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FT LONGITUDE

Course for Change: How the lifestyle industry builds resilient supply chains in an unconventional world



ALL THE WAY

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01. Executive summary

Lifestyle companies are facing challenging times, with an environment defined by persistent supply chain volatility, evolving consumer demands, and accelerating market pressures. In a sector that's all about speed, flexibility and global sourcing, supply chain resilience has become a strategic imperative – not just a defensive measure.

Many organisations think they're resilient, but our research tells a different story. We surveyed 190 supply chain professionals from the lifestyle sector and found that a small group of companies is mastering the art of resilience as others fall behind.

Here, we explore the strategies that set these 'resilience frontrunners' apart and find out what other lifestyle businesses can do to catch up.



What we found out

83% of lifestyle companies see supply chain as a strategic pillar, yet only 37% drive a resilience mindset accross the organisation.



The CSCO role is becoming more strategic and a growth driver, rated 7.25/10 in importance.



1 in 3 lifestyle companies are upskilling teams for better adaptability and decision making under pressure.



82% of lifestyle firms value collaboration, but few commit to cross-ecosystem partnerships.



Logistics service provider (LSP) partnerships matter: 29% of lifestyle companies say logistics optimisation is a strength, 16% call it a weakness.



02. Introduction

The face of fashion is hard to miss; it's loud, bold and frequently hits the headlines. But its operations often stay in the background, working quietly to make sure products are manufactured to the right standard, and are delivered on time and at the right cost. In the past few years, that's been changing: sourcing and supply chain practices across the broader lifestyle sector – encompassing sports and outdoor, apparel and footwear – have been under a brighter spotlight as environmental, social and governance concerns moved up the agenda.

These demands have highlighted supply chain weaknesses that executives have worked to improve with gradual adjustments over time. But that's no longer enough. Companies are now operating in an era of rapid disruption, where extreme weather destroys factories or blocks transit routes in an instant, and political decisions change the rules of trade overnight.



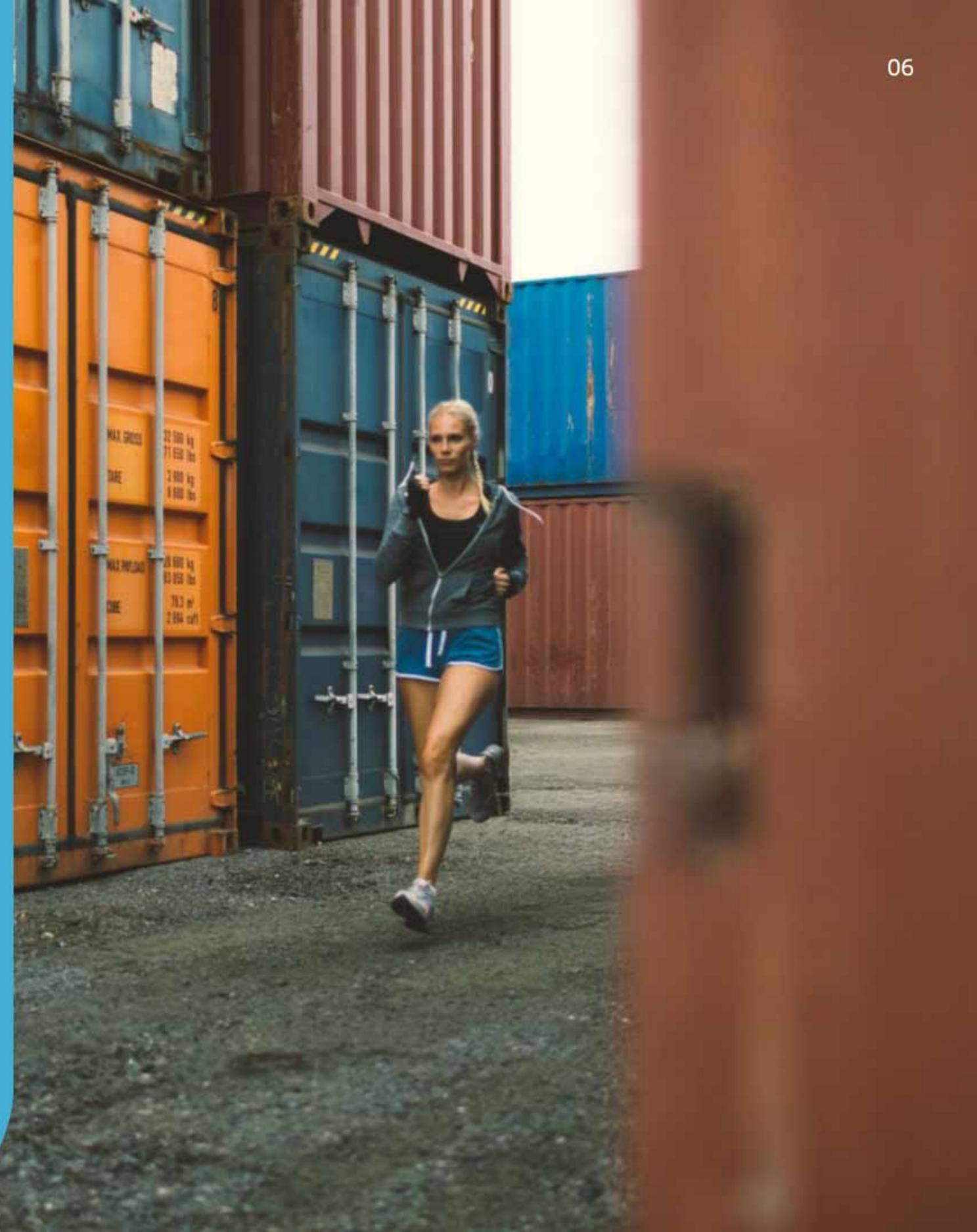
Resilience won't wait

International trade is particularly vulnerable to this disruption, and it's a cornerstone of the global lifestyle sector. Companies are continuously adapting their sourcing strategies in response to factors such as cost, labour availability and geopolitical developments. For example, US-based contracts manufacturer Ferrara Manufacturing has seen demand for locally manufactured garments increase as a growing number of US apparel brands opt for nearshoring production of private label clothing.¹



And it's not just about sourcing – speed to market is also critical. For the lifestyle sector, frequent new collections and rapidly evolving trends demand continuous access to factory and transportation capacity, so supply chain delays can have a drastic impact on business performance. But many companies still struggle to get their latest products to market, often because of fragmented processes, outdated systems and limited visibility into labour and material costs.²

Successful lifestyle businesses are always adapting to change because their leaders understand that frequent, unpredictable disruptions are part of the current operating environment. Organisations that respond quickly and effectively to shocks can use this strength as a competitive advantage and even turn threats into opportunities.



Resilient lifestyle organisations are fast, effective and agile

Some companies are doing a better job than others in preparing their supply chains for this unconventional world. They're better at anticipating change and faster to respond when it happens. And to minimize the impact of disruption they're prioritising customer satisfaction, delivery timelines and their core business performance.

