global annual report   2025

STATE OF AGILITY

IN PROCUREMENT & SUPPLY

With the focus topic

NextGen Supply Chain in the Age of AI

Image source: accenture.com

World Commerce & Contracting

Alliance
lean-agile
p r o c u r e m e n t

EXECUTIVE SUMMARY

The tariffs introduced by the U.S. government are just one example of the many uncertainties shaping today's global economy and interconnected supply chains. This growing uncertainty and market volatility are clearly reflected in the responses across industries: Business Agility & Adaptability, Innovation & Business Model Evolution, and Cost Optimization & Profitability were identified as the top three commercial priorities for 2025.

To navigate growing uncertainty in supply chain management, respondents consistently pointed to five key strategies. At the top of the list is the **diversification of suppliers and sourcing channels** to reduce dependency and increase resilience. This is closely followed by **stronger collaboration with stakeholders and suppliers**, enabling more transparent, agile decision-making. Organizations are also embracing **agile and adaptive practices** to stay responsive in volatile conditions. In parallel, they are investing in **enhanced risk and demand management**, supported by analytics and forecasting. While **digitalization and AI** remain important enablers, respondents made it clear that they are not the primary focus—rather, they serve as supporting tools within a broader transformation strategy.


Image source: nbcnews.com

INSIDE THE NUMBERS

This year's results show continued strong alignment, with 90% of respondents agreeing that adopting Agile in commercial functions—on both the supplier and buyer side—is strategically important to their business. While there is broad consensus on the potential benefits of AI in procurement and supply, actual application remains limited: only 15% have actively implemented AI in their supply chain operations. At the same time, 96% of respondents across industries recognize the need to adjust their ways of working, organizational structures, and roles due to AI. Notably, 85% also agree that Agile principles and practices are essential enablers for effectively leveraging AI—positioning agility as a key foundation for future-ready supply chains.

Agile Adoption

90% see Agile as strategically important, and 96% recognize the need to adapt ways of working due to AI—yet most don't know how!
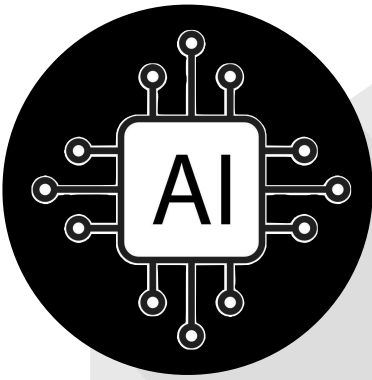

Artificial Intelligence

Just **15%** of respondents organizations have a very **limited application** of integrated AI-driven technology into its supply chain operation.

NextGEN SUPPLY CHAIN

Alongside AI, respondents are boosting collaboration, diversification, and agility to ease supply chain pressure.

Success stories in commercial functions have demonstrated the potential for huge business impact, with improvements in lead times of between 200 and 800%, savings up to 80% which means Millions of cost optimization for corporations as well as governments. No wonder 'Lean-Agile Procurement' has been rated one of the top Agile Practice in 2025.
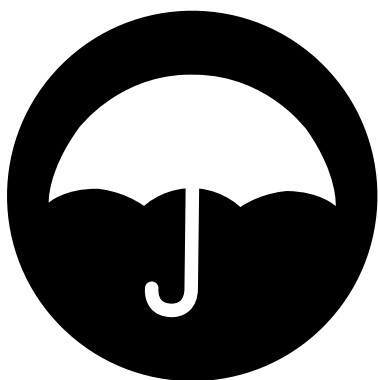
According to the 2025 responses, the top challenges in procurement and supply include rising cost pressure and inflation, market volatility, and shifting customer demands. Organizations also struggle with regulatory complexity, limited leadership support for agile adoption, and a lack of clear direction on how to adapt structures and roles for AI and agility. These challenges are intensified by the need to deliver innovation and resilience in an increasingly uncertain environment.

CHALLENGES

FOREWORD

In the rapidly evolving landscape of global commerce, the fragility of supply chains has emerged as a critical concern. The past year has witnessed an alarming increase in trade protectionism and tariff barriers, creating unprecedented challenges for organizations worldwide. These geopolitical shifts have exposed fundamental weaknesses in traditional contracting and supply chain models – most notably, their inability to deliver the transparency essential for truly agile operations.

Our 2025 research reveals a stark reality: despite widespread recognition of the need for agility, organizations continue to struggle with reshaping both internal processes and external relationships to effectively respond to market volatility. The data shows that while an overwhelming majority of organizations acknowledge agility's strategic importance, implementation remains fragmented and often superficial.

True agility demands heightened collaboration – not just improved communication, but fundamentally different approaches to partnership. Yet our findings indicate that only a small percentage of initiatives meaningfully engage external partners, creating a significant gap between aspiration and execution. For most, this remains a missed opportunity that should be urgently addressed.
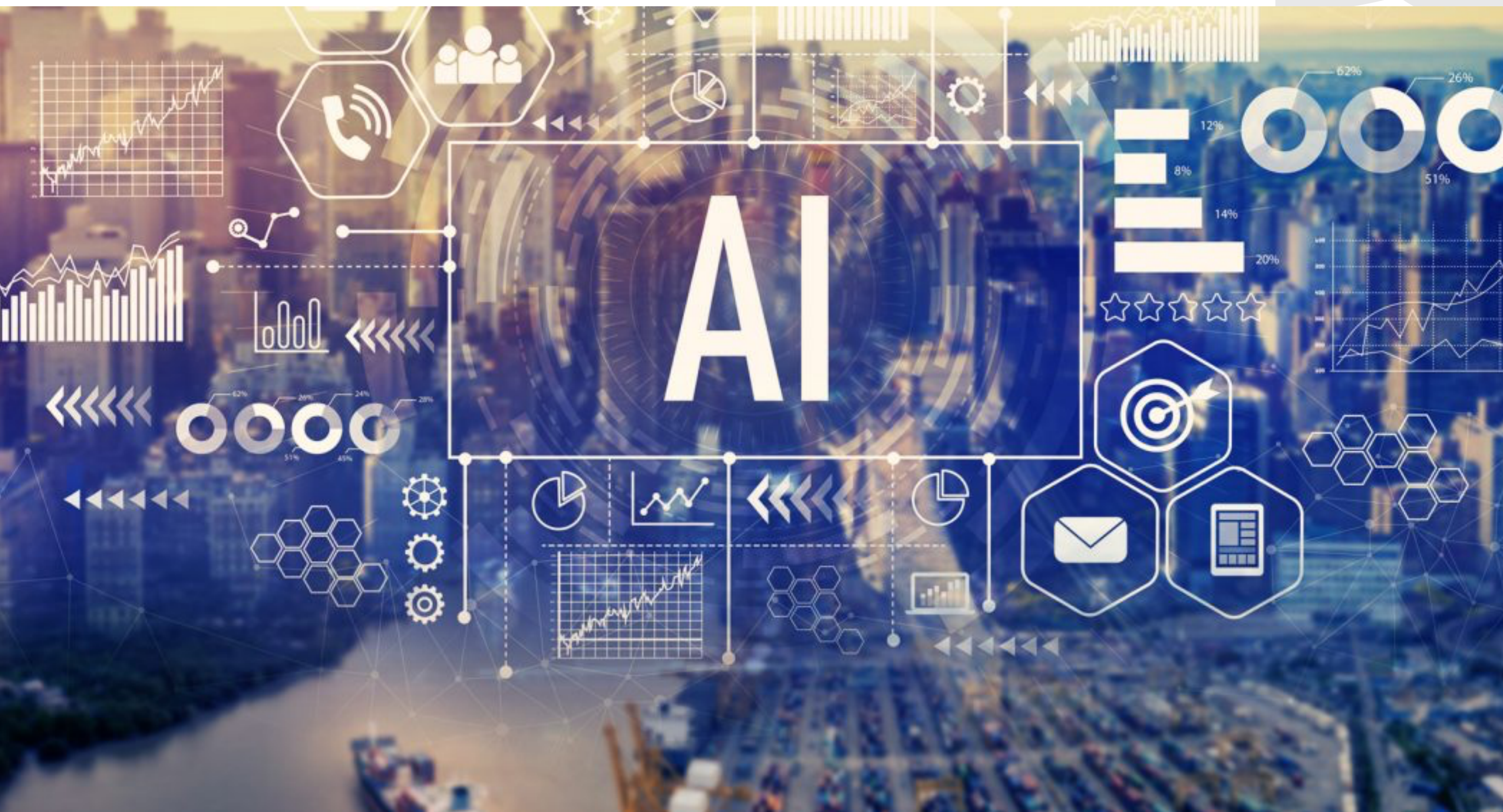

Image source: zuumapp.com

Rapid advances in the use of artificial intelligence, particularly agentic AI, offer promising solutions to these challenges. AI's potential to enhance visibility across complex supply networks, predict disruptions, and facilitate rapid decision-making represents a transformative opportunity. However, technology alone cannot address the underlying issues.

What's required is a profound shift in mindsets – moving from transactional relationships to genuine collaboration, from risk avoidance to intelligent risk sharing, and from data hoarding to data integrity across organizational boundaries. As Zhang Ruimin wisely noted, "No man, nor an organization is an island entire of itself."

The path forward demands courage – to reimagine commercial relationships, to embrace transparency, and to build adaptive partner ecosystems capable of navigating uncertainty together. This report offers insights into how pioneering organizations are making this journey, transforming procurement and supply functions from operational necessities into strategic enablers of resilience and innovation.

FOREWORD

This report, through comprehensive research and in-depth analysis, examines how organizations of varying sizes and sectors are implementing Agile practices to enhance their resilience and performance. The findings reveal insightful strategies and best practices that can guide leaders and practitioners in their journey towards Business Agility.

This report is the result of a collaborative effort between World Commerce & Contracting, the Lean-Agile Procurement Alliance, 24 Collaboration Partners and Deloitte. Together, we have combined our expertise and resources to deliver a comprehensive and actionable study. We extend our sincere gratitude to all the participants who contributed their valuable insights and experiences to this survey.

As you delve into the pages of this report, we hope you find the information both enlightening and inspiring. May it serve as a valuable resource for your organization's Agile transformation journey. Embrace the insights, leverage the recommendations, and join us in fostering a future where Agility in Procurement and Supply is not just an aspiration, but a reality.

Tim Cummins (founder of World Commerce & Contracting formerly IACCM) & **Mirko Kleiner** (President Lean-Agile Procurement Alliance) have designed and published this study.

Tim Cummins

President at World Commerce & Contracting; Professor, Leeds University School of Law; Chair, International Commercial & Contract Management

Mirko Kleiner

Thought Leader & President at Lean-Agile Procurement Alliance , Serial Award Winner, Keynote Speaker, Author, Haier Model Expert

COOPERATION PARTNERS

This survey would not have been possible without the support of our global cooperation partners. We're proud to see the collaboration even between competitive alliances to achieve something bigger than us.

RESPONDENT DEMOGRAPHICS

Participants responded from all around the world, from corporates to SME's, from multiple industries and roles. This has enabled us to present results from both the buyer's and supplier's point of view covering both public and private sector. Compared to the 2024 results, we were able to diversify the location and industry of respondents, while the size of organizations remained similar.

LOCATION OF ORGANIZATION

Respondents where from:

