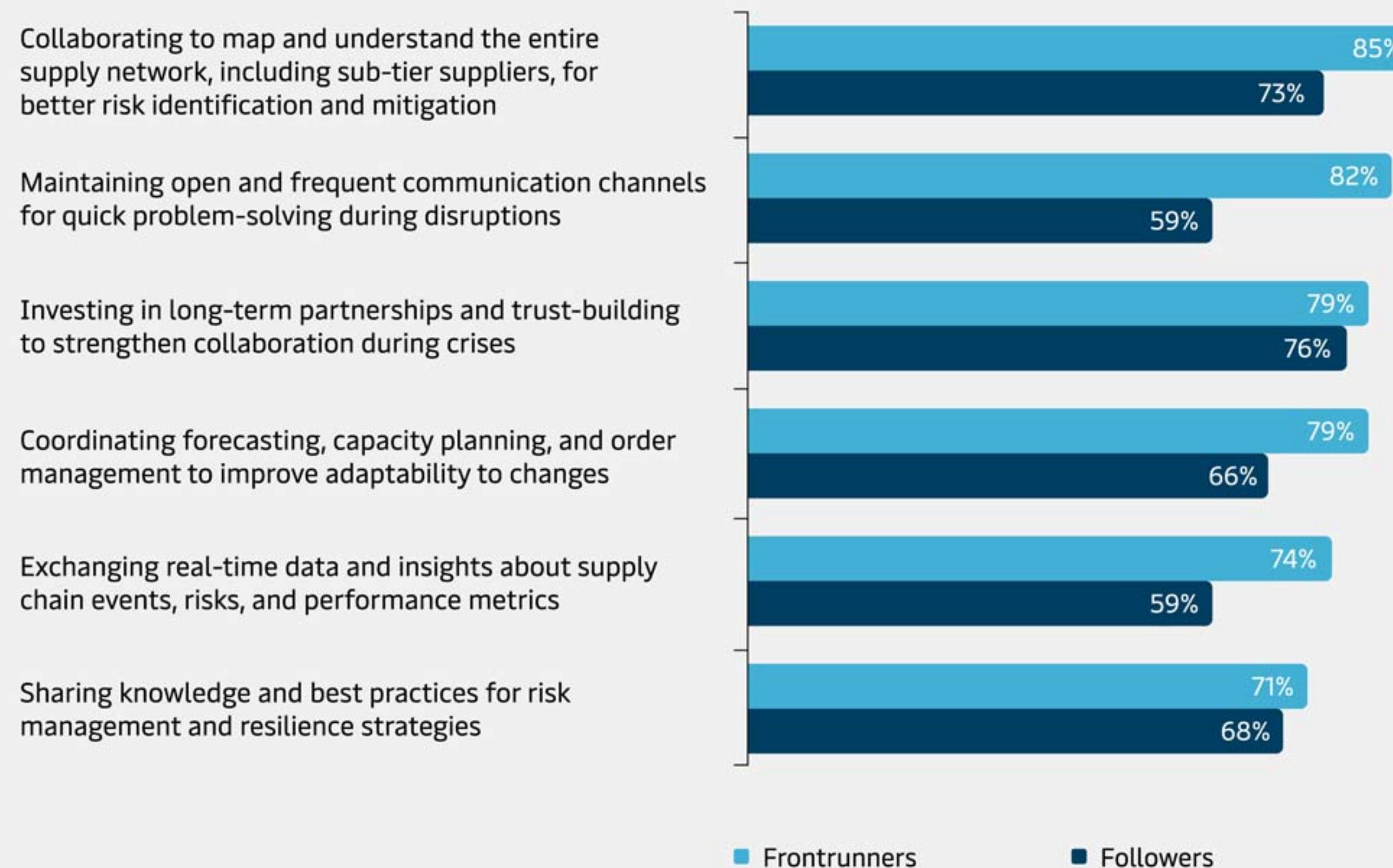
Whether a resilience frontrunner or follower, most FMCG companies agree that collaboration and partnerships are increasingly important in developing alternative strategies and risk mitigation solutions to meet supply chain disruptions.

But not all of them are actively working on partnership collaborations. The frontrunners are more likely to recognise the need to build their collaboration and relationship management skills internally to be able to engage more productively with supply chain partners.

And asked what types of collaborations they're already engaging in, the frontrunners are further ahead than the followers every time – for instance in coordinating forecasting, investing in active trust-building to strengthen collaboration during crises, and knowledge and data sharing (see Chart 7). If they want to match the resilience of the frontrunners, the followers need to start working more closely with their partners.