In the last fiscal year, the average lifestyle company incurred disruption-related losses equal to 4.06% of revenues

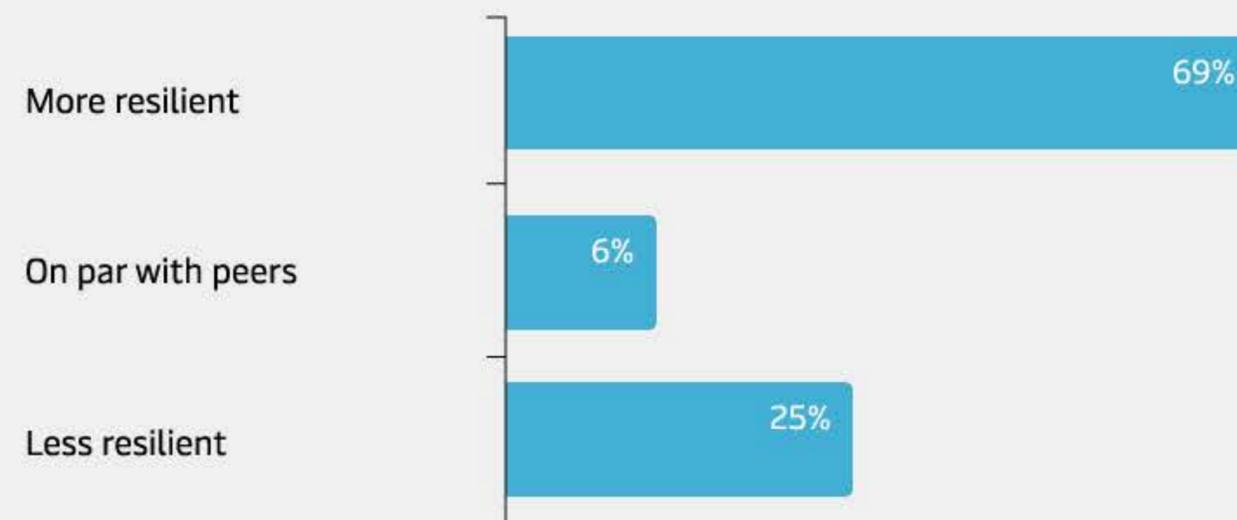
Our survey finds that supply chain disruption has a significant impact on revenue, and the lifestyle sector has the second highest disruption-related losses of the sectors we surveyed: 4.06%, compared with an overall average of 3.93%. The companies with extensive losses have additional weaknesses, such as increased downtimes, higher supply chain costs and lower profit margins.

In contrast, companies with low disruption-related losses (the 'resilience frontrunners') report profit-margin improvements, faster returns on resilience-related investments, more success in managing their supply chain costs and reduced downtimes.

But these companies are the exception – not the rule – and many others are overestimating their own resilience. Most lifestyle companies (69%) say they're more resilient than their peers, but only half can be more resilient than the rest (see Chart 1). This overconfidence is dangerous because it can create complacency and stop progress towards real resilience.

Instead, companies need to focus proactively on the factors that make the biggest difference. This report explores how the ones that really are more resilient have got there, and what lessons the others can learn from these resilience frontrunners.

Chart 1: Many lifestyle businesses are overconfident about their supply chain resilience



We examine:

- How the most resilient companies count on leadership, people and skills to maximise resilience
- How they make the most out of technology and data
- How they share responsibility to drive supply chain resilience

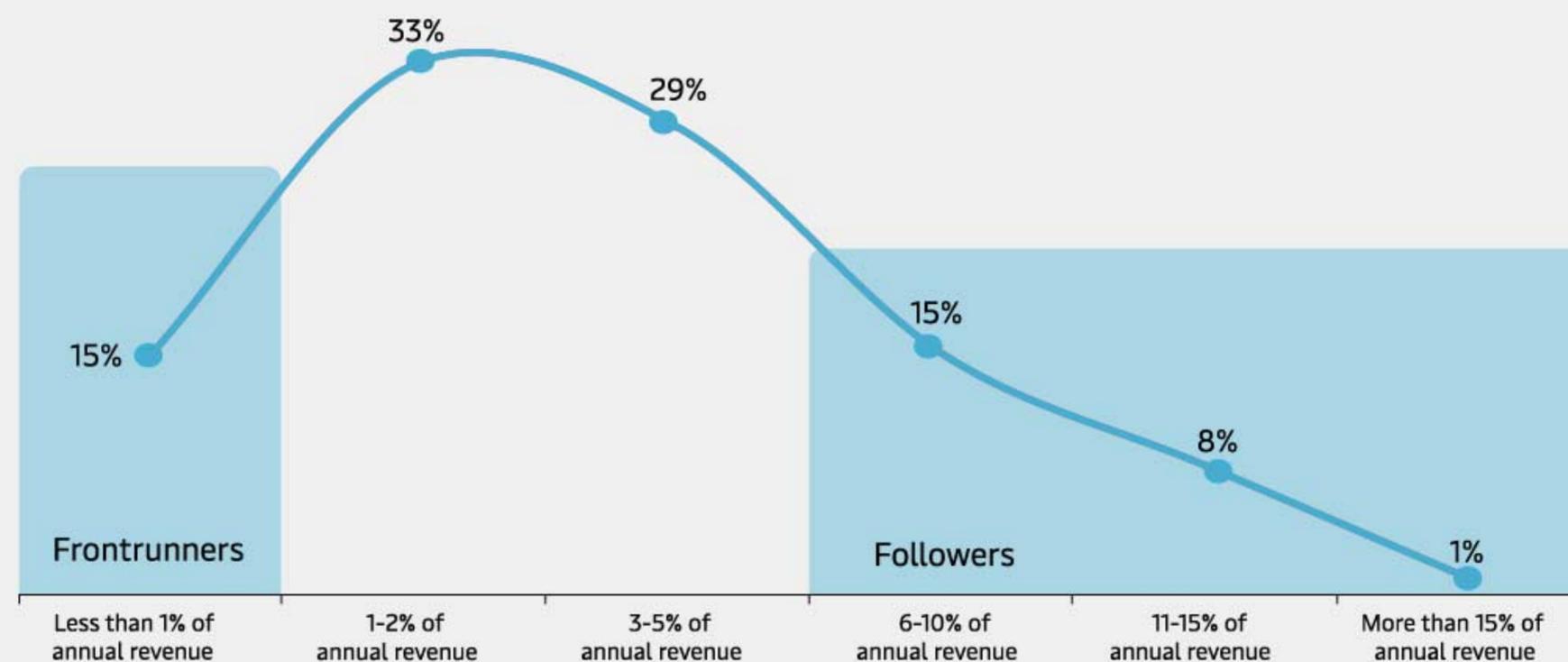
A closer look at the resilience frontrunners

Our research shows that only a small proportion of organisations has had low disruption-related losses. We call these companies the 'resilience frontrunners', and they're defined as the ones with revenue losses caused by supply chain disruption of less than 1% over the past fiscal year.

The ones with the highest revenue losses from supply chain disruptions are more vulnerable to the impact of change, shocks and delays. We call these companies the 'resilience followers', and they're defined as the ones with disruption-related losses of more than 5% over the past fiscal year. Among the lifestyle companies in our research, 15% are frontrunners and 24% are followers (see Chart 2).



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



03. How the frontrunners count on leadership, people and skills to maximise resilience

Lifestyle companies recognise that supply chain resilience is a strategic factor that contributes to the organisation's overall success. A significant majority say that supply chain and procurement need to be central to the organisation's wider strategy.



This is particularly true of the resilience frontrunners, where the role of CSCO is more strategic than at less resilient organisations. As a result, CSCOs in frontrunner companies are more likely to focus on elevating the supply chain from a functional necessity to a strategic asset that drives revenue growth (see Chart 3).

To achieve this, frontrunners focus on aligning supply chain strategies with broader business goals and objectives –

it is the second most important priority for CSCOs at frontrunners, compared to the fifth for followers. And the frontrunners are also more likely than the resilience followers in our research to invest in embedding a resilience mindset across all parts of the organisation.