NORTH AMERICA **18%**

EUROPE **28%**

ASIA **14%**

AFRICA & MIDDLE EAST **13%**

AUSTRALIA & NEW ZEALAND **18%**

SOUTH AMERICA **9%**
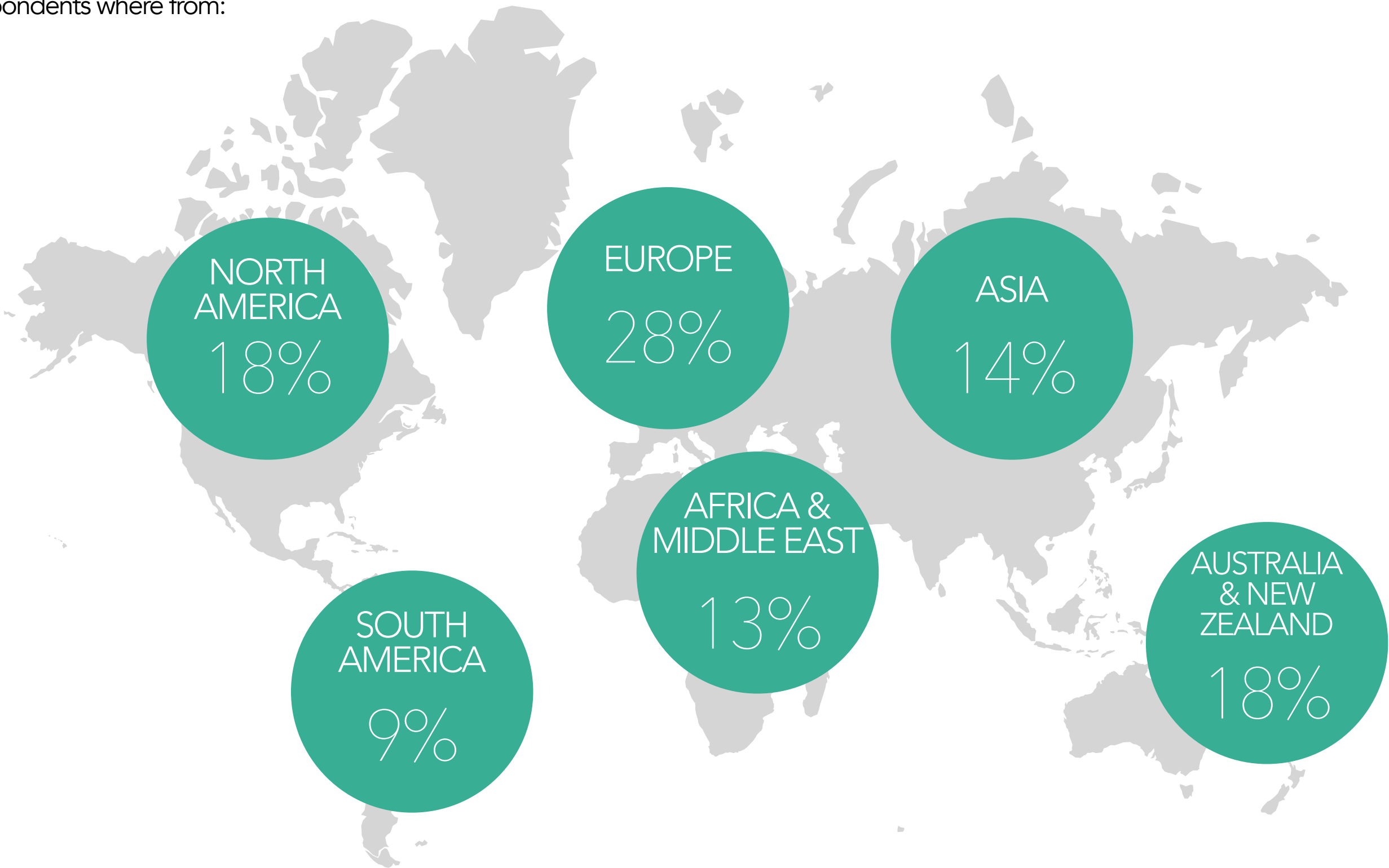
SIZE OF ORGANIZATION

Respondents organization have an annual revenue in USD)

< $ 1 BILLION   **55%**

$ 1-5 B.   **16%**

$ 6-10 B.   **4%**

> $ 10 B.   **24%**
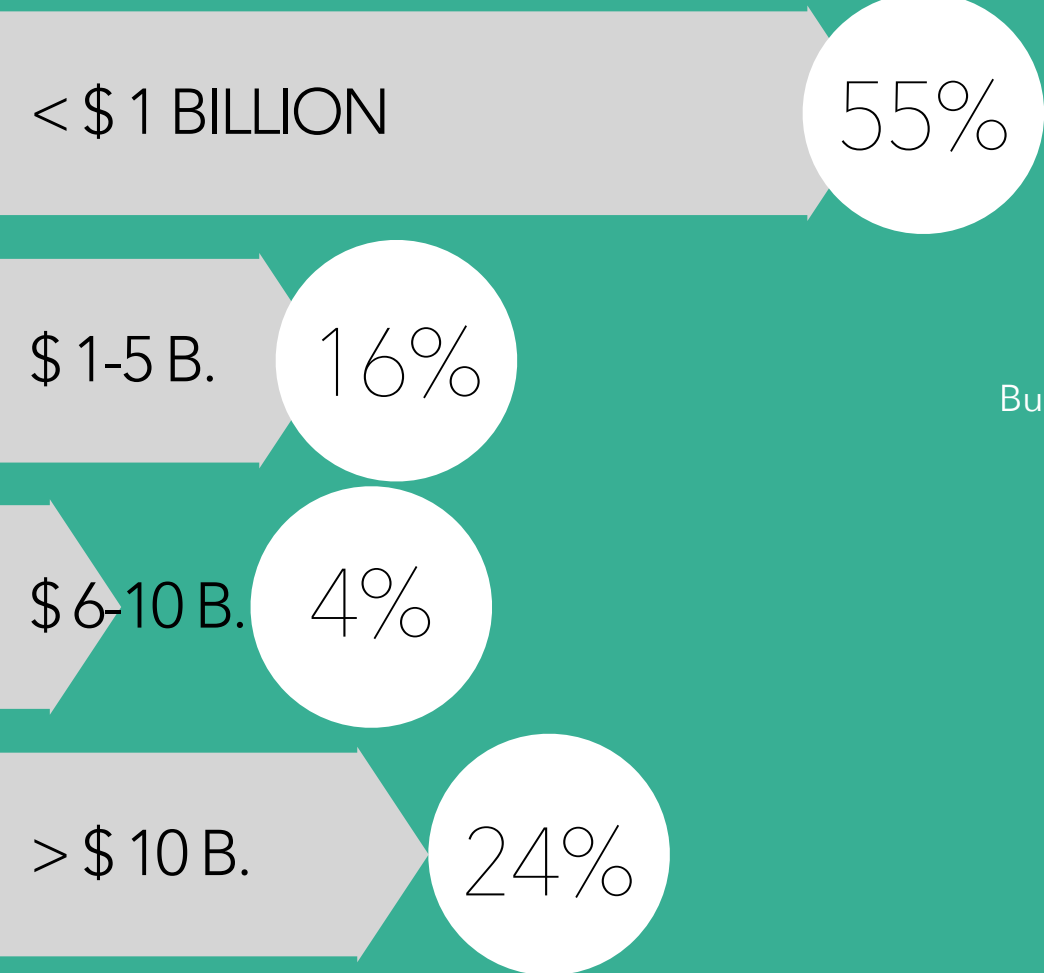
INDUSTRY

Respondents organization belong to those sectors

Manufacturing
Power Generation
Oil & Gas
Business Service & Consulting
Telecom.
Public Sector & GOV
Technology

Health Care
Aerospace / Defence
Food
non-profit
Automotive
Chemicals / Pharma / Biotec
Materials & Mining
Engineering & Construction
Retail
other
Banking / Insurance

RESPONDENT DEMOGRAPHICS
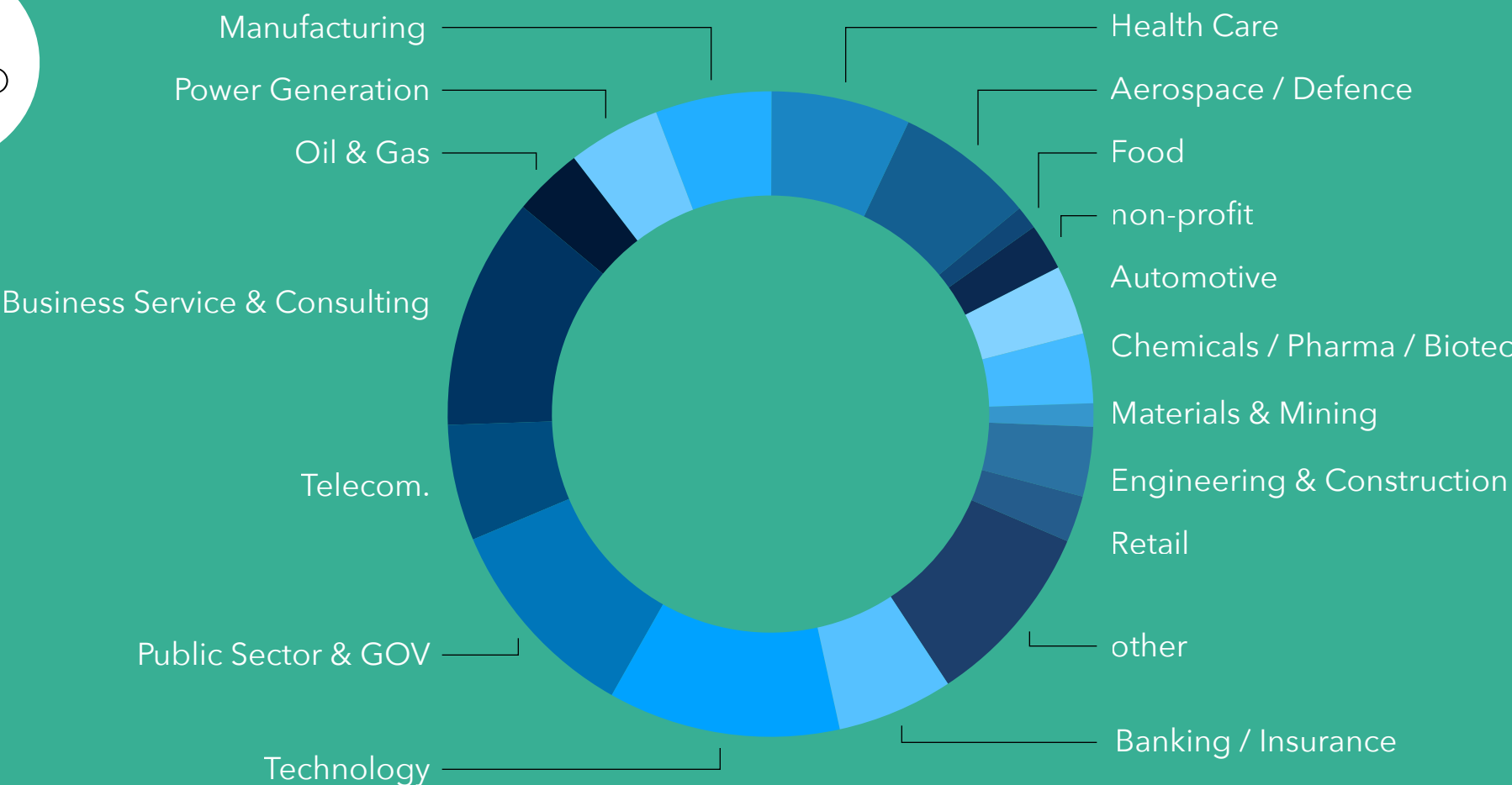
The respondents are very balanced from the buyer- and supplier side. Respondents cover most of the commercial functions.