Chart 7: More of the frontrunners than the followers collaborate with network partners



Key takeaways:
How to collaborate for supply chain resilience

-  Map your entire supply chain network, including sub-suppliers, to identify and address risks before they cause problems.
-  Tap into your supply chain network by collaborating with internal and external partners, and set up data-sharing arrangements.
-  Create and actively manage communication channels with supply chain partners to resolve problems quickly as they arise.

06. Logistics service providers: the crucial resilience partner

With their global service centres and networks of physical and digital infrastructure, LSPs are vital to the flow of goods and materials around the world.

They're also vital to resilience. 28% of FMCG companies say that securing efficiency gains from optimised logistics and transportation services has been one of their three biggest successes over the past two years as they sought to balance cost effectiveness with resilience.



28% of FMCG businesses put efficiency gains from optimised logistics in their top three resilience successes from the past two years, but 21% had problems.

But some companies associate logistics services and transportation with setbacks, which suggests these companies need to improve their ability to work collaboratively with LSPs.

That companies see logistics as a factor in both success and failure indicates how central these services are to the FMCG sector.

This is underscored by data that shows the frontrunners have a better grasp of how, when, and where to use their relationship with their LSPs. These companies are clear in their answers about which three services, products or capabilities are most valuable:

- Supply chain management solutions (whether by third-party or fourth-party logistics providers)
- Enhanced warehousing capabilities
- Supply chain design

When it comes to the followers, there's less clarity. This could be because they have a poorer understanding of their needs and how those could be filled by LSPs (see Chart 8).

Another gap between the groups is in the frontrunners' greater use of LSP services, products or capabilities that increase financial resilience: outsourcing logistics operations, financial scenario-planning tools and dynamic pricing. The one exception is tech tools, which the followers have adopted at a slightly higher rate.

Chart 8: The frontrunners have a clearer view of how LSPs can be most valuable

Supply chain management solutions, like 3PL/4PL (third-party/fourth-party logistics) solutions