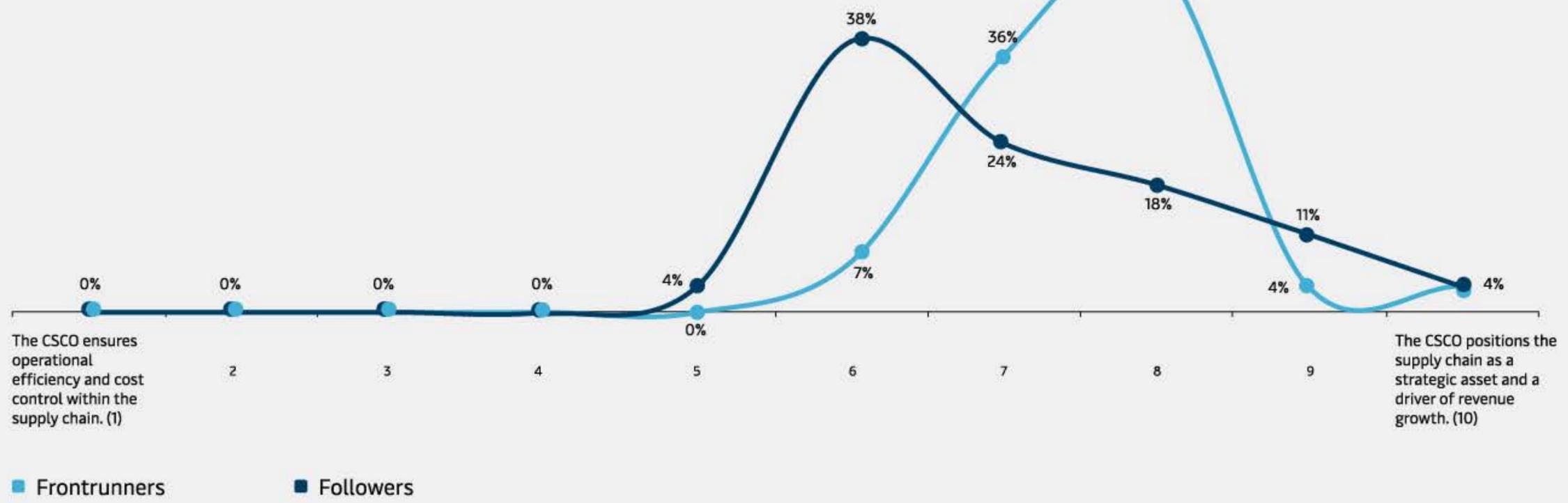
"Resilience in our supply chain is not just about bouncing back – it's about preparation, flexibility and the ability to maintain service standards even when

disruptions hit," says Mònica Miró Robira, Head of Operations at women's footwear retailer Alohas. "For example, when the recent power failure stopped our entire Spanish operation, including production and warehousing, we quickly aligned our whole team, prioritised tasks and leveraged international partnerships to recover. It's about proactive coordination and having the right systems and relationships in place throughout the business."

"Resilience in our supply chain is not just about bouncing back – it's about preparation, flexibility and the ability to maintain service standards even when disruptions hit."

Mònica Miró Robira
Head of Operations
Alohas

Chart 3: In more resilient companies, the chief supply chain officer has a more strategic role

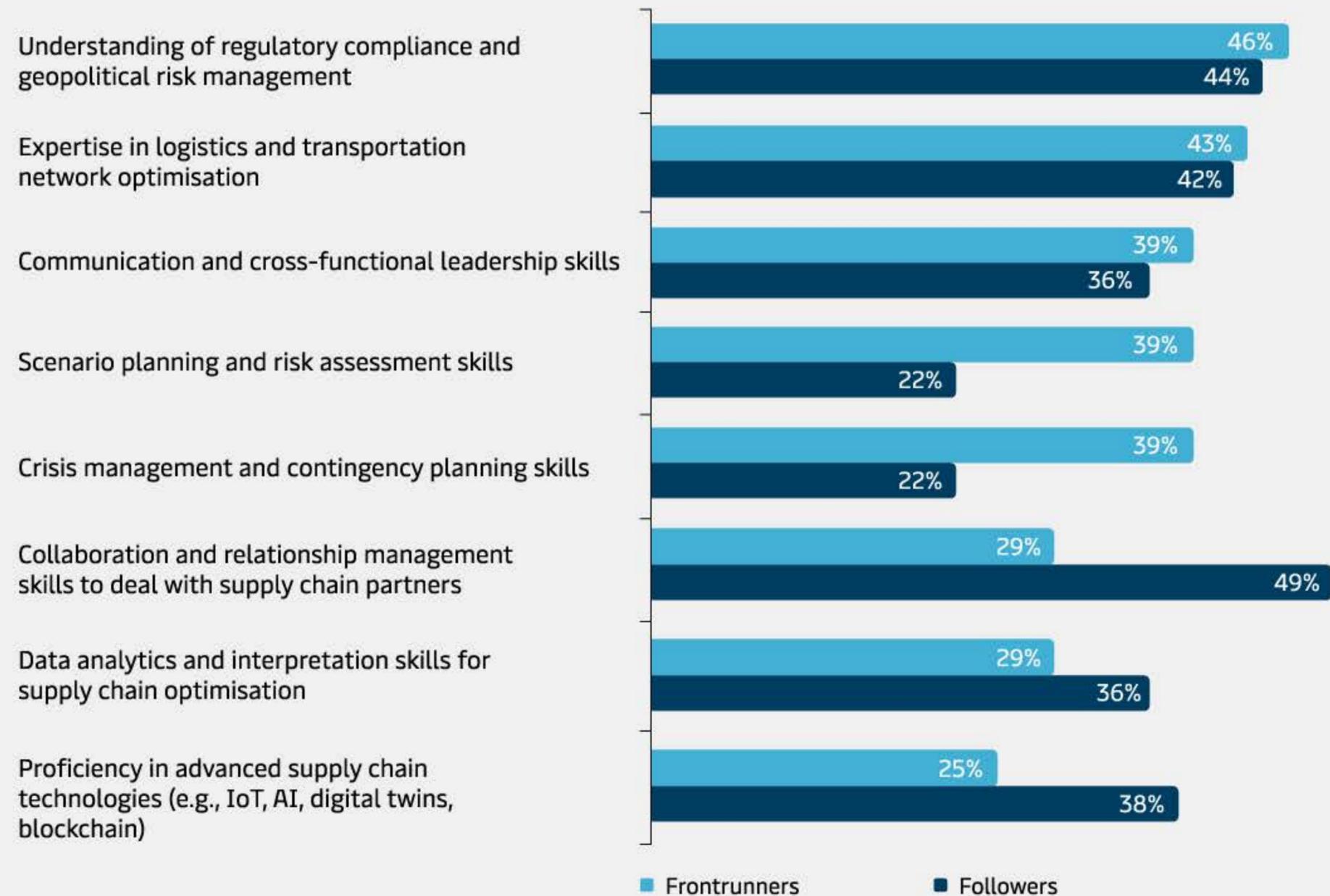


Build resilience from within

Part of this strategic approach is a focus on talent. A third of lifestyle companies recognise that training and upskilling teams, particularly in adaptability and decision making under pressure, is crucial for staying resilient and keeping up with fast-moving trends.

Lifestyle companies are looking for talent with expertise in optimising logistics and transportation, collaboration skills to build relationships with supply chain partners, and an understanding of both geopolitical risk and regulatory compliance. Among the resilience frontrunners there's a stronger focus on scenario and contingency planning and risk and crisis management. The resilience followers, on the other hand, prioritise relationship management and technology skills such as data analytics (see Chart 4).