BUYER & SUPPLIER ROLE

The respondents came from the supplier- as well from the buyer side

BOTH
28%

SUPPLIER
32%

BUYER
40%
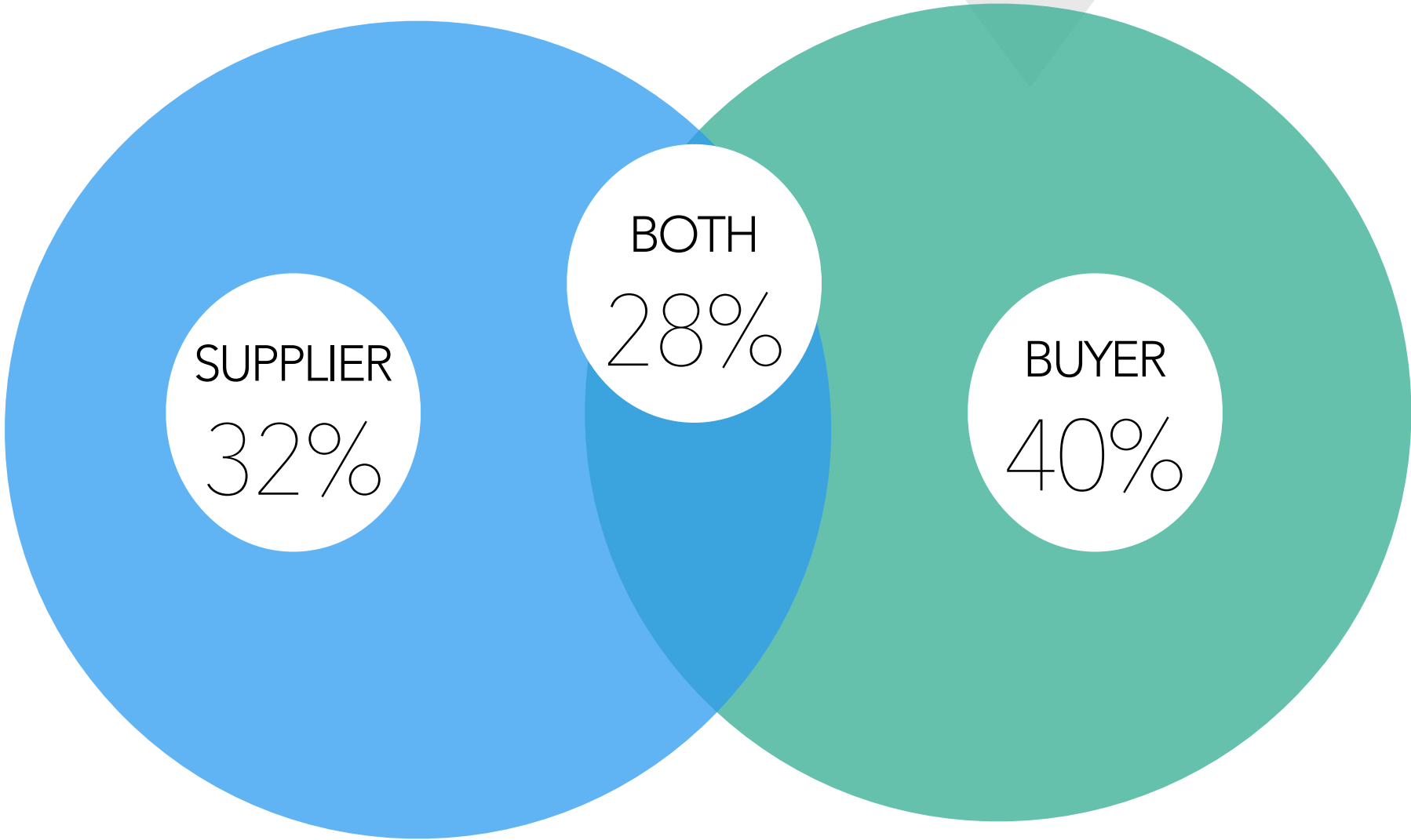
FUNCTION

The respondents came from the following roles & functions

Lean or Agile Coach / Scrum Master

Contract / Commercial Management

Procurement / Supply Management

Leadership / Management

Legal

Other

Project Management

IT

Business Unit Management

TOP COMMERCIAL PRIORITIES
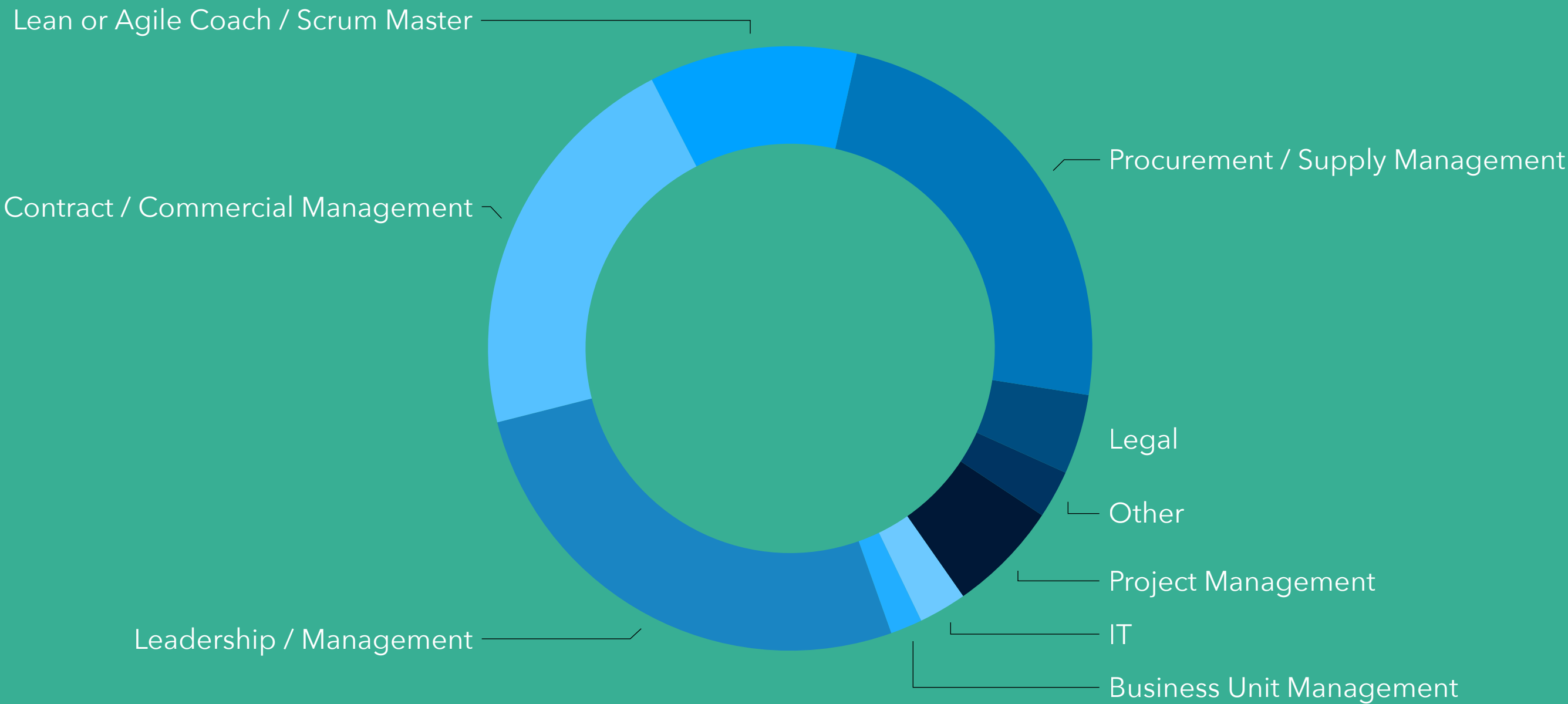
In contrast to previous years—where digitalization dominated the agenda in procurement and supply—respondents now report a radical shift in commercial priorities, with a surprising level of alignment across industries. The majority identified "Business Agility & Adaptability" as their top priority, closely followed by "Innovation & Business Model Evolution" and "Cost Optimization & Profitability." While AI is undoubtedly a hot topic, it has not yet emerged as a clear commercial priority.

TOP 3 STRATEGIC PRIORITIES BY INDUSTRY

Across industries, respondents ranked the following as priorities in their commercial processes, alongside digitalization: training and recruiting, and agile transformation of their commercial functions.
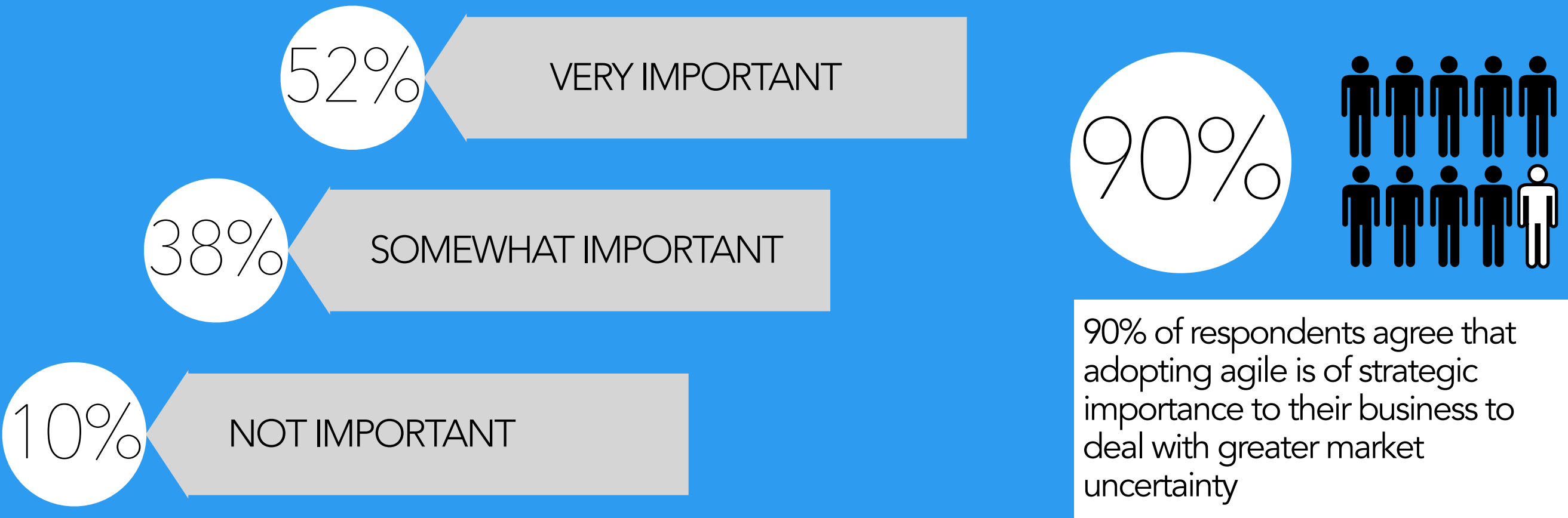
	#1	#2	#3
Aerospace / Defence	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Automotive	Business Agility & Adaptability	Training employees to be ready for the next challenges	Innovation & Business Model Evolution
Banking / Insurance / Financial Svcs	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Business Services & Consulting	Business Agility & Adaptability	Innovation & Business Model Evolution	Partner Ecosystem & Collaborative Growth
Chemicals	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Consumer Packaged Goods / Retail	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Engineering & Construction	Business Agility & Adaptability	Innovation & Business Model Evolution	Training employees to be ready for the next challenges
Food / Drink / Tobacco	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Health Care	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Hotels, Leisure & Entertainment	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Legal	Innovation & Business Model Evolution	Business Agility & Adaptability	Supply Chain Resilience & Agility
Manufacturing & Industrial Goods	Business Agility & Adaptability	Cost Optimization & Profitability	Workforce Transformation & Talent Strategy
Materials & Mining	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Media & Publishing	Cost Optimization & Profitability	Business Agility & Adaptability	Innovation & Business Model Evolution
Non-profit & Charity	Business Agility & Adaptability	Training employees to be ready for the next challenges	Innovation & Business Model Evolution
Oil & Gas	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Pharmaceutical / Biotechnology	Business Agility & Adaptability	Innovation & Business Model Evolution	AI-Driven Business Transformation
Power Generation & Utilities	Business Agility & Adaptability	Cost Optimization & Profitability	Training employees to be ready for the next challenges
Public Sector & Government	Business Agility & Adaptability	Innovation & Business Model Evolution	Training employees to be ready for the next challenges
Schools, Education & Training	Business Agility & Adaptability	Cost Optimization & Profitability	Innovation & Business Model Evolution
Technology	Business Agility & Adaptability	Innovation & Business Model Evolution	Cost Optimization & Profitability
Telecommunications	Business Agility & Adaptability	Cost Optimization & Profitability	Innovation & Business Model Evolution
Transportation / Logistics	Business Agility & Adaptability	Innovation & Business Model Evolution	Partner Ecosystem & Collaborative Growth

REASONS FOR ADOPTING AGILE

Both procurement and supply-side respondents agree that Agile adoption has become a top executive priority. The pressure to manage shifting priorities has intensified, with a growing need to reduce time to market and navigate the complexity of today's multi-dimensional market uncertainty. Additionally, both buyers and suppliers report that cost reduction has once again moved into sharper focus.

STRATEGIC IMPORTANCE OF BUSINESS AGILITY

52% VERY IMPORTANT

38% SOMEWHAT IMPORTANT

10% NOT IMPORTANT

90%

90% of respondents agree that adopting agile is of strategic importance to their business to deal with greater market uncertainty

REASONS FOR ADOPTING AGILE

The top 3 reasons for adopting agile are to enhance ability to manage changing priorities, reduce time to market while overcoming the complexity.

Reason	
enhance ability to manage changing priorities	
reduce time to market	
overcome complexity	
improve business alignment	
reduce costs	
improve stakeholder management	
foster innovation	
reduce risks	
improve value stream resilience	
improve team morale	
other	

REASONS FOR ADOPTING AGILE
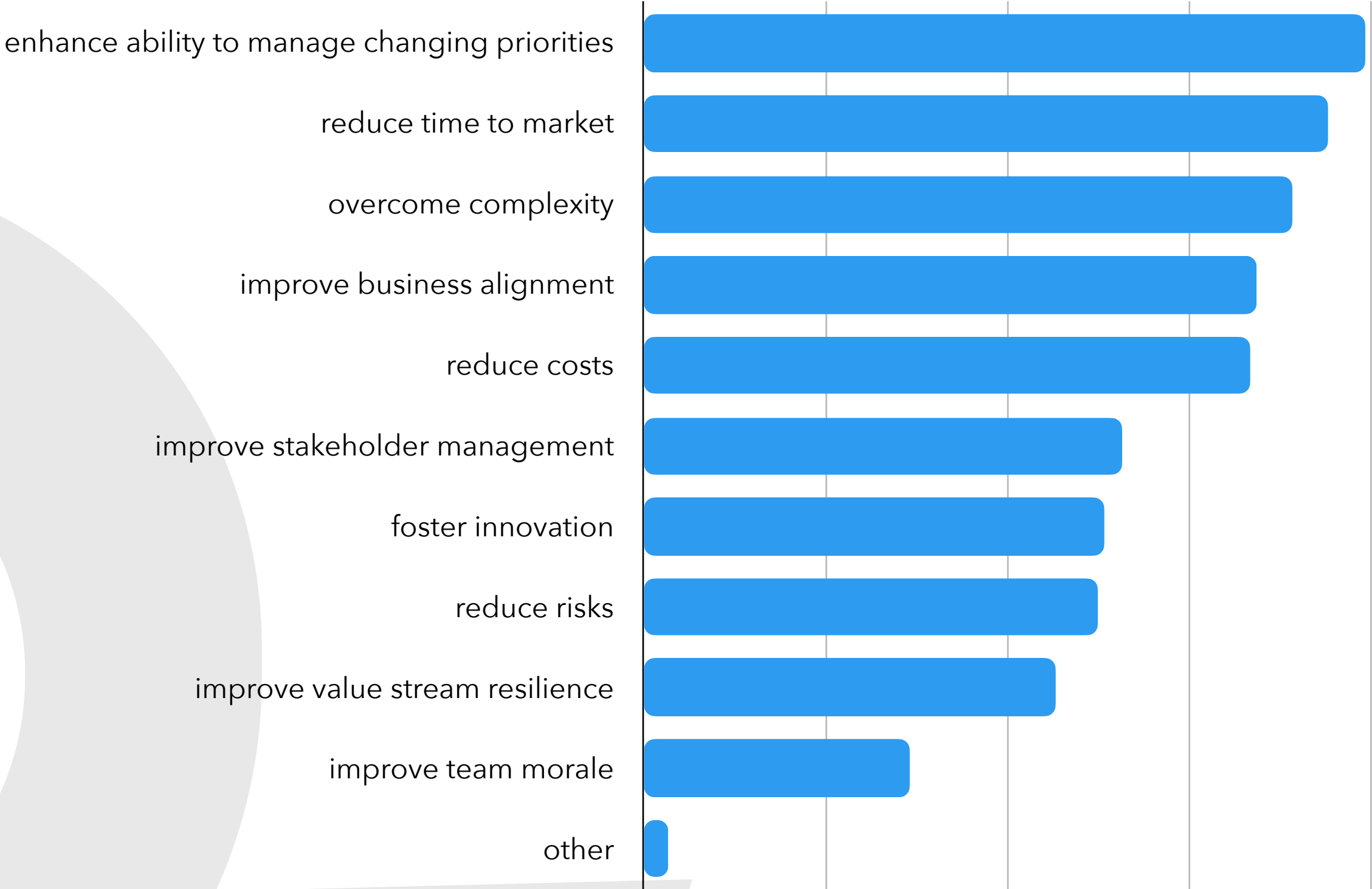
One of the key challenges in conducting a study on Agile is that individuals often consider themselves agile, while their organizations typically are not—or at least not to the extent they should be. For the first time, we asked our global respondents to define what Agile means to them in their specific organizational context through an open-text question. And thanks to AI, summarizing hundreds of nuanced responses took just one prompt 😉.

