

# Unlocking Financial Opportunities Through Supply Chain Optimization



As organizations relentlessly seek ways to enhance their financial performance, Jabil's 2024 Supply Chain Resilience Survey of 200 supply chain leaders highlights a critical disconnect. Although 69% have earmarked cost reduction as their primary focus for the next 12-24 months, merely half are convinced their operations are optimized to achieve their cost saving goals.

Jabil's mission is to apply the lessons we've learned from nearly 60 years of supply chain experience supporting over 400 leading brands to help you unlock new cost-saving strategies, improve operational efficiency, and drive performance across your supply chain operations.

## UNDERSTANDING SUPPLY CHAIN OPTIMIZATION

Supply chain optimization is more than just improving processes — it's about creating an agile, efficient, and resilient supply chain that can adapt to changing market conditions. At Jabil, we define optimization as leveraging people, processes, and tools that drive cost savings while improving operational performance.

Jabil's Resilience Survey revealed that nearly **50% of senior executives believe their supply chains could be better optimized**. Challenges like fragmented systems, lack of visibility, and outdated procurement practices are some of the primary obstacles.



## KEY COMPONENTS OF AN OPTIMIZED SUPPLY CHAIN:

- 1 **Collaborative Partnerships:** Strong, mutually beneficial supplier relationships improve efficiency, reduce risk, and can help ensure supply during disruptions.
- 2 **Streamlined Processes:** Consistent and efficient procurement processes drive compliance and cost savings.
- 3 **Data-Driven Decision Making:** Leveraging technology and market intelligence enables proactive and better-informed decisions.
- 4 **Effective Inventory Management Strategies:** "Just-in-case" inventory and predictive analytics ensure material availability while avoiding overstock.

# 1 | Collaborative Partnerships

Building strong, trust-based supplier relationships is crucial for establishing a resilient and efficient supply chain. Companies who invest in a robust Supplier Relationship Management (SRM) program could benefit from better pricing, lead times, and service. Fostering long-term collaboration built on mutual trust when times are good enables both parties to navigate inevitable disruptions effectively while creating sustained value. Transparent communication about goals and plans ensures alignment, helping suppliers and companies work toward shared objectives that enhance performance and resilience.

A critical part of collaborative partnerships is transparency - being open with each other about your objectives, expectations. This helps suppliers better align with your goals, leading to improved efficiency, quality, and responsiveness. It also mitigates risks, as suppliers are more likely to flag potential issues early, allowing for proactive solutions. Additionally, open communication can lead to better pricing negotiations, innovation, and shared strategies to optimize supply chain performance.

Another element to collaborative partnerships is having dedicated personnel on both sides and executive-level presence, the relationship evolves from transactional to strategic. This consistency accelerates decision-making, reduces friction, and leads to more efficient processes. While not all organizations have embraced this approach, those that do move beyond cost-cutting will be better suited to foster innovation, strengthen risk management, and improve supply chain performance.

## KEY RECOMMENDATIONS:

- **Long-Term Supplier Collaboration:** Focus on building long-term relationships with strategic suppliers before disruption strikes, prioritizing trust and transparency to navigate market volatility together.
- **Transparency:** Fosters trust, aligns goals, mitigates risks, and drives innovation, ultimately strengthening partnerships and optimizing supply chain performance.
- **Stable Procurement Teams:** Ensure consistency in supplier points-of-contact to build relationships, speed up decision-making, and reduce inefficiencies.
- **Supplier Diversification:** Reducing reliance on a single supplier is critical for mitigating risks and securing better pricing.



## 2 | Streamlined Processes

Streamlining processes to reduce inefficiencies is critical in today's fast-paced world. It starts with refining your workflows to align with your company's larger goals. In addition, one of the key goals should be to make it easier for the business functions to seamlessly leverage the procurement function with minimal human intervention i.e. creating a self-serve environment for the business stakeholder; still enforcing compliance to the procurement policy. One way to do this is to reduce the number of manual tasks and human touchpoints throughout your processes, freeing up your team to apply their expertise toward more valuable tasks. Some examples are – deploying a robust but easy sourcing intake form, enabling catalog buying, implementation autonomous sourcing tools and deploying digital adoption or guided buying platforms.

Another example is, leveraging a Source-to-Pay technology such as Coupa for procurement automation helps manage tail spend more effectively. This tool enables companies to steer employees toward strategic suppliers that offer volume discounts, resulting in substantial cost savings.

Jabil recently transformed its procurement process by integrating technology, automation, and policies to maximize efficiency in Source-to-Pay activities. Utilizing a digital adoption tool alongside Coupa, Jabil enhanced user training, streamlined updates, and guided users to strategic procurement options.

These efforts resulted in a 4% increase in catalog provider adoption within the first three months of adoption, which surged to 63% within 14 months. The digital adoption tool achieved ROI in just four months.