Chart 4: Frontrunners place more emphasis on planning for, and managing, disruption



These talent priorities reflect the broader repositioning of the supply chain function — particularly among the frontrunners — from a transactional cost centre to a strategic enabler of risk management and data-driven decision making. Already, 34% of lifestyle companies say they'll need greater proficiency in advanced technologies, such as AI and digital twins, over the next two years. This suggests that they're investing in technologies such as agentic AI and generative AI to support their real-time inventory decisions, and freeing up staff to focus more on strategic initiatives.

The resilience frontrunners are taking a proactive, long-term approach to securing talent. They do this by offering incentives to attract and retain employees and partnering with universities and technical institutions. Sportswear brand Under Armour, for instance, has partnered with North Carolina State University to invest in research, development and student-led projects. By involving itself in this way, the brand seeks to support innovation and guarantee access to a strong talent pipeline. It seems to be working: in 2022, the company employed 30 of the university's alumni.³

But optimising skills doesn't always mean hiring. Many of the resilience frontrunners are also redesigning existing workforce roles to meet emerging technology demands. Another approach is building resilience through experiential learning.

Footwear company ECCO, for instance, develops talent through global rotations across warehouses, factories and supply chain functions to ensure they gain hands-on experience. "This approach bridges the gap between technical skills (like data and AI integration) with a deep, practical understanding of processes on the ground," says Wesley Hind, ECCO's Director of Operations.

If internal gaps persist, lifestyle companies are increasingly turning to their external networks. By collaborating closely with LSPs and other supply chain partners, they can access specialist skills without having to build up every capability in-house.



Key takeaways:

How to use leadership, people and skills like a resilience frontrunner

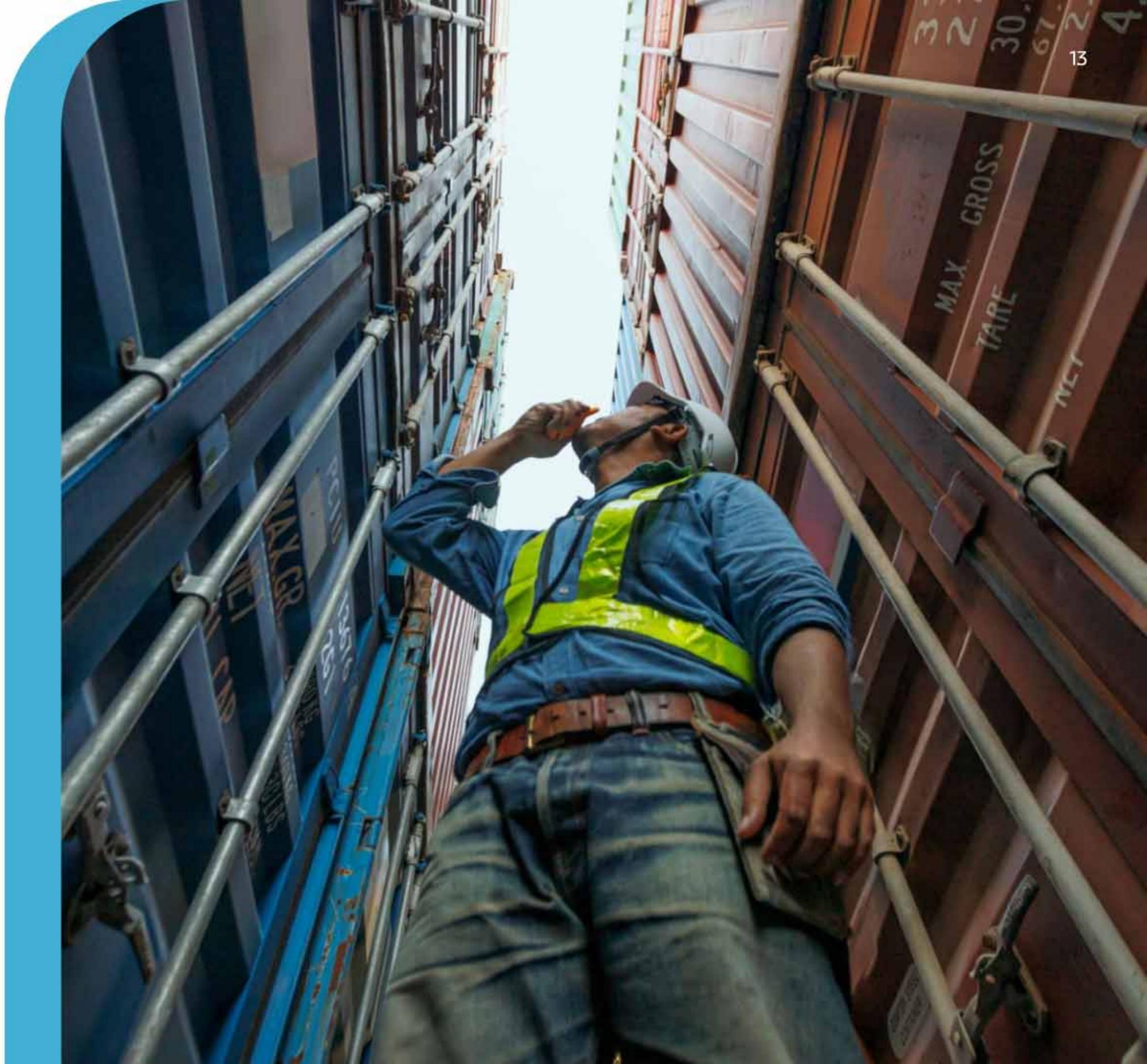
 Position the supply chain as a strategic growth driver, not just a cost centre. This means recognising your CSCO's evolving role in enabling resilience and revenue generation across the organisation.

 Embed a resilience mindset across all functions – not just within the supply chain team. True resilience requires leadership alignment and cultural change beyond operational teams.

 Focus on building the right skills mix. Depending on how much progress you've made, this might mean prioritising crisis management, scenario planning and geopolitical risk capabilities, or laying digital and relationship management foundations.

 Strengthen your talent pipeline at every stage. From university partnerships to internal role redesigns, invest in a future-ready workforce that can adapt to emerging technologies and challenges.

 Use LSPs as strategic partners. Prioritise a logistics service provider that can offer comprehensive resilience consulting services and risk visibility products to strengthen your organisation's supply chain resilience. This will save you from having to build every capability in-house.



04. Making the most of technology and data

Technology is playing an increasingly important role in building supply chain resilience. About one-fifth of lifestyle companies describe technologies such as real-time risk visibility tools as “mission critical” to their operations. The strongest momentum is in digital twin technology and predictive analytics: 21% of lifestyle companies already consider these technologies to be mission critical. Looking ahead, 41% expect them to be mission critical within the next four to five years (see Chart 5).



AI is already supporting a range of resilience activities, including risk detection, dynamic inventory optimisation and scenario simulation. And its influence is expected to expand over the next two to three years, particularly in managing complex, multi-tier supplier relationships.

Digital technologies don't just improve operational performance – data-driven insights play an increasingly important role in strategic decisions. "We've learned a lot from past disruptions like energy failures and limited factory capacity," says Mònica Miró Robira of Alohas. "We analyse the impact and our responses and learn how to improve. This has helped us build a more proactive mindset."