WHAT AGILE MEANS TO OUR RESPONDENTS

Top 5 Definitions of "Agile" According to Respondents

#1 **Ability to Adapt Quickly to Change**
Agile is most commonly associated with the capacity to respond rapidly and effectively to shifting market conditions, emerging priorities, or customer needs.
Keywords: adapt, respond to change, nimble, flexible, react quickly

#2 **Flexibility and Simplicity in Process**
Many define Agile as a flexible, less bureaucratic approach that streamlines workflows, simplifies value delivery, and reduces complexity while staying outcome-focused.
Keywords: flexibility, less bureaucracy, streamlined, simplified, pragmatic
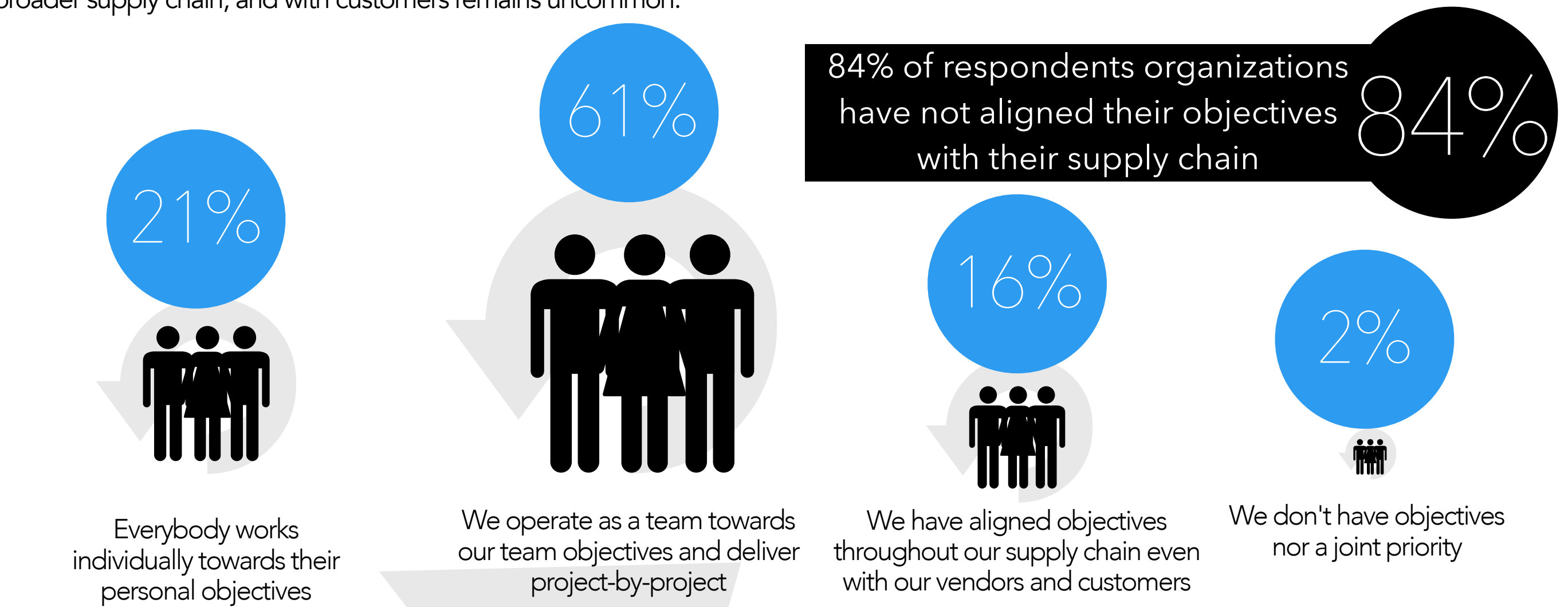
#3 **Collaboration and Empowered Teams**
Agile emphasizes cross-functional collaboration, stakeholder engagement, and empowering teams to make decisions and deliver value autonomously.
Keywords: co-creation, teamwork, collaboration, empowerment, decentralized decision-making

#4 **Customer-Centricity and Value Delivery**
Agile is seen as a mindset focused on delivering customer value early and often, involving end users in iterations and continuously adjusting based on feedback.
Keywords: customer-first, value, continuous delivery, business goals, iterative development

#5 **Continuous Improvement and Learning**
Agile is understood as a mindset or framework built on learning, refining, and improving over time in uncertain or complex environments (e.g., VUCA/BANI).
Keywords: continuous improvement, experimentation, feedback loops, mindset, adaptability

OPERATION IN YOUR TEAM

The majority of respondents reported working as a team toward shared internal objectives. However, aligning goals across partners, the broader supply chain, and with customers remains uncommon.

84% of respondents organizations have not aligned their objectives with their supply chain — 84%

21% Everybody works individually towards their personal objectives

61% We operate as a team towards our team objectives and deliver project-by-project

16% We have aligned objectives throughout our supply chain even with our vendors and customers

2% We don't have objectives nor a joint priority
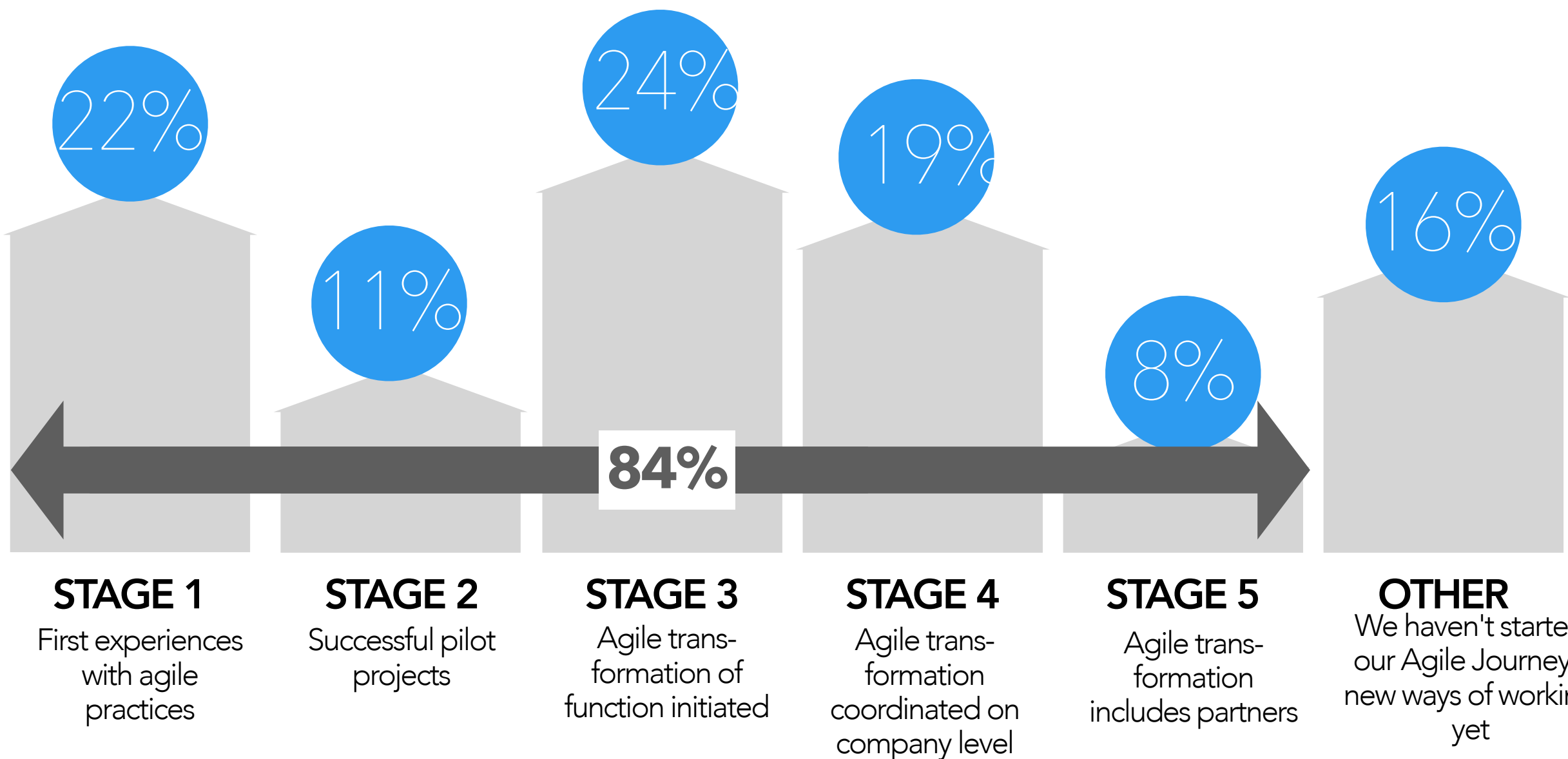
PROGRESS IN ADOPTING AGILE

Since the last report, we've seen a clear shift from isolated pilots to more serious Agile transformations within procurement and supply functions. However, strategic partner involvement remains low, with only a modest increase of 3%. At the same time, the transformation approach has become more professional, with a reduced reliance on external support. Despite this progress, many respondents still lack sufficient executive backing—an issue that continues to hinder the speed and effectiveness of Agile adoption. Without strong leadership commitment and deeper engagement of key partners, the full potential of Agile across the value chain will remain out of reach.

MATURITY LEVEL OF YOUR AGILE ADOPTION

84% of respondents are at some stage of an agile transformation within their overall organization, a growing minority has coordination at a company level, but just 8% include their external trading partners.

84%

STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5	OTHER
22%	11%	24%	19%	8%	16%
First experiences with agile practices	Successful pilot projects	Agile transformation of function initiated	Agile transformation coordinated on company level	Agile transformation includes partners	We haven't started our Agile Journey / new ways of working yet

84%

ADOPTION APPROACH TO BECOME MORE AGILE

In spite of the strategic importance of becoming agile, just 27% have established a cross-functional transformtion team to lead the transformation top down.

33%	9%	27%	17%	13%
Do it yourself or guidance by internal agile coaches	Guidance by external agile coaches	Cross-functional transformation team	Cross-Company Transformation Team	Other or no approach

AGILE MATURITY
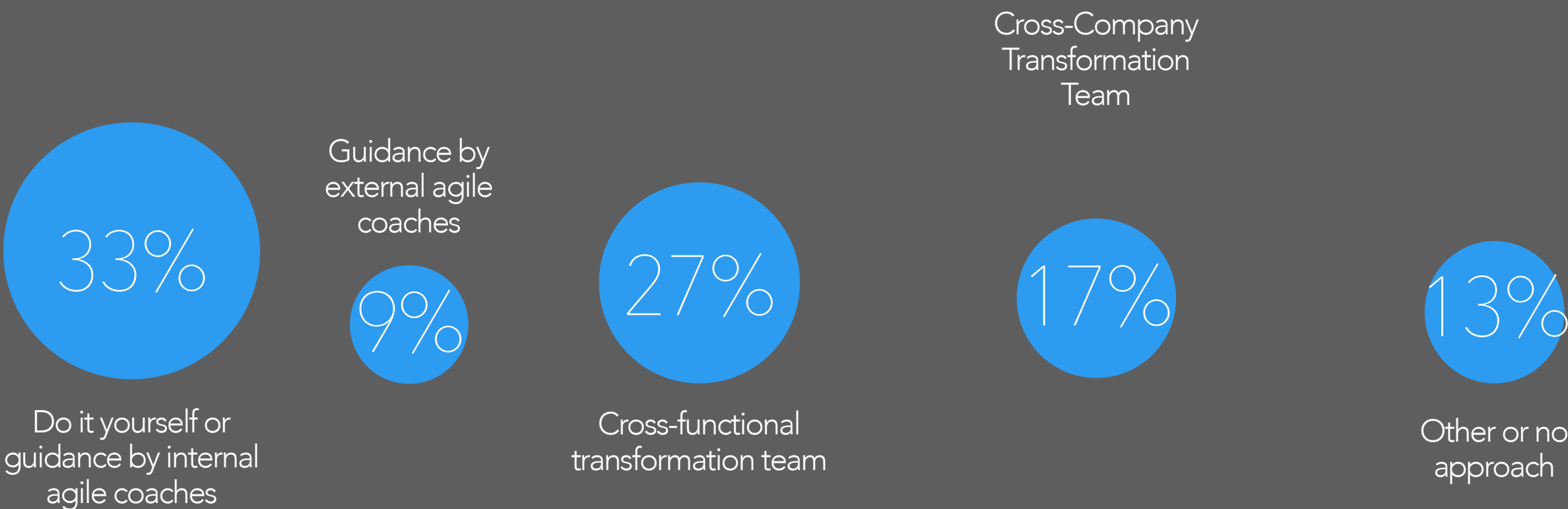
60% of those who haven't yet adopted Agile plan to start their transformation. However, a notable 40% have no immediate plans—despite 90% of all respondents recognizing business agility as strategically important, and naming "Business Agility & Adaptability" as their top commercial priority. This reveals a clear gap between strategic intent and actual execution. Among those already applying Agile practices in procurement and supply, the top three are: daily stand-ups, Lean-Agile Procurement, and short iterations.