### KEY RECOMMENDATIONS:

- **Automate processes** to transform your procurement and supply chain organizations from tactical to strategic by deploying catalogs and guided buying platforms
- **Digitize change management** and user communication through digital adoption technologies
- **Streamline intake** to ensure the data quality is rich right from the beginning of the sourcing process



### 3 | Data-Driven Decision Making

Supply chain visibility is essential for proactive decision-making, risk management, and finding areas for cost savings. According to Jabil's survey, 69% of respondents reported limited visibility, underscoring the need for more integrated data systems.

However, simply collecting data isn't enough; organizations need to use it strategically to foresee and mitigate disruptions before they escalate. Usable data is the key to actionable visibility.

Adopting AI and machine learning (ML) is proving beneficial, with 66% of supply chain professionals using predictive analytics to make better-informed decisions. This technology can help parse the vast amounts of market data that organizations gather, finding the key details that provide a glimpse into challenges that may lie ahead. Using AI and ML in this way not only boosts visibility but also brings significant advantages like increased efficiency and cost savings.

Data-driven decision making ensures that procurement strategies are both proactive and resilient, even in volatile markets. Tailoring your business's strategy to current trends is necessary to achieve ongoing success. With predictive insights into component pricing and availability, inventory trends, or end-of-life classifications, you'll gain a competitive edge on product design and sourcing decisions.

Market intelligence — made up of expertise from practitioners along with data and analytics — is one piece of the information puzzle. Nearly all (96%) surveyed decision-makers are using market intelligence to some degree in their supply chain and procurement decisions, but about half (51%) said they need more to accurately assess risk. Jabil offers quarterly [market intelligence](#) on an array of commodities, categories, and mechanical components to enable companies to anticipate disruptions and adjust their procurement strategies, avoiding costly delays and shortages.

One of the most effective strategies for optimizing visibility is to [build a customized tech stack](#) that provides a comprehensive view of supply chain operations. By starting with a gap analysis, companies can assess their current technologies and determine the best tools to add for seamless integration.

#### KEY RECOMMENDATIONS:

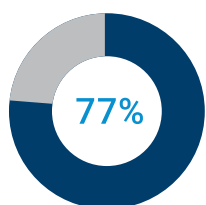
- **Assess your existing technologies** through a gap analysis and identify any additional tools needed to enhance visibility.
- **Leverage predictive analytics** and machine learning to not only foresee supply chain disruptions but also streamline decision-making and improve operational performance.
- **Leverage Market Intelligence:** This information helps quantify risks related to suppliers, parts, and pricing to minimize potential disruptions.



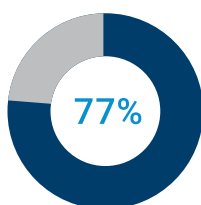
## 4 | Effective Inventory Management Strategies

Logistics presents a significant opportunity for companies to cut costs and increase flexibility. As the global market evolves, businesses must move beyond traditional inventory strategies and adopt more agile models that account for ongoing disruptions and market volatility.

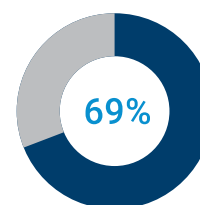
Jabil's survey found that, while many companies still rely on traditional inventory strategies, these may no longer suffice:



use safety  
stock inventory



rely on just-in-time (JIT)  
inventory management



utilize ABC analysis  
and segmentation

While these strategies are foundational, the increasing unpredictability of global supply chains means that relying solely on “just-in-time” models may leave companies vulnerable to disruptions.

By fine-tuning inventory rules based on seasonal factors and centralizing the storage of slower-moving products, companies can reduce the need for excessive safety stock and free up valuable resources tied up in unused inventory. This approach also allows organizations to better respond to demand volatility and avoid cash flow issues caused by holding obsolete products.

The shift towards a “Just-in-Case” approach is now essential for ensuring that critical materials and products are readily available, even in times of supply chain instability. This evolution provides a buffer against delays and stock shortages, minimizing the risk of production stoppages or missed customer demand.

### KEY RECOMMENDATIONS:

- **Improve Forecasting Accuracy:** Use AI and machine learning to forecast demand, optimize inventory, and identify risks, preventing overstocking or shortages and strengthening supply chain resilience.
- **Optimize Processes with Continuous Improvement:** Use Lean Six Sigma, automation, and digital tools to enhance efficiency, reduce errors, and optimize shipping with TMS, cutting costs and boosting accuracy.
- **Strengthen Supplier Relationships:** Build transparent, long-term partnerships to secure better terms, volume discounts, and flexible deliveries.

## Why Jabil?

Jabil stands as a leader in supply chain and procurement optimization, leveraging nearly 60 years of experience delivering custom solutions for 400+ global brands. Our team of 3,000 professionals work with a network of 38,000 suppliers across more than 25 countries, optimizing logistics, strengthening supplier relationships, and utilizing market intelligence to help customers succeed in today's market.

**60**YEARS  
EXPERIENCE**3,000**

EXPERTS

**38,000**

SUPPLIERS

**25**

COUNTRIES

**Let us help you transform your supply chain operations with solutions designed for today's challenges.**