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Prologis Releases Inaugural Supply Chain Intelligence Report

New Survey Reveals Growing Executive Focus on Sustainability, Automation, and AI in Supply Chains

SAN FRANCISCO, Oct. 1, 2024 /PRNewswire/ -- The 2025 Prologis Global Supply Chain Outlook report reveals that business leaders across multiple sectors are preparing for what experts are now calling a 'polycrisis'—a convergence of economic instability, fluctuating customer demands and pressing climate challenges. Conducted by The Harris Poll, this exclusive annual survey of more than 1,000 business executives in the U.S., U.K. and Germany underscores the critical need for nimbleness and resilience as companies navigate mounting challenges.



Sleepless Nights Over Supply Chain Pressures

From post-pandemic shocks to ongoing logistics bottlenecks, supply chains are being tested on multiple fronts. Two-thirds of executives surveyed (66%) indicated they lose sleep about supply chain issues, highlighting the significant stress these conditions create:

- 86% of executives: "Rising economic and geo-political pressures are driving decisions on where to manufacture and store goods."
- 71% of executives: "I am under pressure to transition energy sources."
- 70% of executives: "It is difficult to identify where to allocate supply chain investment for maximum return."

"Supply chain capabilities are crucial for business success, and the ability to anticipate and swiftly adapt to rapid changes is key to thriving," said Hamid R. Moghadam, co-founder and CEO, Prologis. "In today's complex and interconnected world, disruptions create ripple effects that can reshape industries and have lasting consequences on global operations."

Sustainability & Shaping the Future

Sustainability, prompted by shifting stakeholder values and increased competition for energy resources, has become a top priority for supply chain leaders. According to the report, 85%

of executives now regard sustainability as a core business objective, recognizing that green initiatives represent not just a compliance necessity, but a competitive edge in today's marketplace.

"With nearly three-fourths of executives feeling the urgency to accelerate the shift to alternative energy sources, supply chain leaders are pressed to implement faster and more sustainable solutions," stated Susan Uthayakumar, chief sustainability and energy officer at Prologis. "Companies that prioritize sustainable solutions today are positioning themselves for greater resilience and competitiveness in the future."

Companies are racing to adapt as regions tighten emissions targets and other environmental regulations. As requirements evolve, many leaders are now making strategic decisions based on their ability to meet sustainability goals. In fact, 79% of executives agreed with this statement: "The pace at which we're transitioning to alternative energy sources feels too slow for me; I believe we will need to speed up in the next 24 months."

Automation: The Driving Force Behind Supply Chain Improvements

Automation has emerged as a key tool for companies looking to streamline their supply chain operations, reduce costs and boost productivity. Automation is particularly transforming logistics operations. Executives are increasingly relying on automated solutions to improve safety while increasing productivity and reducing operating costs.

While qualified labor shortages contribute to the push for automation, businesses are also driven by the need to ensure continuity, improve efficiency and accelerate speed-to-market. In fact, 87% of executives agreed with this statement: "Investing in automation solutions in the supply chain will significantly minimize labor-related issues (i.e., lessen burnout, reduce labor shortages)."

Artificial Intelligence: Shaping the Future of Supply Chain Innovation

Artificial Intelligence (AI) plays an essential role in executive's ability to respond proactively to rising economic and geo-political pressures. AI is being used in more advanced areas such as demand forecasting, real-time data analysis and risk mitigation. It allows businesses to anticipate market shifts, plan for alternative scenarios and respond to disruptions more effectively.

Executives are increasingly looking to AI for predictive insights, with 80% saying, "There is a lot of external pressure to adopt AI practices to stay competitive in the industry." However, 94% experience challenges preventing them from adopting AI, including security concerns, data quality, change management and complexity of implementation.

"AI's promise is to help organizations predictively react to supply chain pressures, including by calibrating customer demand, anticipating disruptions and responding in real-time," remarked Chris Caton, managing director, Global Strategy and Analytics for Prologis. "AI will enable businesses to respond more swiftly to change, whether its disruptions or evolving consumer habits, helping them stay ahead in a rapidly shifting landscape."

Preparing for the Unexpected

As natural disasters, regulatory shifts and unexpected political events loom, executives

acknowledge that agility is crucial for determining whether their companies can thrive or falter. In fact, preparing for unforeseen 'black swan' events is a top priority for 87% of them.

The majority of executives acknowledge their vulnerability to unexpected disruptions and agree there is room to improve. Only about four in 10 executives feel adequately prepared for challenges like cybersecurity attacks (42%), technological disruptions (41%), regulatory changes (40%) and labor market fluctuations (39%), with even fewer ready for trade wars (36%) or global pandemics (34%). This realization has prompted a reassessment of risk management strategies, emphasizing the need for flexibility and redundancy in supply chains.

Looking Ahead: The Future of Supply Chain Transformation

Prologis' 2025 Global Supply Chain Outlook report unveils the transformative and strategic shifts organizations are undertaking to confront evolving challenges. The integration of AI (81%), automation (81%), intelligent data analytics (80%) and sustainability (79%)—all deemed essential by executives—is set to revolutionize supply chain management.

Emerging technologies such as cloud solutions and IoT-enabled monitoring, are poised to enhance data management and facilitate real-time tracking. These innovations will streamline logistics and bolster agility, enabling organizations to swiftly adapt to changing market conditions.

You can find more details and download the Prologis 2025 Global Supply Outlook report [here](#).

Survey Methodology

This survey was conducted by The Harris Poll on behalf of Prologis from September 4th to 19th, 2024, among a sample of 1,025 business executives who play pivotal roles in their organizations. The study includes insights from 508 U.S. executives, 263 U.K. executives and 254 German executives, offering a diverse international perspective on the challenges and opportunities shaping supply chain management today and in the future. The survey includes respondents from companies with over 250 employees, and a third of participants work at organizations with annual revenues exceeding \$2 billion. This online survey is not based on a probability sample, and therefore no estimate of theoretical sampling error can be calculated.

About Prologis

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. At June 30, 2024, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 1.2 billion square feet (115 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 6,700 customers principally across two major categories: business-to-business and retail/online fulfillment.

About The Harris Poll

The Harris Poll is one of the longest-running surveys in the U.S., tracking public opinion,

motivations, and social sentiment since 1963, and is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas: building 21st-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and guidance to help leaders make the best decisions possible. To learn more, please visit www.theharrispoll.com

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