ADOPTION PLANS OF THOSE WHO HAVEN'T STARTED YET

60% or respondents are starting or plan to start adoption within next 12 months

40%
Not yet & no immediate plans

31%
About to start adoption

14%
Plan to start adoption within next 6 months

15%
Plan to start adoption within next 12 months
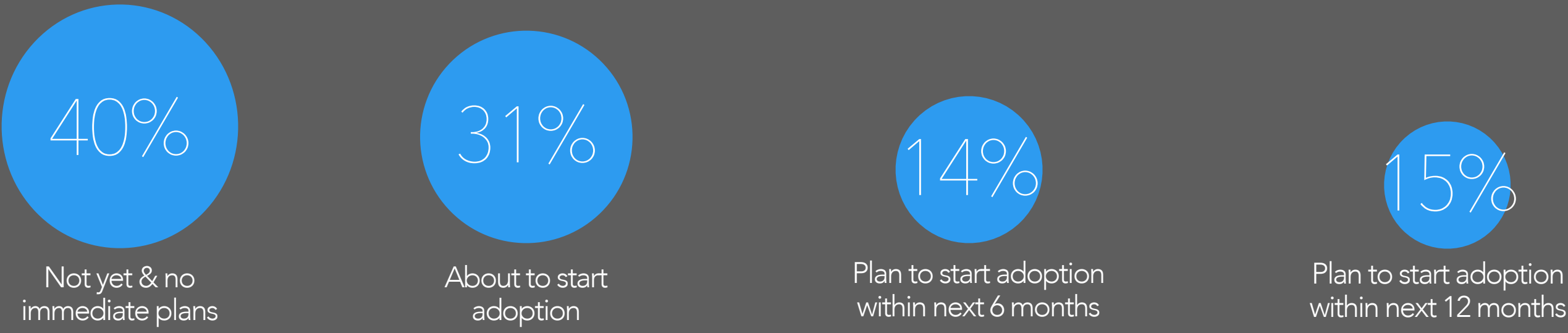
AGILE PRACTICES IN PROCUREMENT OR SALES

The top 3 agile practices are the daily stand-up, lean-agile procurement and short iterations.

Horizontal bar chart of agile practices (descending):
- Daily stand-up
- Lean-Agile Procurement incl. Big Room Events to co-create Proposals
- Short iterations
- Kanban board
- Retrospectives
- Empowered cross-functional team
- Objectives & Key Results
- Scrum
- Dedicated product owner
- Design Thinking
- Value Stream Mapping
- User Story Map
- Lean Procurement Canvas
- Agile Portfolio Board
- Common work area
- Lean Startup
- Wardley Mapping
- Other

AGILE MATURITY

Despite Business Agility & Adaptability being the top commercial priority, Agile contracts remain relatively new for most organizations and are not yet receiving the attention they deserve. 67% of respondents have less than one year of experience with Agile contracts, and only 9% consider themselves highly experienced.

EXPERIENCE IN AGILE CONTRACTS

67% of respondents have less than 1 year's experience of agile contracts and just 9% call themselves very ‚experienced'.

60% — New to agile contracts

67%

7% — Less than 1 year of experience

13% — 1-3 years of experience

12% — 3-5 years of experience

5% — 5-10 years of experience

4% — More than 10 years of experience

NEXTGEN SUPPLY CHAIN
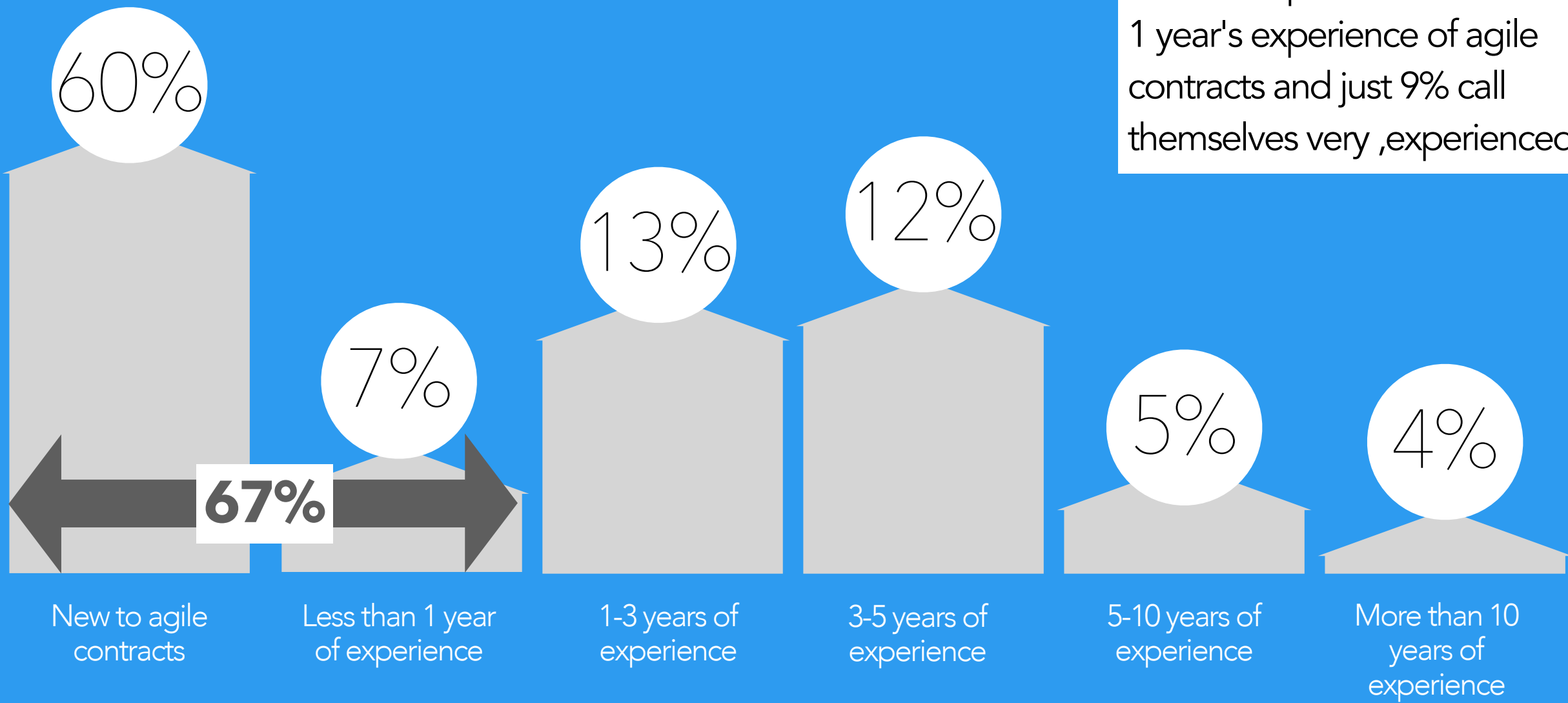
In this section—our focus topic for this year—we explore how AI is transforming the next-generation supply chain: enhancing agility, accelerating decision-making, strengthening collaboration, and building resilience. Your insights help us uncover the key challenges and opportunities shaping this evolving landscape.
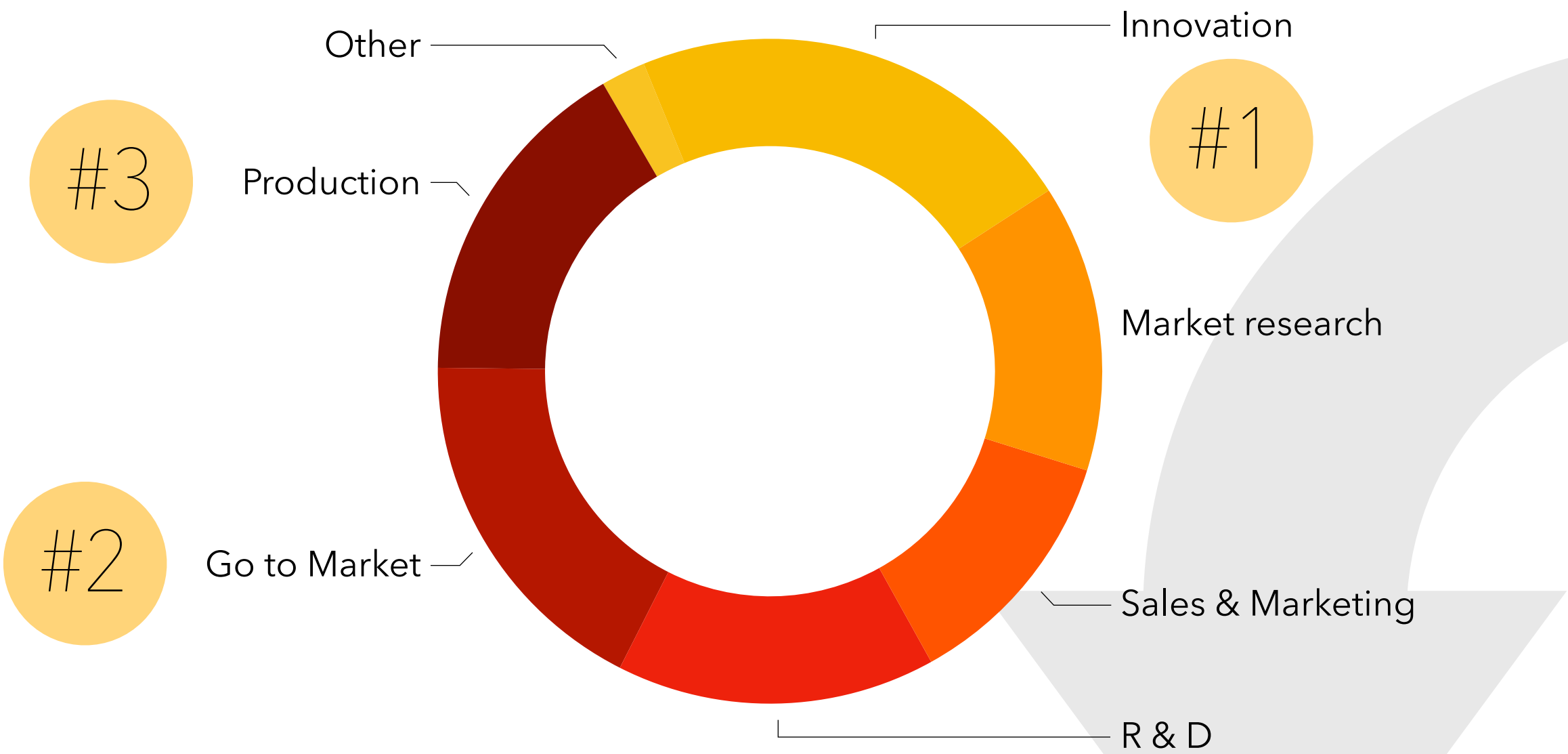
With the focus topic