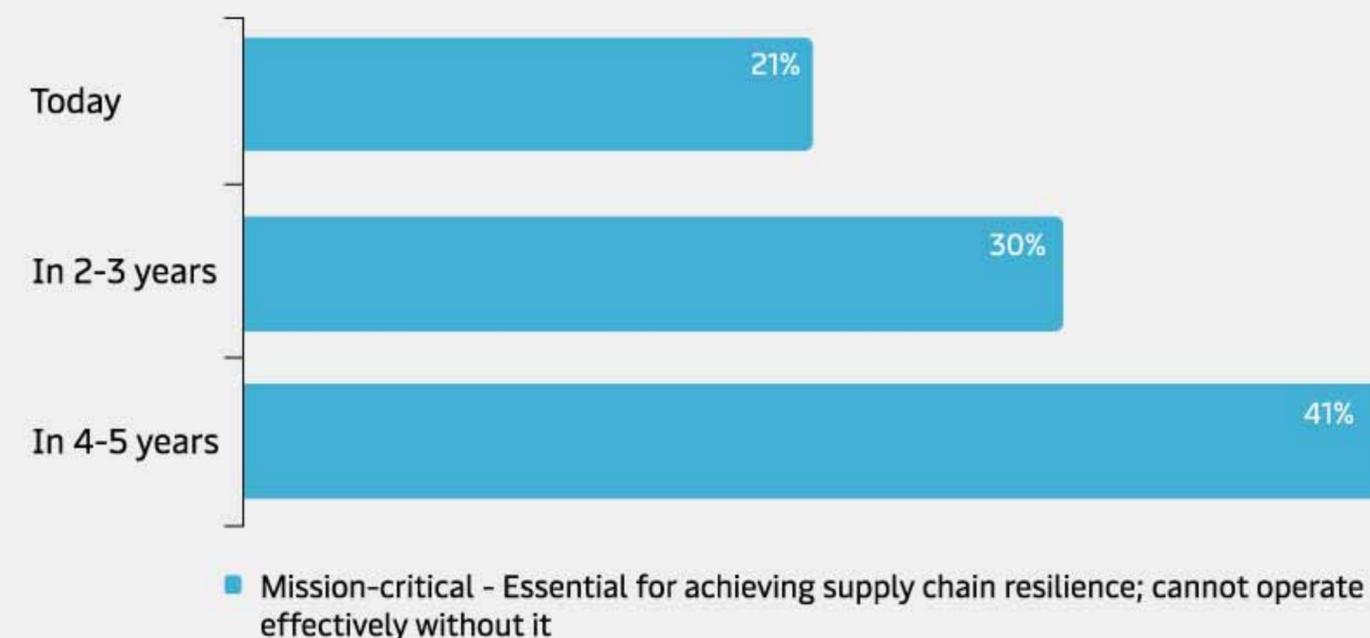
For example, we're now considering opening a second international hub to reduce risk from global trade disruptions. We're not just reacting – we're looking ahead and planning for possible scenarios."

One area that remains underused but holds significant potential for resilience is warehouse automation. According to the UK Warehousing Association (UKWA), a trade organisation, only 15% of global warehouses currently use robots.⁴

Alongside streamlining repetitive tasks, warehouse automation can enhance operational continuity, boost inventory accuracy and visibility, and reduce fulfilment delays.



Chart 5: Lifestyle businesses expect predictive analytics to become significantly more important to supply chain resilience over the next five years



The frontrunners are experiencing the wider benefits of digitalisation

As we heard in chapter one, the resilience followers are investing more heavily in advanced technology than the frontrunners: 47% say they've adopted advanced technologies to enhance agility, efficiency and forecasting, compared with just 21% of the resilience frontrunners.

This might seem counterintuitive. However, it's likely to be because the frontrunners have already implemented many of these tools and are now focusing on broader strategic initiatives.

For instance, nearly nine in 10 already see predictive analytics as highly important for maximising resilience, so they're likely to be actively using these tools today. In contrast, less than half of the resilience followers currently share that view.

Encouragingly, this figure is expected to rise rapidly: 82% of less resilient companies expect predictive analytics to be highly important within four to five years.

89% of frontrunners say both predictive analytics and digital twin technology are already highly important to improving resilience, compared to just 42% of followers.

Companies that are already ahead with technology can focus on other strategic investments, such as diversifying suppliers and transportation routes, increasing inventory buffers and stockpiling critical components. For example, in 2022 sportswear brand Nike's early investments in technologies like predictive analytics and machine learning proved to be invaluable during major disruptions, including factory shutdowns in Vietnam and global logistics delays. Nike had to adapt to a major shortfall in its supply chain – 130 million units were cut – but it maintained inventory visibility, adapted to demand shifts and managed to focus on its direct-to-consumer strategy.⁵



Get better data for a head start

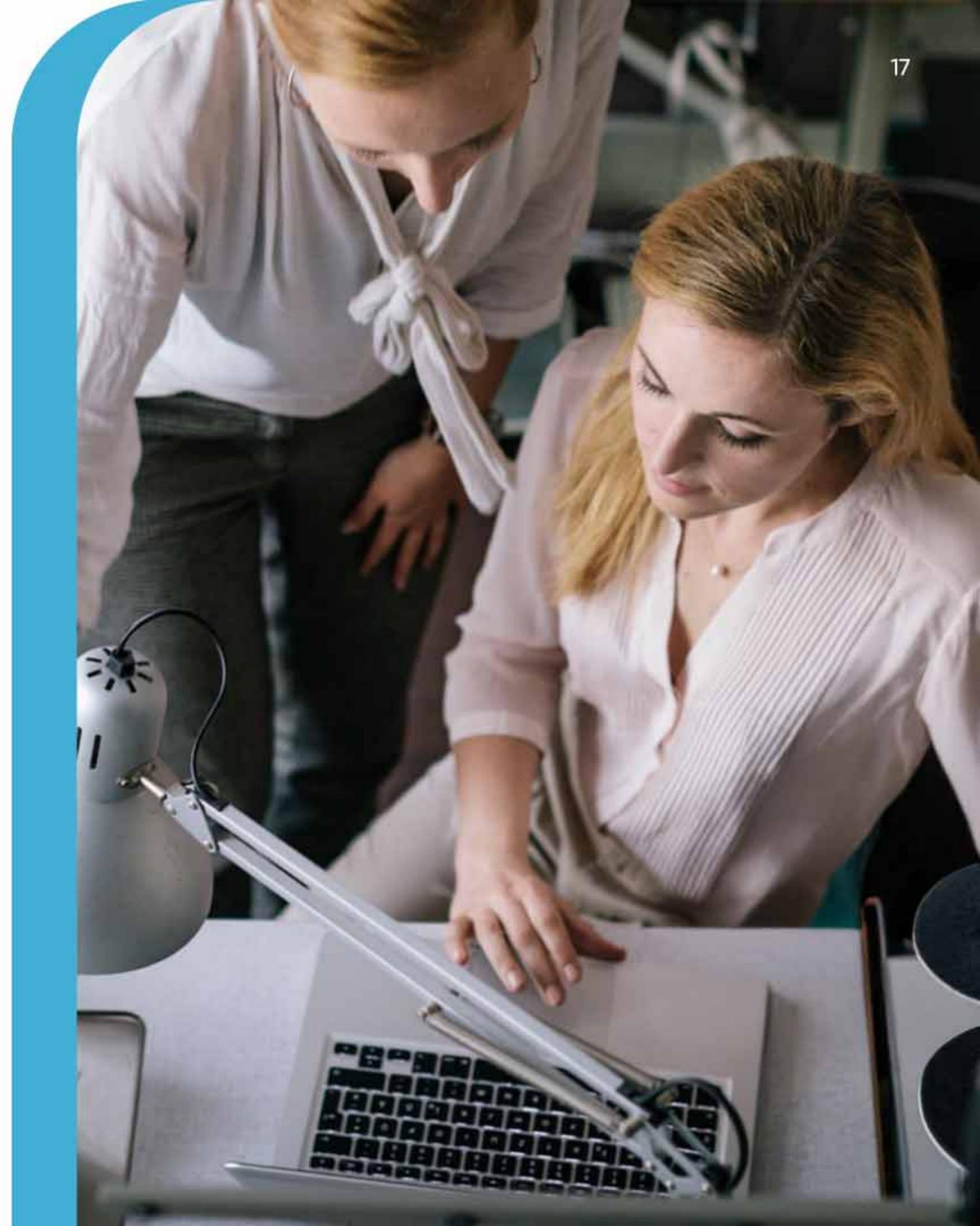
A strong technological foundation doesn't just enable faster, more strategic responses to disruption. It also puts companies in a position to capitalise on the next wave of crucial technologies. Digital twins, for instance: 80% of lifestyle companies expect digital twin technology to be extremely importance to their resilience strategies in four to five years.

