

# Episode 140: A 2025 wrap-up

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**Richard Howells:** Welcome to the Future of Supply Chain. Today we're having a very special edition of the podcast as it's our last for 2025. So Oyku and I will reflect on this year's hot topics, most common challenges and opportunities in the supply chain world. So, over to you, Oyku.

**Oyku Ilgar:** Hello everyone. I'm Oyku Ilgar, a marketer, blogger and podcaster in the supply chain and ERP area at SAP. Crazy to believe that we're at the end of this year. It feels like yesterday we were talking about the predictions for 2025 and what's going to be trendy for this year for supply chain, and today we're already wrapping up the year.

**Richard Howells:** This year we didn't get one episode where we didn't talk about AI and digital transformation. From basic digitization to fully integrated AI enabled supply chains. It was probably the hottest topic of all. This is what Simon Ellis from IDC had to say on where companies are on the AI [00:01:00] journey.

**simon-ellis\_1\_07-01-2025\_130239:** I do think that supply chain is an AI enabled, fully integrated set of capabilities. The systems, the processes, the people. Some supply chain jobs will probably get replaced by technology, but others will get created by technology.

**Richard Howells:** Jeb Insley from SAP pointed out the importance of strong data at a digital foundation when he said

**Jeb:** Yeah, the first step is really providing the digital framework and transforming your business to be digital, right? Having that foundation that allows you to ultimately do a lot more with your business. As long as the business processes are digitized and connected, that's the first step. There's a lot of discussion. But AI is key and you can't really do anything with AI until you have a digital representation of your business. And, then you start to talk about how AI benefits a business that's digital.

**Richard Howells:** Jim Bureau, the president and CEO of Software expanded on [00:02:00] Jeb's thoughts.

**Jim:** The future of supply chain is creating the digital twin between the physical and digital world allowing for information exchange in real time at scale with intelligence embedded throughout.

**Richard Howells:** Benedict Gieger from SAP also had a different perspective of where AI will take supply chains.

**Benedikt Gieger:** The supply chain of 2050 I think, will be highly regionalized, but globally coordinated through intelligent data sharing systems and also ecosystems and it will be powered by AI agents running potentially on quantum computers at that time.

**Richard Howells:** And not surprisingly, Paige Cox from Everstream also had a strong point of view on the topic.

**Paige:** I think the next chapter is clear, the future supply chain will need to be intelligent, but it needs to be adaptive and measurable. So intelligent because AI and data can turn [00:03:00] billions of signals into foresight. Adaptive because companies can pivot quickly across plan stores, make, deliver.

**Oyku Ilgar:** The importance of business networks and supply chain orchestration were another recurring theme of this year. Tony Harris from SAP shared his thoughts on business networks importance.

**Tony:** The future of supply chain is not the future. It's here already. It's not tomorrow, it's today. It is supply chain orchestration and business networks play a hugely important role in supply chain orchestration. I guess my final words would be, so what are you waiting for? Get on with it today. Go get that profile created and become part of the network's economy.

**Oyku Ilgar:** SAP's SP Van Houten expanded on Tony's thoughts from supply chain planning perspective.

**SP:** The future of supply chain planning is more intelligent, highly automated and also highly collaborative. [00:04:00] Fast technologies will drive efficiency, sustainability and resilience across entire supply chains, and we will really enable a human-centric supply chain that transforms businesses by autonomously executing routine tasks.

**Richard Howells:** The next theme that was quite common this year is cybersecurity, not just in IT, but deep in the supply chain and ERP stack. With the rise of AI, cybersecurity became one of the most urgent themes. We asked

our guests how exposed they think companies connected networks really are to cybersecurity risks. Tim Gaus from Deloitte highlighted how critical cybersecurity is from his perspective:

**Tim Gaus:** We're in a world where technology is everywhere and manufacturing is not unique. Now, we've always invested a lot in things like automation and plant floor, but now you're seeing the convergence of the IT world, Cloud and things that nature coming to our everyday operations. And just figuring out how to do that effectively in a [00:05:00] kind of secure and cyber secure way is another critical need of manufacturing.

**Richard Howells:** And Gabs Fiata, a regular guest on the show had a strong opinion on the topic.

**Gabriele:** Supply chains are getting faster, more connected, and more complex, and that means more doors for attackers to work through. So today, ERP systems, they need security at their core. It cannot be added later as a tool or as a plugin. And I'm talking embedded, real time threat detection, AI that spots weird behaviors before they become a breach, and most importantly, a mindset shift from trusting everything inside the network to the concept of trusting no one and always verify. And at the end of the day, a secure ERP means a resilient supply chain. And in today's world, resilience is the [00:06:00] competitive edge.

**Oyku Ilgar:** This year we talked a lot about geopolitics and trade policy from new tariff threats to shifting alliances, and it was definitely one of the hottest topics on the show. Here's how our guests explained what those changes mean for network design and sourcing strategy. Adrian Gonzalez, president of Adelante SCM shared his thoughts on the geopolitical situation in the world.

**Adrian Gonzalez:** If you look at the headlines and what people are talking about is the reelection of Donald Trump and his promise of imposing tariffs on all imports, really, particularly higher ones for those from China. So, if those do indeed happen to some extent, that's obviously going to have some impact in terms of procurement decisions, supply chain design decisions, how to mitigate the increased costs that company's going to have. Geopolitics, right? We still have the ongoing Russia Ukraine war. Last year, we saw everything going on with the Middle East and the Red Sea, which diverted shipments and had some impacts on supply chain, which is ongoing today. So, there's just a lot of unpredictability and [00:07:00] risks involved from a global trade standpoint.