NextGen Supply Chain in the Age of AI

Image source: accenture.com
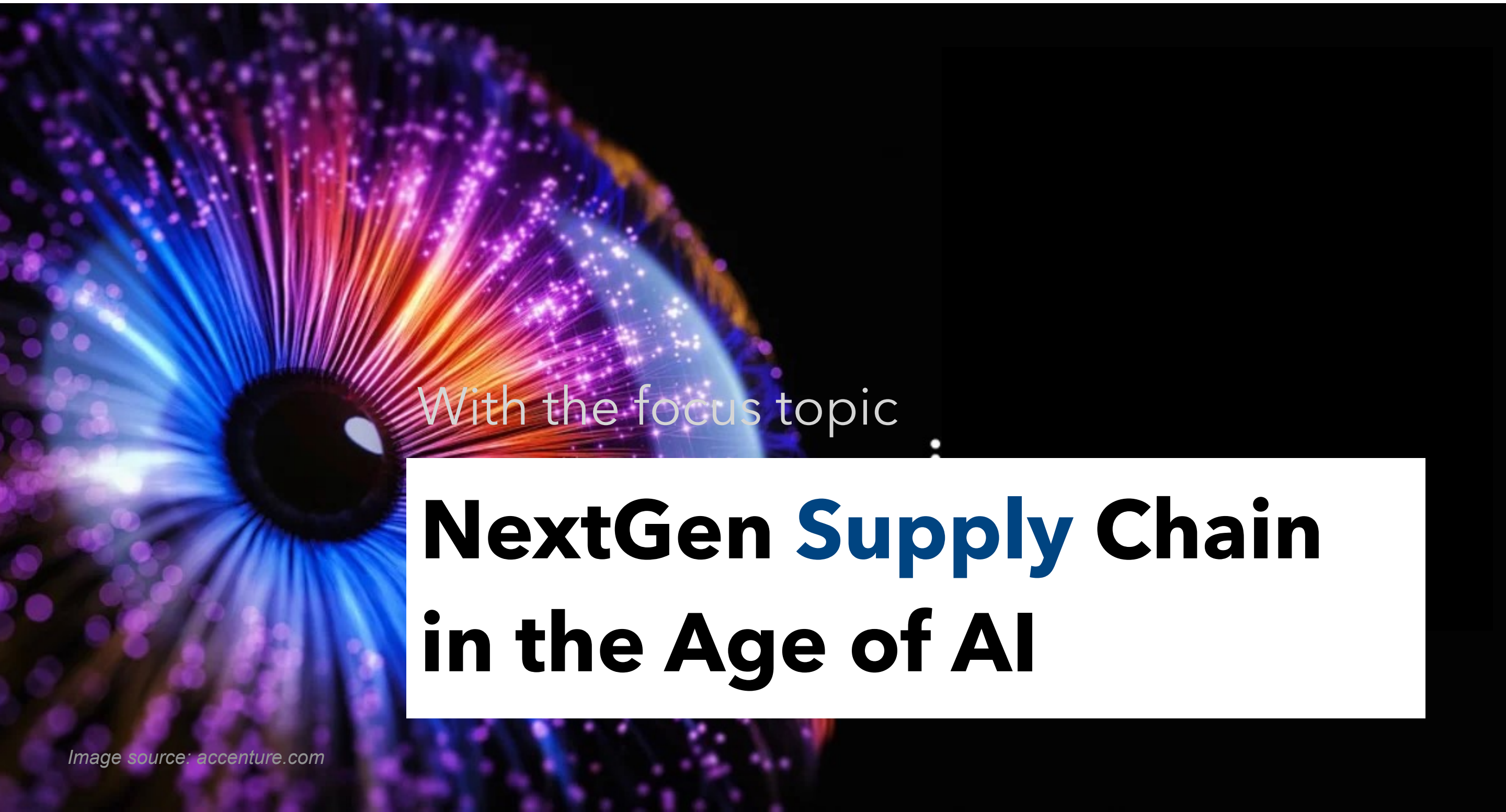
SCENARIO'S FOR COLLABORATION WITH MULTIPLE PARTNERS / MAKE USE OF A SUPPLY CHAIN

Similar to last years report the top 3 scenarios where the respondents reported they have to collaborate with multiple partners/make use of a supply chain to solve their problems are in innovation, go to market and production. In general, the scenarios of cross-company collaboration along the entire product lifecycle are quite distributed. We do See evidence of a clear need both in big corporations as well as SME or startups.

Other

Innovation

#3

#1

Production

Market research

#2

Go to Market

Sales & Marketing

R & D

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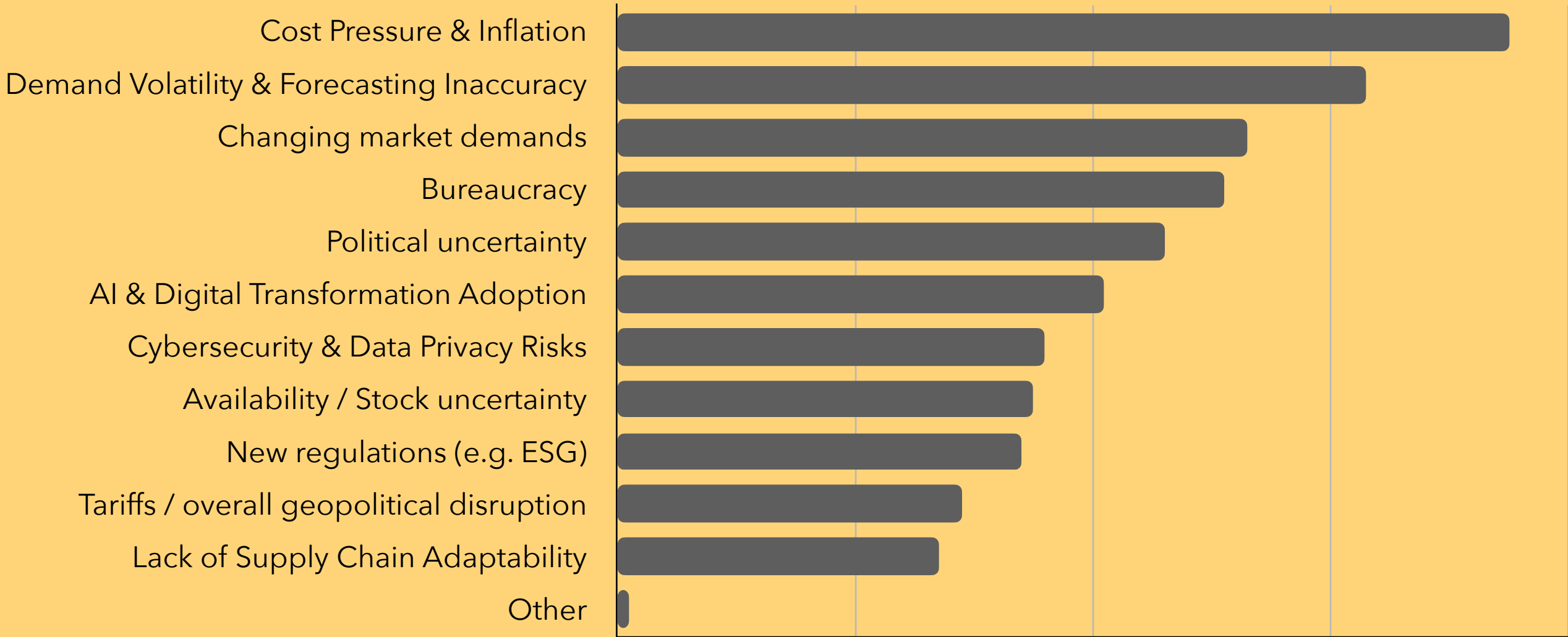
13

NextGEN SUPPLY CHAIN

Rising market volatility is placing growing pressure on respondents' supply chains. It's no surprise, then, that many are seeking stronger stakeholder and supplier collaboration, greater diversification, and the adoption of more agile and adaptive practices.

CHALLENGES FOR YOUR SUPPLY CHAIN

In line with previous responses, respondents identified cost pressure and inflation, market volatility, and shifting customer demands as the top challenges currently impacting their supply chains.

Challenge	
Cost Pressure & Inflation	████████████████████
Demand Volatility & Forecasting Inaccuracy	██████████████████
Changing market demands	██████████████
Bureaucracy	█████████████
Political uncertainty	████████████
AI & Digital Transformation Adoption	███████████
Cybersecurity & Data Privacy Risks	██████████
Availability / Stock uncertainty	██████████
New regulations (e.g. ESG)	█████████
Tariffs / overall geopolitical disruption	████████
Lack of Supply Chain Adaptability	████████
Other	▏

KEY STRATEGIES TO OVERCOME UNCERTAINTY IN SUPPLY CHAIN MANAGEMENT

The respondents reported the following key strategies to overcome uncertainty in supply chain management.

#1 Diversification of Suppliers and Sourcing Channels

Avoid dependency on single suppliers

Explore alternative sourcing options (local, regional, global)

Build redundancy across the supply chain

#2 Stronger Stakeholder & Supplier Collaboration

Proactive communication and engagement with internal stakeholders, suppliers, and SMEs

Build long-term partnerships and trust

Establish supplier relationship management programs (SRM)

#3 Agile & Adaptive Practices

Implement agile methodologies and iterative planning

Increase flexibility in contracts and sourcing models
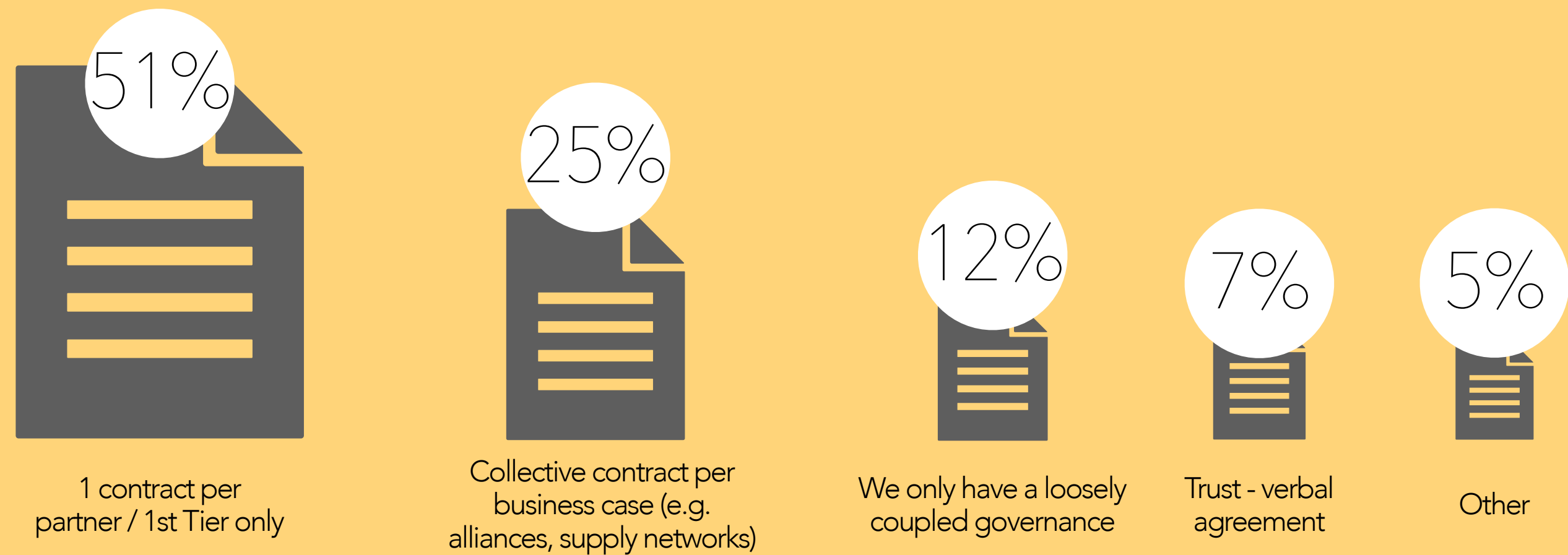
Use scenario planning and quick response mechanisms

#4 Enhanced Risk & Demand Management

Develop contingency plans and buffers for critical components

Conduct proactive risk assessments and mitigation planning

Improve forecasting accuracy using data and AI

#5 Digitalization & Process Simplification

Automate processes and adopt digital tools

Use AI, GenAI, and analytics for real-time insights

Streamline category management and sourcing policies

Despite the clear need for more agility & adaptability the contracting strategy in supply chain management has not changed much. However, almost a third are using more adaptive techniques.
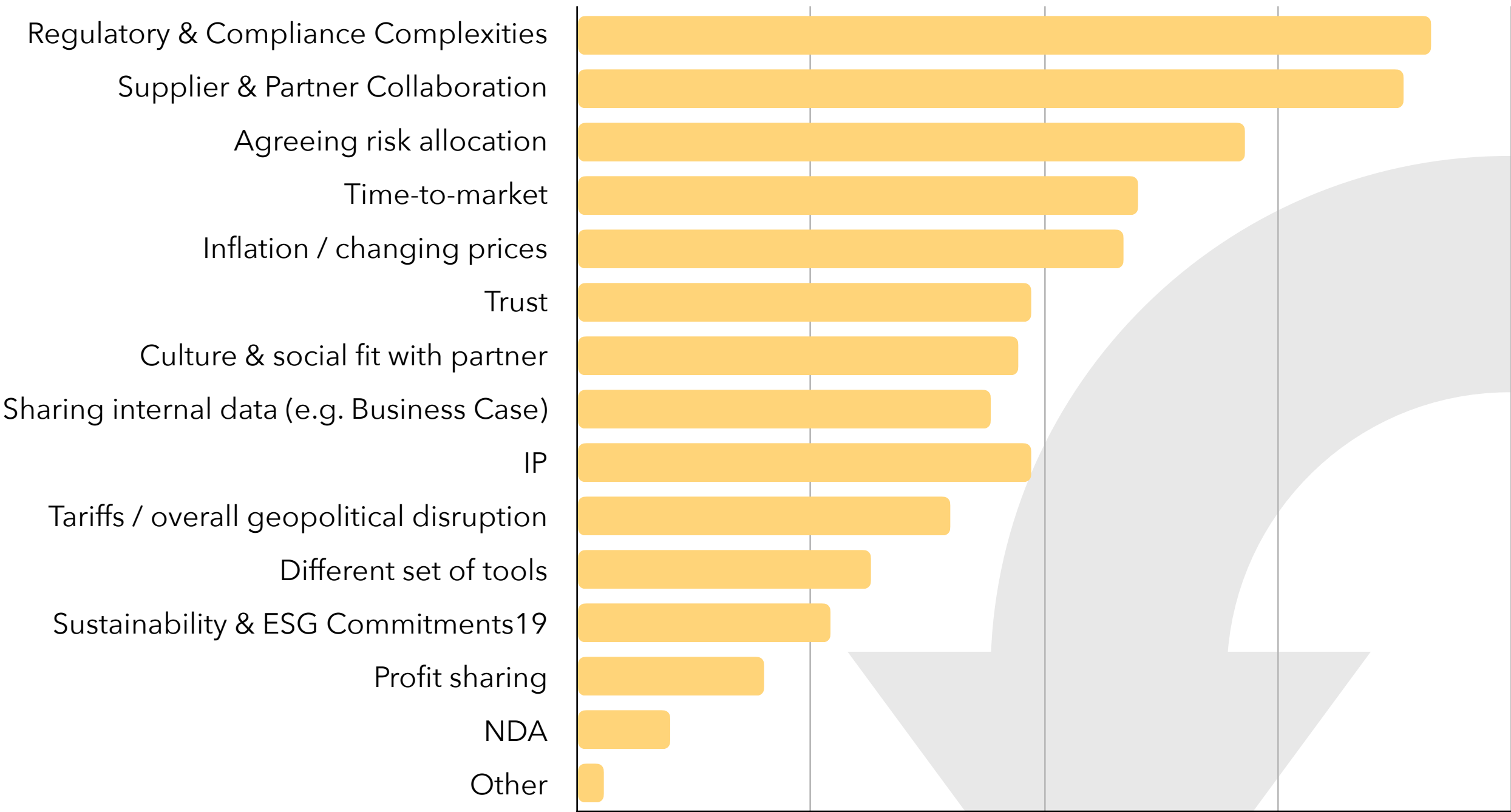
CONTRACT STRATEGY IN SUPPLY CHAIN MANAGEMENT