But technology is only as effective as its data. Resilient supply chains require accurate, accessible and timely data, which is something many lifestyle companies struggle with. One common pain point, for instance, is the lack of external data from supply chain partners.

Even when data is available, companies don't always have the ability to translate it into actionable insights: 36% of the resilience followers say this is a weakness, compared with just 4% of the resilience frontrunners.

Key takeaways: How to optimise technology and data for supply chain resilience

-  Future proof supply chain resilience by investing in advanced technologies. AI, digital twins and predictive analytics are already creating significant benefits, and lifestyle companies expect their impact to grow rapidly.
-  Treat data as a strategic asset. Assess what data currently exists within your organisation and supply chain network, identify critical gaps and invest in the tools you need to translate data into actionable insights.
-  Build the skills you need to maximise technology investments. You can only use advanced technologies to their full potential when you back them up with teams that have the right digital and analytical capabilities.

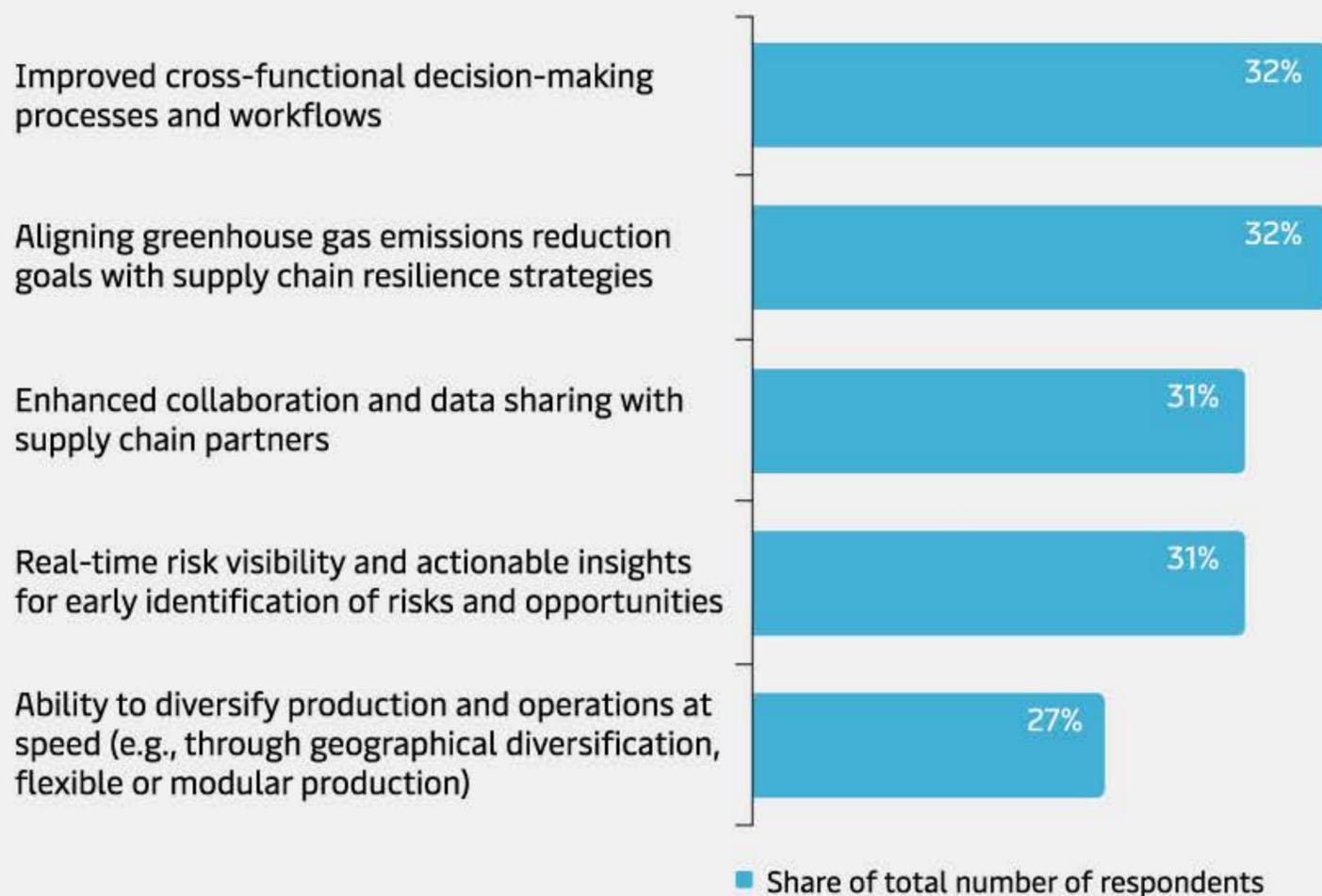


05. Share responsibility to drive supply chain resilience

Lifestyle companies increasingly see collaboration across the wider supply chain ecosystem as essential to building resilience. Most we surveyed (82%) say that cross-functional expertise, collaboration and partnerships are critical for preparing for supply chain disruptions and developing alternative strategies and risk mitigation solutions. But there are some collaboration gaps.



Chart 6: The top five capabilities, not yet available, but most needed to help lifestyle companies balance supply chain agility and stability



One clear gap is data sharing, both internally and externally. This is reflected in two of the top three capabilities that lifestyle companies say they're currently missing: cross-functional decision-making processes and workflows and collaboration and data sharing with supply chain partners (see Chart 6). Companies in the sector know that collaboration isn't where it needs to be, and that better data access and management across the supply chain is a central part of better resilience.

But the collaboration challenge goes beyond data. Our survey finds that collaboration and relationship management skills with supply chain partners was the second most needed competency for supply chain resilience over the next two years. Only a minority have made significant progress in this area, with 28% saying that value creation through supplier partnerships was one of their top three achievements in the past two years

Collaboration and relationship management skills with supply chain partners is the second most needed competency for supply chain resilience over the next two years, behind only expertise in logistics and transportation network optimisation.

These findings suggest that companies are beginning to see ecosystem relationships not just as operational necessities, but also as strategic levers they can pull to increase their resilience.

Building positive partnerships

Partnerships are vital for achieving flexibility and managing risk in today's dynamic environment, according to ECCO's Wesley Hind. "If you can partner with a fourth-party logistics provider, you can grow sustainably at the right pace," says Hind. "There are lots of positives in partnerships: they allow you to ramp up and test new markets without making bigger commitments."

Despite broad agreement among the lifestyle companies in our research about the importance of collaboration, only some of them are turning that into action. In every area measured – from mapping the supply network and coordinating forecasting, to building trust during crises and sharing knowledge – the resilience frontrunners consistently outperform the resilience followers (see Chart 7).