Supply chain design

Enhancing warehousing capabilities

Visibility tracking

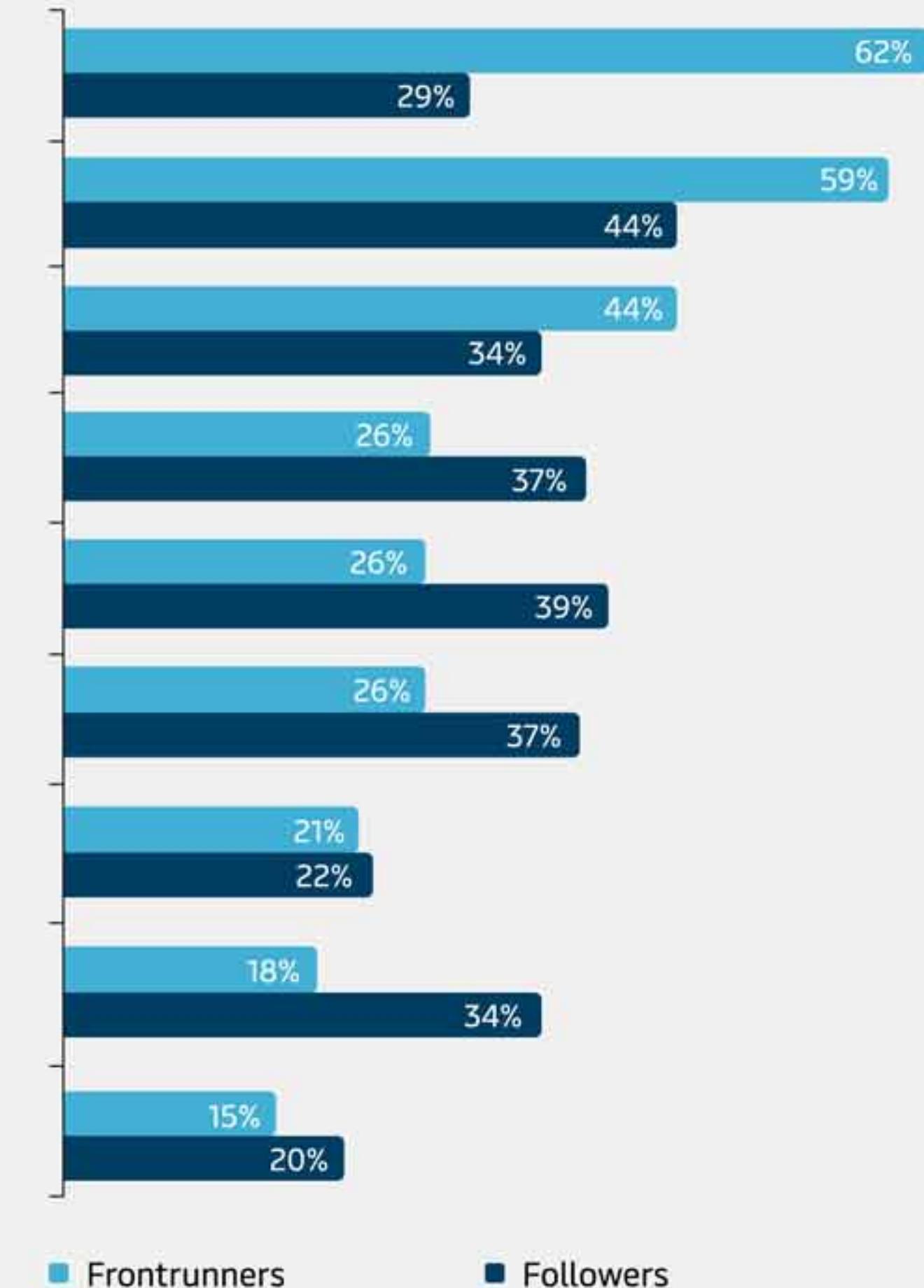
Connecting global logistics network

Predictive risk modelling

Flexible contract models

Diversifying transportation options

Compliance support



07. Course for Change: Mastering supply chain resilience in an unconventional world

With the frequency and severity of supply chain disruptions likely to increase, resilience calls for a more strategic approach. While plenty of FMCG companies think their supply chain is resilient, the data suggests otherwise. Yet, as this report has shown, a small group of resilience frontrunners is achieving measurable resilience impact.

These companies are deploying a variety of approaches across three interdependent areas: technology and data, people and skills, and collaboration in the network.



If organisations want to catch up with these leading FMCG businesses, they must follow their example—particularly, the fact that their priorities are grounded in strategic intent. These frontrunners:

-  **Use AI for risk detection, scenario simulation, dynamic routing and to enable real-time optimisation of inventory levels.** They're also developing dashboards to track compliance metrics and optimise costs. And they expect these tech deployments to increase substantially in the next two to three years.
-  **Ensure their teams have the right skills mix, from digital capabilities to cross-functional expertise.** They highlight the growing importance of the chief supply chain officer, which suggests that for these companies the supply chain is not just about costs – it's a strategic asset that underpins the business's ability to grow.
-  **Collaborate with partners across the value chain, understanding that resilience is a shared responsibility.** They understand the importance of relationships with their LSPs and value the services they provide, from supply chain management solutions to enhanced warehousing capabilities and supply chain design.

Resilience followers might be investing in similar areas, but they either have further to go or have yet to apply a strategic and collaborative lens to these investments.

The lesson from the frontrunners is that building resilience is not a one-off investment. Nestlé's Nielsen says it needs a strategic approach to managing disruptions and a balancing of investments in resilient supply chains with the cost controls that keep FMCG companies competitive: "The role has massively expanded in recent years from just being negotiators or managing suppliers to having a business mindset."

The resilience frontrunners in our research have this mindset. They see supply chain resilience as a strategic factor that contributes to the organisation's overall success and understand that, with disruptions now a way of life, they can no longer continue to treat resilience as firefighting or recovering from a disruption.

As Reckitt's CSCO, Harald Emberger, puts it: "Supply chains are constantly being tested, and truly resilient organisations are able to deal with issues whilst maintaining normal business operations and incorporating any learnings into your business, to make it constantly stronger."

"Truly resilient organisations are able to deal with issues whilst maintaining normal business operations."

Harald Emberger
Chief Supply Officer
Reckitt

Appendix: About our research

This report is part of a broader series of reports covering five sectors: lifestyle, retail, fast-moving consumer goods, technology and auto. The survey took place in February and March 2025 and covered 19 countries, with 26% of respondents based in North America, 26% in Europe, 26% in Asia Pacific, 11% in India, the Middle East and Africa, and 11% in Latin America.

The FMCG survey

This report draws on the analysis of responses from 190 FMCG experts from three industry sectors: food and beverages (29%); beer, wine, spirits and tobacco (27%), and home and personal care (44%).

Respondents are C-level executives (27%) and senior supply chain, procurement and operations professionals.

- 67% represent companies with revenues between US\$1bn and US\$10bn
- 23% have revenues of between US\$500m and US\$1bn
- 10% have revenues above US\$10bn

We would like to thank everyone who took part in the research.





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