The most common multi-partner contracting strategy remains a one-contract-per-partner model, used by 51% of respondents. Compared to the 2024 report, a growing minority now report using collective contracts with multiple partners (25%). Additionally, 7% of respondents operate some relationships without any formal agreement, while 12% rely solely on a governance framework.

51%	25%	12%	7%	5%
1 contract per partner / 1st Tier only	Collective contract per business case (e.g. alliances, supply networks)	We only have a loosely coupled governance	Trust - verbal agreement	Other

CHALLENGES FOR ESTABLISHING & ADOPTING A SUPPLY CHAIN

In contrast to the 2024 results, respondents report a significant shift in priorities. Regulatory and compliance complexities have emerged as the number one challenge in establishing and managing supply chains. At the same time, collaboration with suppliers and partners has also become increasingly difficult.

Regulatory & Compliance Complexities
Supplier & Partner Collaboration
Agreeing risk allocation
Time-to-market
Inflation / changing prices
Trust
Culture & social fit with partner
Sharing internal data (e.g. Business Case)
IP
Tariffs / overall geopolitical disruption
Different set of tools
Sustainability & ESG Commitments19
Profit sharing
NDA
Other

NextGEN SUPPLY CHAIN SUPPLY CHAIN

Artificial Intelligence has already begun to reshape how we work—and its impact is only accelerating. In the realm of supply chain management, AI promises to unlock new levels of speed, precision, and adaptability. While we're still at the early stages, its potential to redefine the next generation of supply chains is undeniable.
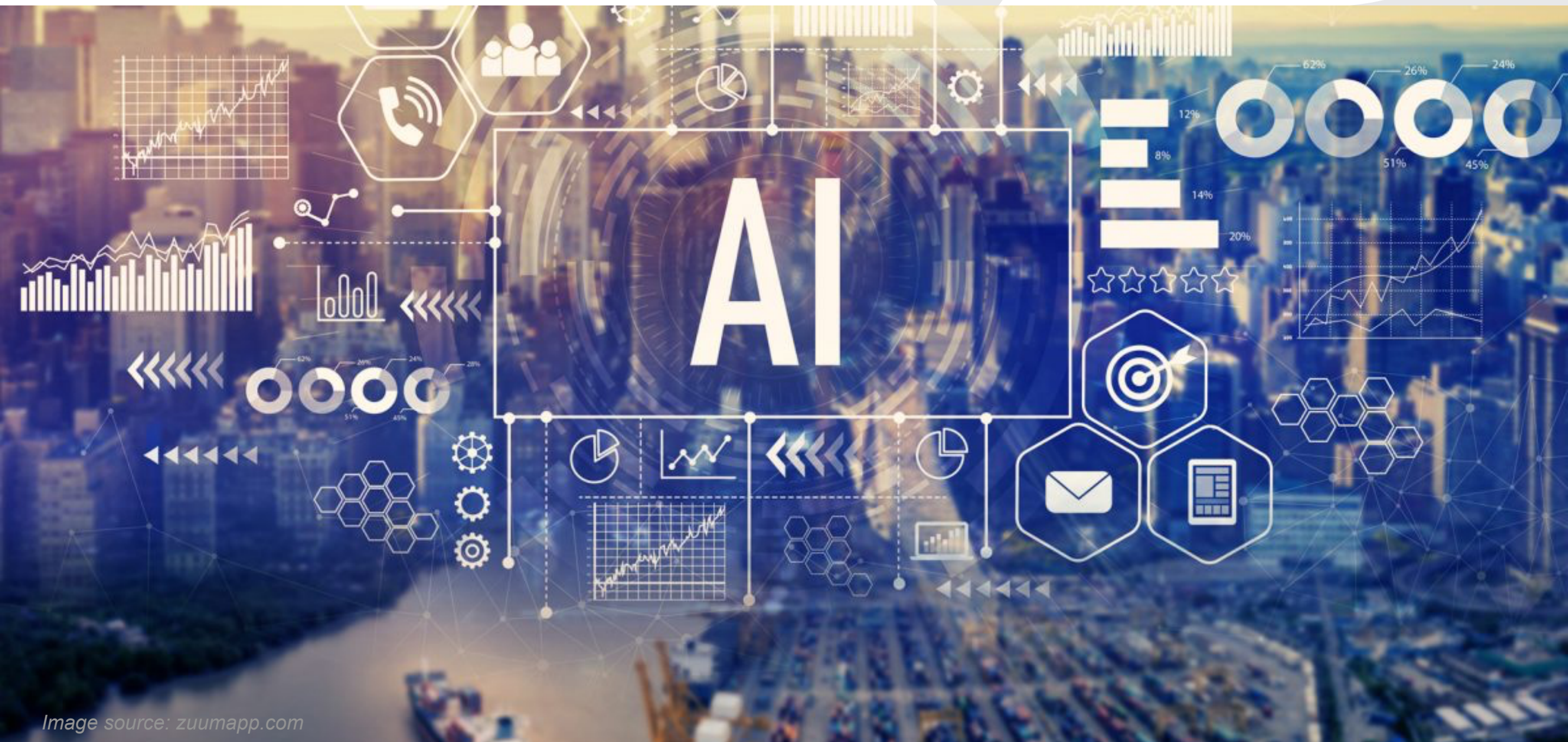