Less resilient companies will have to go further than just recognising the value of collaboration.

They need to embed it in their day-to-day operations to create a more adaptive, stable and resilient supply chain ecosystem.

But relationships require effort on all sides, so lifestyle companies also need to seek out service providers with similar commitments to close, open, proactive collaboration. "The most valuable partners are not just reliable, they're proactive," says Mònica Miró Robira at Alohas. "But more often, we – the client – lead the resilience conversation. We would like more partners to proactively propose improvements. That kind of collaboration would make the supply chain much stronger because a truly resilient ecosystem needs shared responsibility and initiative."

Chart 7: Frontrunners are already collaborating extensively with their partners

Collaborating to map and understand the entire supply network, including sub-tier suppliers, for better risk identification and mitigation.

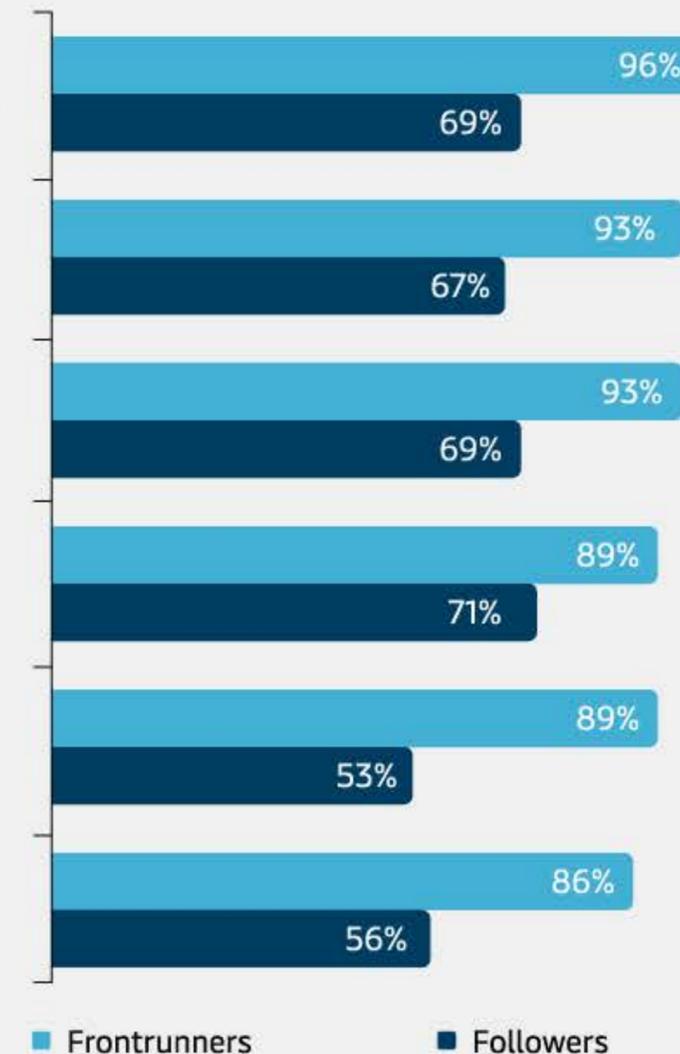
Coordinating forecasting, capacity planning, and order management to improve adaptability to changes.

Sharing knowledge and best practices for risk management and resilience strategies.

Investing in long-term partnerships and trust-building to strengthen collaboration during crises.

Maintaining open and frequent communication channels for quick problem-solving during disruptions.

Exchanging real-time data and insights about supply chain events, risks, and performance metrics.



Key takeaways:

How to collaborate for supply chain resilience

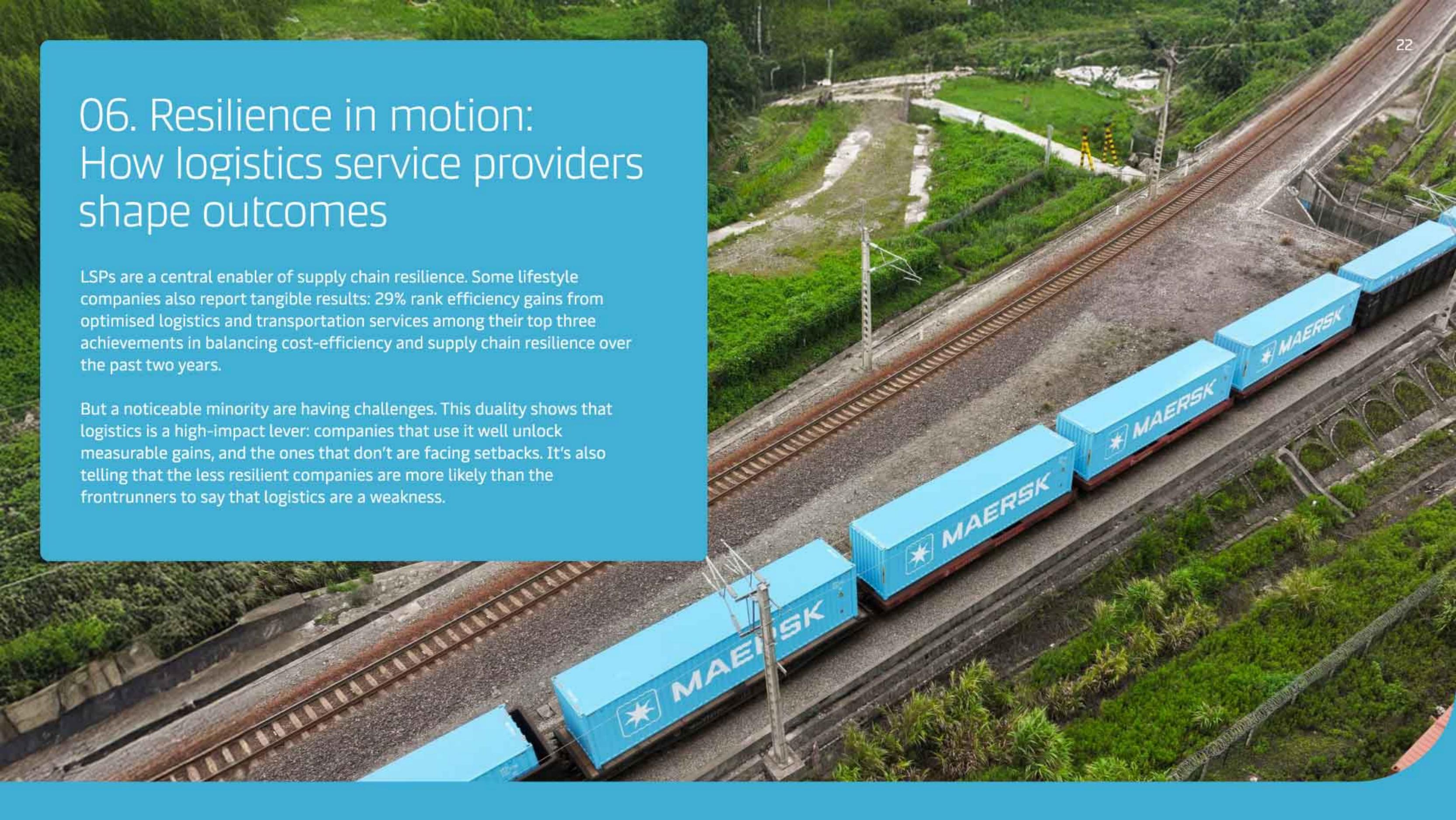
-  Strengthen resilience by collaborating across your internal and external ecosystem. Effective collaboration across functions, suppliers and partners creates greater adaptability and improves your responsiveness to disruption.
-  Map your entire supply chain network, including sub-suppliers, to identify and address vulnerabilities. A clear view of upstream and downstream risks enables faster, more proactive mitigation strategies.
-  Actively coordinate forecasting, capacity planning and order management across your ecosystem. Strengthening joint planning improves agility and helps organisations to respond more effectively to supply chain volatility.
-  Share knowledge and best practices with supply chain partners. Building a collaborative network culture supports collective resilience and enhances long-term stability.