**Oyku Ilgar:** SAP's president and chief product officer for Supply chain management, Dominic Metzger shared the challenges supply chains faced in 2025.

**Dominik:** There is the overarching challenge right now of macroeconomic tectonic plates that are shifting, right? So the policies that the large economies are launching make the lives of supply chain and chief supply chain officers at the moment, very tough. So to be concrete with the introduction or the discussion around new trade tariffs between major economies, the United States, Canada, Mexico, the European Union, China, this of course, completely turns around the business case of where do I produce and where do I sell my products to.

**Oyku Ilgar:** Also, Ashley Hetrick from BDO USA shared her thoughts from a manufacturing perspective.

**Ashley:** Disruption is the new normal in [00:08:00] supply chains. Earlier this year we released our CFO survey for 2025, in which 13% of the manufacturing CFOs we surveyed predicted their top concern, no surprise would be increased tariffs on imports into the United States. And that number we have to assume, has increased. Reshoring is not going to eliminate the entire impact of those tariffs however, it does change the value of those goods that the tariffs are applied to.

**Richard Howells:** AI and automation were everywhere in 2025, but so was the phrase human-centric supply chain. This year we really dug into what people should be doing as technology takes over routine tasks.

Here's how Tim Gaus frame the new roles and skills that he is seeing emerging.

**Tim Gaus:** No matter the size of the company, the location of the company, the need to have a workforce who's engaged and [00:09:00] productive, particularly as I have a lot of folks who have been in manufacturing for a number of years, trying to think about the next chapter of their life, just a critical need across the board. We find a lot of our clients are really struggling with how do I manage that evolving workforce? How to bring a younger generation onboard as quickly as possible? And how, as folks who have been in my environment for 20, 30, 40 years exit, how do I maintain and capture their knowledge before they leave us? And so that to me is probably the most important thing that we see our clients struggling with.

**Richard Howells:** Simon Ellis from IDC also had a point of view here when he said that

**simon-ellis\_1\_07-01-2025\_130239:** Some supply chain jobs will probably get replaced by technology, but others will get created by technology.

**Richard Howells:** SAP's SP Van Houten is positive about the impact of automation as he describes,

**SP:** Fast technologies will drive efficiency, sustainability and resilience across entire supply chains, [00:10:00] and we will really enable a human-centric supply chain that transforms businesses by autonomously executing routine tasks. Our technology frees the teams to focus on more higher value adding activities. And this will then foster more empathetic and user-focused environment geared to ongoing and sustained adoption.

**Richard Howells:** And here's what Benedict Gieger had to say on the topic.

**Benedikt Gieger:** AI agents can handle everything from forecasting to physical logistics. And yes, humans will play a strategic, ethical and also a creative role.

**Richard Howells:** Mark Baxa, the CEO of the CSCMP also shared his thoughts.

**Mark:** We will continue to be the problem solvers and deliverers for society, that we will exist for the betterment of society. And as we hit that goal, we'll be financially rewarded.

**Oyku Ilgar:** And finally we got a topic of [00:11:00] sustainability. It's been a big focus this year, not just as a side project, but really as a license to operate, especially for companies tied to Europe. It's clearly a hot topic, so let's hear what our guests had to say. Starting with Dominic's take on the challenges around the ESG regulations. Here is what he shared.

**Dominik:** The second problem space is certainly they're closely interlinked governmental regulation, especially though when it comes to ESG. And let me especially double down on the sustainability portion. Of course any company in the world running business in Europe. Europe is regulated around sustainability. I was just actually on the phone with a customer from Japan and they were highly interested in how they can produce compliant with sustainability regulations out of Europe, 'cause Europe is a large market to them.

**Oyku Ilgar:** And SAP's David Vallejo shared a positive perspective on how technology can drive sustainability in supply chains.

**David:** The future of supply chain from a technology standpoint will be a great [00:12:00] showcase how AI can be used in a responsible way and in a reliable way to actually improve enterprise's ability to use the supply chain as a differentiator and also to be more responsible for the planet by using data to actually understand and be aware of the sustainability footprint that an enterprise leaves behind. And improve, things like a circular economy, that a product can actually be reused and will ultimately provide, hopefully for generations to come a greener planet and products that are available at their fingertips and without compromising between the two.

**Oyku Ilgar:** Benedict expanded on what David had shared.

**Benedikt Gieger:** AI agents can handle everything from forecasting to physical logistics and, we see the deeply aligned with planet positive goals, circularity, zero emissions, fair labor [00:13:00] things so that the supply chains are really sustainable.

**Oyku Ilgar:** And Paige Cox held a strong opinion regarding the future outlook.

**Paige:** I think the next chapter is clear, the future supply chain will need to be intelligent, but it needs to be adaptive and measurable. Measurable because resilience will be judging outcomes, revenue protected, disruption avoided, ESG strengthened.

**Richard Howells:** Thanks for joining us throughout 2025 as we explored major shifts in supply chain. From workforce challenges and geopolitical challenges to sustainability, cybersecurity, and AI driven transformation. These conversations showed us that the future of supply chain management is already unfolding today full of both opportunities and urgent challenges.

**Oyku Ilgar:** Wishing everyone a merry Christmas filled with joy, warmth, and a bit of well-deserved rest. And here is to a happy and successful 2026 moving forward together with resilience and [00:14:00] innovation. Thanks for listening, and we'll see you in the new year.