Image source: zuumapp.com

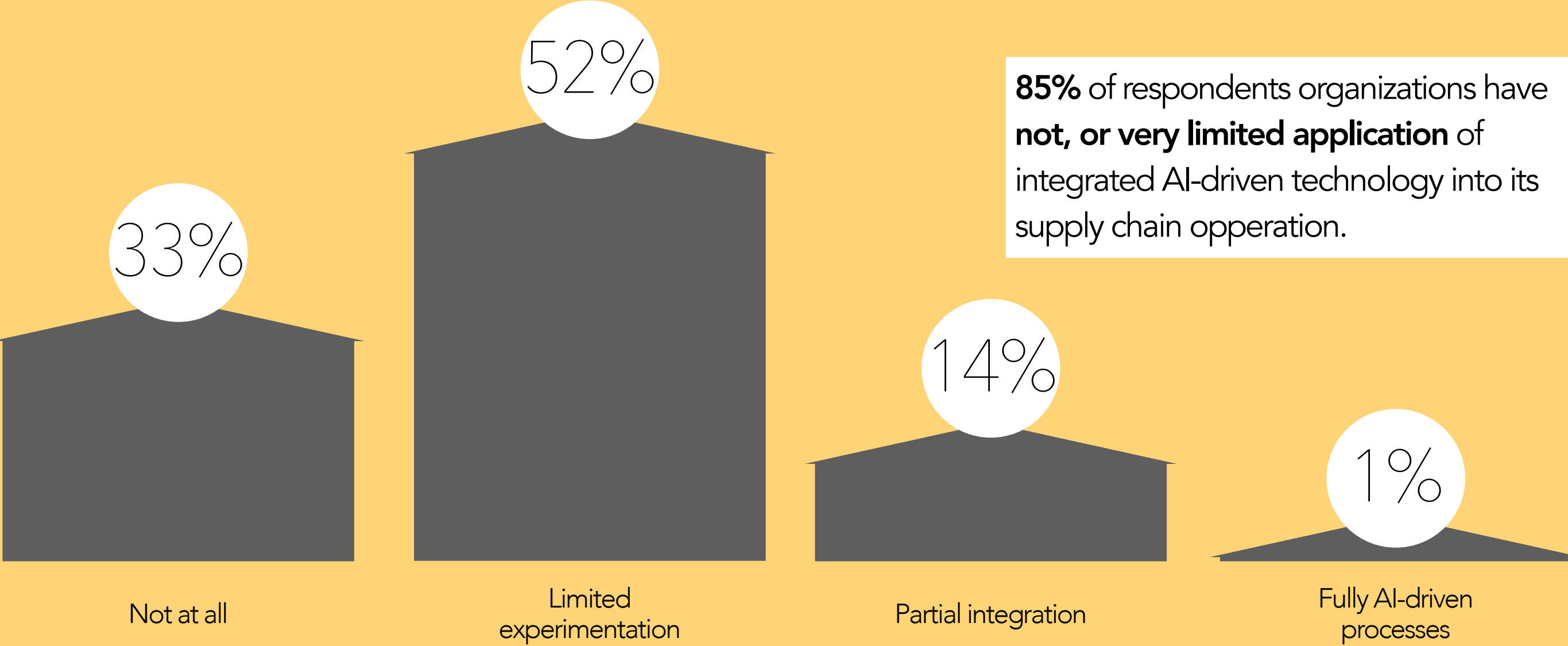# INFLUENCE OF AI IN SUPPLY CHAIN MANAGEMENT & CONTRACTING

Respondents highlighted several positive impacts of AI on supply chain management and contracting—including greater supply chain visibility, faster decision-making and risk management, as well as real-time demand forecasting and inventory optimization.
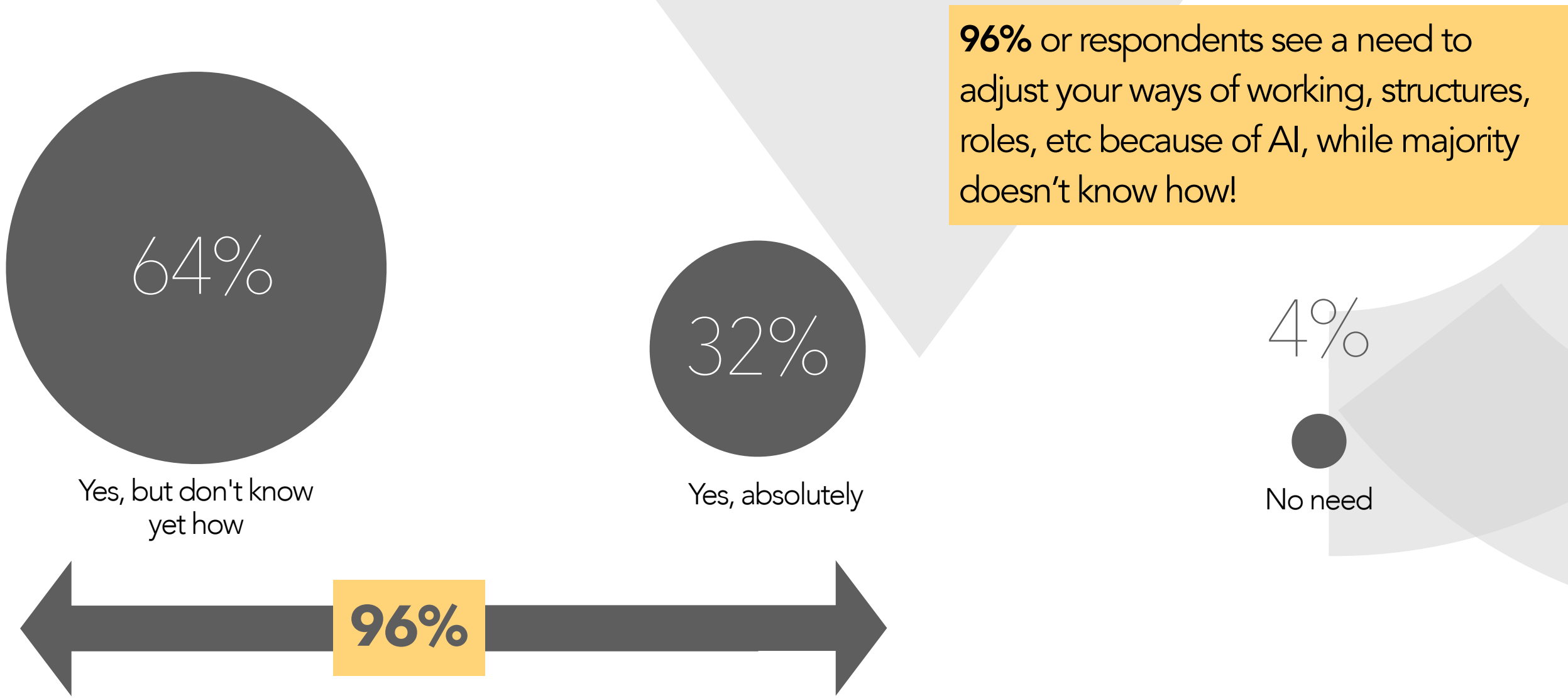
NextGEN SUPPLY CHAIN
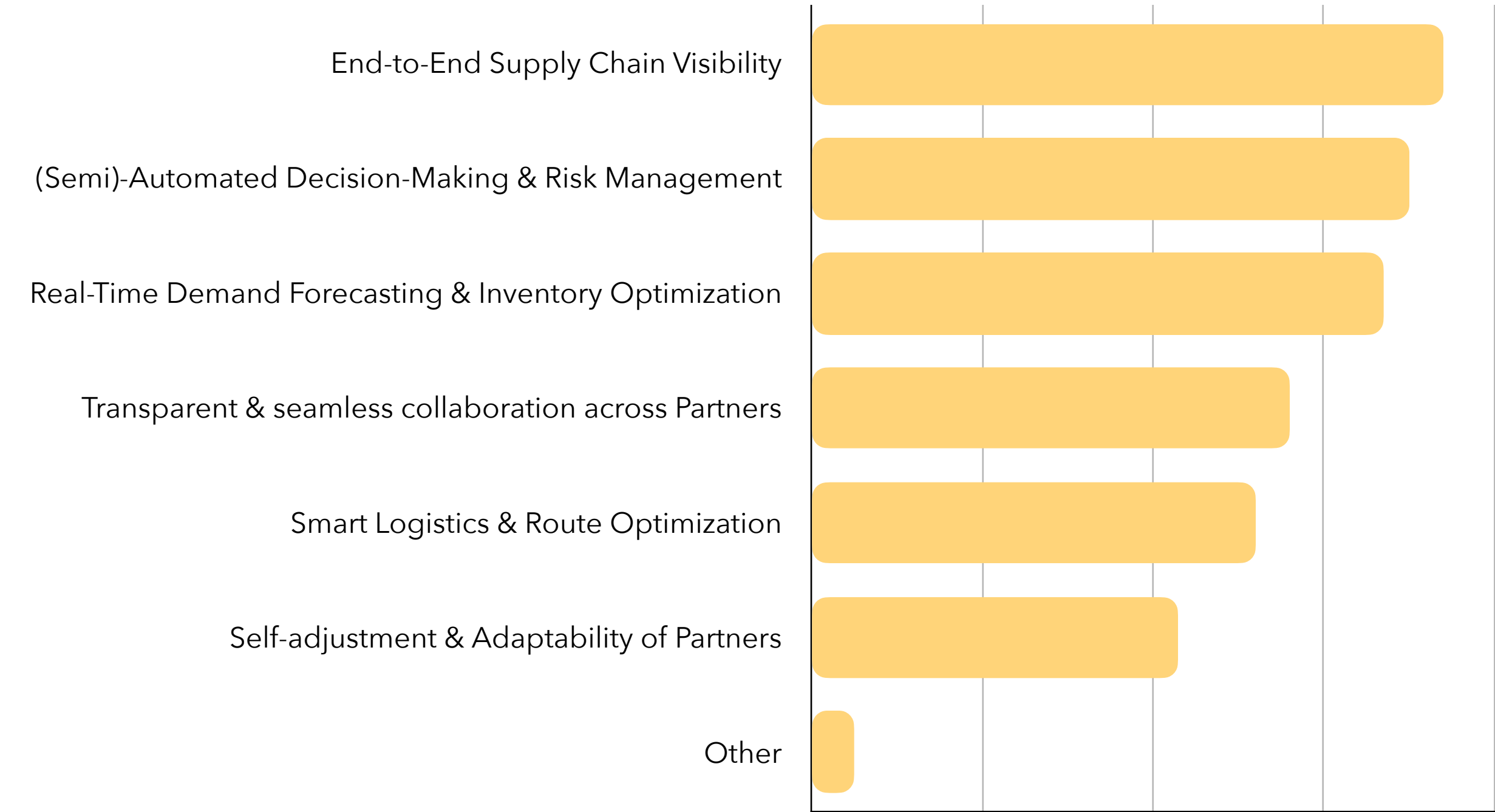
While aligned with reported commercial priorities, the current application of AI in supply chain operations remains limited and largely in an experimental phase. However, an overwhelming 96% of respondents acknowledge the need to adjust their ways of working, structures, and roles due to AI—though the majority admit they are unsure how to do so.

APPLICATION OF AI IN SUPPLY CHAIN OPERATIONS

52%

33%

14%

1%

Not at all

Limited experimentation

Partial integration

Fully AI-driven processes

85% of respondents organizations have **not, or very limited application** of integrated AI-driven technology into its supply chain opperation.

NEED TO ADJUST YOUR WAYS OF WORKING BECAUSE OF AI

64%

32%

4%

Yes, but don't know yet how

Yes, absolutely

No need

96% or respondents see a need to adjust your ways of working, structures, roles, etc because of AI, while majority doesn't know how!

96%

NextGEN SUPPLY CHAIN

Both procurement and supply-side respondents agree that Agile practices and principles are essential for effectively leveraging AI. Referring back to the earlier finding—where 96% of respondents acknowledged the need to adapt their ways of working, structures, and roles due to AI—common Agile practices and principles could offer valuable guidance on *how* to navigate this transformation. Or in other words, AI will be just one piece of the puzzle in improving Business Agility and Adaptability.

IMPORTANCE OF AGILE PRACTICES & PRINCIPLES FOR LEVERAGING AI

60% VERY IMPORTANT

25% IMPORTANT

14% DON'T KNOW

1% NOT IMPORTANT

85%

85% of respondents agree that agile practices & principles are key for leveraging AI.

Image source: agilewaters.com

BENEFITS FROM ADOPTING AGILE

STATE OF AGILITY
IN PROCUREMENT & SUPPLY
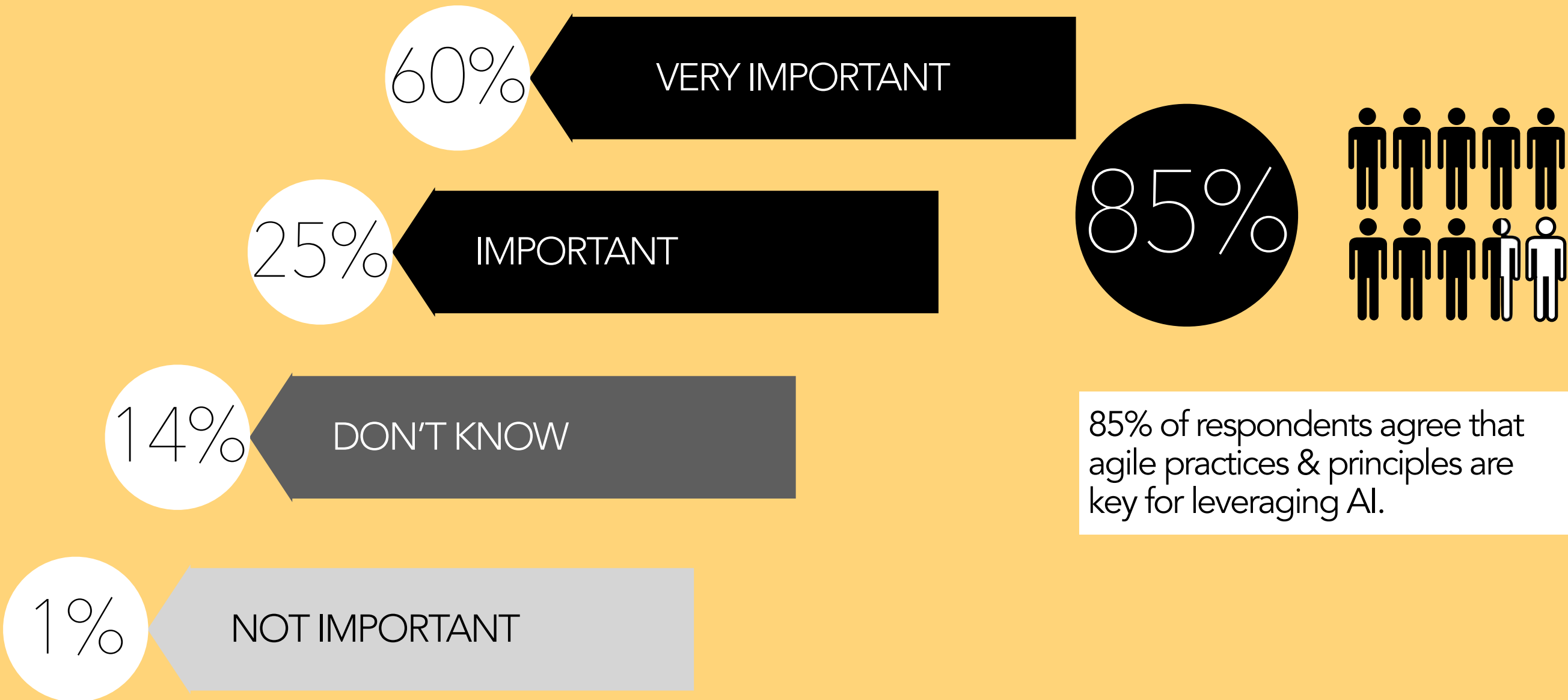
Respondents confirm that adopting Agile has a significant positive impact across all players in the value chain. It begins with stronger business alignment and improved customer satisfaction, and extends to enhanced supply chain resilience and increased (co-)innovation—both of which are ranked among the top commercial priorities for 2025 across all industries.

BENEFITS FROM ADOPTING AGILE

Respondents reported significant improvements that have resulted from their adoption of agile working practices in procurement/sales.

Improved business alignment & customer satisfaction 25%	**Improved supply chain resilience & Increased (co-) innovation** 18%	**Improved time to market** 14%	**Improved total cost of ownership** 13%	**Improved risk reduction** 12%	**Improved status & reputation of team / function** 8%	**Improved vendor satisfaction** 8%	**Other or yet to see any visible benefits** 2%

CHALLENGES ADOPTING AGILE

Similar to last year, the top three barriers to Agile adoption remain unchanged: organizational resistance to change, lack of knowledge, and cultural challenges.

- Organizational restistance to change
- Lack of skills / experience with agile methods
- Organizational culture at odds with agile values
- Inadequate management support
- Unable to adapt current processes / governance / policies
- Insufficient training & education
- Minimal collaboration & knowledge sharing
- Have not adopted
- Lack of business / customer availability to support change
- Other

CONCLUSION

Artificial Intelligence is undeniably the next big thing—also in Procurement and Supply. It is already reshaping, and will increasingly redefine, the NextGEN Supply Chain. However, unlocking its full potential will require not just technological advancements, but also a fundamental evolution of existing structures, processes, roles, and contracting models.

This transformation is driven by a sharp rise in the need for **business agility, adaptability,** and **innovation**—all while maintaining **cost-efficiency** across industries. At the same time, organizations face an environment of unprecedented volatility, where multi-dimensional disruptions are becoming the norm rather than the exception.

Respondents are acutely aware of these pressures. Yet many cite a lack of leadership support and uncertainty about where and how to begin their agile adoption. In this context, Agile principles and practices offer proven guidance for navigating complexity and accelerating progress. Zooming out, it becomes clear that **collaboration** and **co-creation** across the entire value stream will be essential—particularly when addressing shared, systemic challenges such as sustainability, societal impact, and the need to reshape the economy based on **win-win partnerships**.

Future Directions

To accelerate progress, organizations can build on peer insights and reported strategies for overcoming complexity in supply chain management. While the need for change is widely recognized, actual implementation continues to lag, revealing a gap between strategic intent and operational execution.

In addition to limited executive sponsorship, organizations cite a skills gap and persistent cultural resistance as key barriers. To address these, leaders must focus on three critical actions:

- **Strengthen Executive Engagement**
  Ensure sustained leadership buy-in, resource commitment, and visible sponsorship to drive agile adoption with impact.
- **Build Agile Capabilities Across the Organization/s**
  Invest in structured capability-building to close skill gaps and empower teams to apply Agile principles with confidence and consistency.
- **Shape the NextGEN Supply Chain for the Age of AI**
  Proactively integrate strategic partners, foster collaboration, and adopt co-creation models to build more resilient, adaptive, and AI-ready supply networks.

Looking ahead, organizations must meet these challenges head-on by creating environments that not only embrace Agile in principle, but also embed it in daily practice—to remain competitive in an increasingly complex and volatile global landscape.

More

To find out more about the creators of this annual report visit the websites:

www.worldcc.com

www.LAP-Alliance.org