06. Resilience in motion: How logistics service providers shape outcomes

LSPs are a central enabler of supply chain resilience. Some lifestyle companies also report tangible results: 29% rank efficiency gains from optimised logistics and transportation services among their top three achievements in balancing cost-efficiency and supply chain resilience over the past two years.

But a noticeable minority are having challenges. This duality shows that logistics is a high-impact lever: companies that use it well unlock measurable gains, and the ones that don't are facing setbacks. It's also telling that the less resilient companies are more likely than the frontrunners to say that logistics are a weakness.

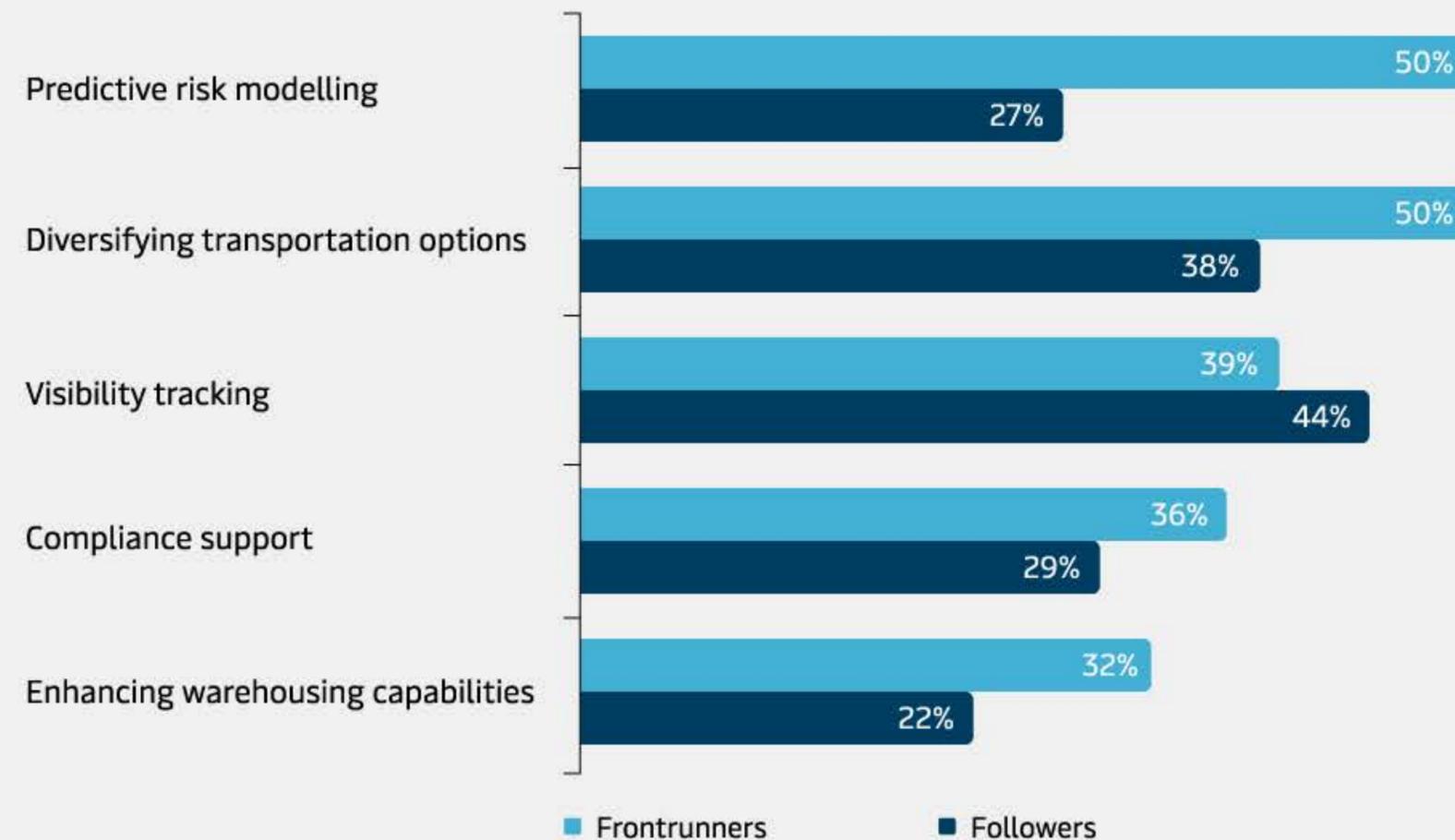


This could be because of the depth of relationships and quality of engagement. The data indicates that the resilience frontrunners are starting to take a more strategic approach to engaging with LSPs – they're putting more emphasis than followers on capabilities such as predictive risk modelling and diversified transportation options (see Chart 8).

Third-party solutions offered by LSPs to support financial resilience are valued across the lifestyle sector – possibly because its cost pressures, seasonality and fluctuating demand make flexible, outsourced solutions a necessity across the board. The resilience frontrunners are more likely to use asset-light strategies such as outsourcing logistics operations, reducing inventory buffers or using dynamic pricing.

The less resilient companies report similar or even slightly higher levels of adoption in areas such as using third- and fourth-party logistics supply chain management tools.

Chart 8: Top 5 services offered by LSPs that are most valuable to supply chain resilience



07. Course for Change: Strategies for resilient supply chains in an unconventional world

Many companies believe their supply chain is resilient. Our data tells a different story. Only a small number of resilience frontrunners are achieving measurable benefits from their resilience strategies.

And their example shows that there's no single fix. These frontrunners succeed by acting across three interdependent areas: people and skills, technology and data, and collaboration and partnerships.



This is what they do:

-  Position the CSCO and supply chain function as drivers of growth, not just as operational enablers.
-  Equip teams with forward-looking skills, focusing on adaptability, advanced digital capabilities, risk management and crisis response.
-  Don't just invest in advanced technologies – they prioritise building skills and the data capabilities they need to use them effectively.
-  Work closely with partners across the value chain, building greater awareness and accountability across functions.
-  Invest in scenario planning and simulation tools to prepare for disruption – they don't just react to it.
-  Map their supply networks in depth, including sub-suppliers, to identify and address vulnerabilities before they escalate.
-  Approach logistic partnerships strategically – not just for efficiency, but also as a lever for financial and operational resilience.

Less resilient companies are often investing in similar areas, but they tend to be earlier in their journey and are more likely to lack internal alignment and the external collaborations that can help them get the most value.

The resilience frontrunners show us that resilience is not a project or a product – it's a capability that has to be embedded across the business, supported by people, systems and partners. In today's unconventional world, resilience is fast becoming both a core differentiator and a foundation for long-term success.



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 lifestyle survey

This report draws on the analysis of responses from 190 lifestyle industry experts who participated in the research. These experts are from the sports and outdoor (33%), apparel (33%) and footwear (34%) industries.

Respondents are C-level executives (32%) and senior supply chain, procurement and operations professionals.

- 23% represent companies with revenues between US\$500m and US\$1bn
- 69% have revenues of between US\$1bn and US\$10bn
- 8% have revenues above US\$10bn

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



